CAPITALAND LIMITED

(Registration Number : 198900036N)

2016 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CAPITALAND LIMITED
2016 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	2Q 2016 S$'000	2Q 2015 S$'000	Change %	1H 2016 S$'000	1H 2015 S$'000	Change %
Revenue	A	**1,131,652**	**1,031,314**	**9.7**	**2,025,827**	**1,946,311**	**4.1**
Cost of sales	B	(827,986)	(636,854)	30.0	(1,442,775)	(1,190,157)	21.2
Gross profit		303,666	394,460	(23.0)	583,052	756,154	(22.9)
Other operating income	C	188,150	360,527	(47.8)	294,089	377,318	(22.1)
Administrative expenses	D	(92,772)	(98,898)	(6.2)	(184,851)	(192,461)	(4.0)
Other operating expenses	E	(6,083)	(17,212)	(64.7)	(6,221)	(46,140)	(86.5)
Profit from operations		392,961	638,877	(38.5)	686,069	894,871	(23.3)
Finance costs		(113,713)	(121,741)	(6.6)	(232,512)	(239,846)	(3.1)
Share of results (net of tax) of:	F						
- associates		121,494	153,592	(20.9)	244,089	239,299	2.0
- joint ventures		76,646	82,616	(7.2)	119,178	122,464	(2.7)
		198,140	236,208	(16.1)	363,267	361,763	0.4
Profit before taxation		477,388	753,344	(36.6)	816,824	1,016,788	(19.7)
Taxation	G	(82,063)	(143,810)	(42.9)	(133,648)	(194,377)	(31.2)
Profit for the period		395,325	609,534	(35.1)	683,176	822,411	(16.9)
Attributable to:							
Owners of the Company ("PATMI")		**294,049**	**464,000**	**(36.6)**	**512,315**	**625,258**	**(18.1)**
Non-controlling interests ("NCI")		101,276	145,534	(30.4)	170,861	197,153	(13.3)
Profit for the period		395,325	609,534	(35.1)	683,176	822,411	(16.9)

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2016 vs 2Q 2015

(A) Revenue

The increase in revenue was mainly attributable to higher contribution from development projects in Singapore and China as well as higher rental income from our serviced residence business and CapitaGreen. The increase was partially offset by the absence of a fair value gain of $148.4 million arising from the change in use of a development project in China, The Paragon (Tower 5 and 6) in 2Q 2015. Excluding the fair value gain, Group's revenue increased by 28% in 2Q 2016. (Please see item 8 for details).

(B) Cost of Sales

The cost of sales increased in line with higher revenue from the development projects in Singapore and China, partially offset by lower provision for foreseeable losses in 2Q 2016 of $18.6 million (2Q 2015: $63.6 million). In addition, the project costs for development projects in Singapore were relatively higher this quarter.

(C) Other Operating Income

		Group		
		2Q 2016 S$'000	**2Q 2015 S$'000**	**Change (%)**
Other Operating Income		**188,150**	**360,527**	**(47.8)**
Investment income		790	1,016	(22.2)
Interest income	(i)	11,368	10,066	12.9
Other income (including portfolio gains)	(ii)	31,859	8,395	279.5
Fair value gains of investment properties	(iii)	132,712	322,400	(58.8)
Foreign exchange gain	(iv)	11,421	728	NM
Gain on repurchase of convertible bonds		-	17,922	NM

(i) Interest income increased mainly due to higher placement of surplus funds with financial institutions offset by lower amount of interest bearing loans extended to associates.

(ii) Other income for 2Q 2016 included portfolio gains mainly from the divestment of Somerset ZhongGuanCun Beijing.

(iii) The net fair value gains in respect of the Group's portfolio of investment properties held through subsidiaries were lower in 2Q 2016 as properties in Singapore, China, Japan and Australia registered lower gains as compared to last year.

The impact of valuation of investment properties held through associates and joint ventures is included in the Share of results of Associates and Joint Ventures (see Note (F)).

(iv) The foreign exchange gain in 2Q 2016 arose mainly from the revaluation of RMB and USD payables as the SGD has appreciated against the RMB and USD during the quarter.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2016 vs 2Q 2015

(D) Administrative Expenses

	Group		
	2Q 2016 S$'000	2Q 2015 S$'000	Change (%)
Administrative Expenses	**(92,772)**	**(98,898)**	**(6.2)**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(16,384)	(17,967)	(8.8)
Allowance for doubtful receivables and bad debts written off	(262)	(155)	69.0

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were lower this quarter mainly due to lower depreciation, operating lease expenses as well as professional fees.

(E) Other Operating Expenses

The decrease in other operating expenses in 2Q 2016 was mainly due to absence of a net portfolio loss of $15.4 million in 2Q 2015 which arose from the divestment of a mall in Japan.

(F) Share of Results (net of tax) of Associates and Joint Ventures

Share of results from associates was lower in 2Q 2016 due to lower net fair value gains from revaluation of investment properties in China as well as absence of a gain arising from change in use of Raffles City Changning Tower 3 in 2Q 2015, partially mitigated by project cost savings from d'Leedon.

Share of results from joint ventures decreased mainly due to lower fair value gains from revaluations of investment properties in Singapore and China, partially mitigated by higher handover of units from Dolce Vita project in China.

(G) Taxation expense and adjustments for over or under-provision of tax in respect of prior years

The current tax expense is based on the statutory tax rates of the respective countries in which the Group operates and takes into account non-deductible expenses and temporary differences.

Tax expenses were lower for the quarter mainly due to lower taxes being provided for revaluation of investment properties in China. Included in 2Q 2016's tax expenses was a tax write back of $3.9 million provided in prior years (2Q 2015: tax provision of $4.8 million in respect of prior years).

(H) Gain/(Loss) from the sale of investments

The gains/(losses) from the sale of investments are as follows:

2Q 2016	**PATMI (S$M)**
Somerset ZhongGuanCun Beijing	10.0
Citadines Hitec City Aparthotel Private Limited, India	(4.3)
Others	0.3
Total Group's share of gain after tax & NCI for 2Q 2016	**6.0**

2Q 2015	
Vivit Minami Funabashi, Japan	(13.6)
Ascott Beijing	4.9
Others	(2.1)
Total Group's share of gain after tax & NCI for 2Q 2015	**(10.8)**

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2016 S$'000	2Q 2015 S$'000	Change %	1H 2016 S$'000	1H 2015 S$'000	Change %
Profit for the period	395,325	609,534	(35.1)	683,176	822,411	(16.9)
Other comprehensive income:						
Items that are/may be reclassified subsequently to profit or loss						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations [(1)]	(514,722)	(103,591)	396.9	(778,465)	332,079	NM
Change in fair value of available-for-sale investments	10,590	(4,102)	NM	13,882	(3,835)	NM
Effective portion of change in fair value of cash flow hedges [(2)]	12,726	(26,853)	NM	(83,480)	4,085	NM
Share of other comprehensive income of associates and joint ventures [(3)]	(295,287)	48,601	NM	(547,574)	13,456	NM
Total other comprehensive income, net of tax	(786,693)	(85,945)	815.3	(1,395,637)	345,785	NM
Total comprehensive income	(391,368)	523,589	NM	(712,461)	1,168,196	NM
Attributable to:						
Owners of the Company	**(415,508)**	**408,800**	**NM**	**(721,189)**	**943,775**	**NM**
Non-controlling interests	24,140	114,789	(79.0)	8,728	224,421	(96.1)
Total comprehensive income	(391,368)	523,589	NM	(712,461)	1,168,196	NM

NM: Not meaningful

[(1)] *2Q 2016's exchange differences arose mainly from the appreciation of SGD against GBP, RMB and USD by 8.1%, 5.3% and 1.9%.*

1H 2016's exchange differences arose mainly from the appreciation of SGD against GBP, RMB and USD by 17.7%, 8.4% and 2.3%.

[(2)] *2Q 2016's effective portion of change in fair value of cash flow hedges arose mainly from the mark-to-market gains of the Group's cross currency swaps contracts which were entered into for hedging purpose.*

1H 2016's effective portion of change in fair value of cash flow hedges arose mainly from the mark-to-market losses of the Group's interest rate swaps and cross currencies swaps contracts which were entered into for hedging purpose.

[(3)] *The share of other comprehensive income of associates and joint ventures relate mainly to share of foreign currency translation reserve. 2Q 2016's share of exchange difference arose mainly from the appreciation of SGD against RMB by 5.3% and USD against RMB by 3.4%.*

1H 2016's share of exchange difference arose mainly from the appreciation of SGD against RMB by 8.4% and USD against RMB by 5.9%.

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2016 S$'000	31/12/2015 S$'000	Change %	30/06/2016 S$'000	31/12/2015 S$'000	Change %
Non-current assets						
Property, plant & equipment	766,086	808,331	(5.2)	22,023	14,391	53.0
Intangible assets	457,899	461,058	(0.7)	147	147	-
Investment properties (1)	19,559,351	19,427,532	0.7	-	-	-
Subsidiaries	-	-	-	12,246,960	12,944,900	(5.4)
Associates & joint ventures	12,331,546	12,858,128	(4.1)	-	-	-
Other non-current assets (2)	1,003,698	871,017	15.2	731	731	-
	34,118,580	**34,426,066**	**(0.9)**	**12,269,861**	**12,960,169**	**(5.3)**
Current assets						
Development properties for sale and stocks	*6,540,359*	*6,936,309*	*(5.7)*	-	-	-
Trade & other receivables (2),(3)	*1,177,025*	*1,424,438*	*(17.4)*	*1,081,973*	*398,489*	*171.5*
Cash & cash equivalents (4)	*3,920,925*	*4,173,281*	*(6.0)*	*15,383*	*9,249*	*66.3*
Other current assets	*4,941*	*8,292*	*(40.4)*	-	-	-
Assets held for sale (5)	61,569	*84,207*	*(26.9)*	-	-	-
	11,704,819	**12,626,527**	**(7.3)**	**1,097,356**	**407,738**	**169.1**
Less: Current liabilities						
Trade & other payables (6)	*4,753,947*	*4,063,476*	*17.0*	*109,862*	*199,300*	(44.9)
Short-term borrowings (7)	*2,060,706*	*2,246,370*	*(8.3)*	*864,382*	*184,250*	369.1
Current tax payable	*451,075*	*620,472*	*(27.3)*	*2,600*	*2,634*	(1.3)
	7,265,728	**6,930,318**	**4.8**	**976,844**	**386,184**	**152.9**
Net current assets	**4,439,091**	**5,696,209**	**(22.1)**	**120,512**	**21,554**	**459.1**
Less: Non-current liabilities						
Long-term borrowings (7)	13,454,245	13,812,110	(2.6)	2,036,591	2,704,520	(24.7)
Other non-current liabilities	1,395,812	1,372,503	1.7	21,410	23,506	(8.9)
	14,850,057	**15,184,613**	**(2.2)**	**2,058,001**	**2,728,026**	**(24.6)**
Net assets	**23,707,614**	**24,937,662**	**(4.9)**	**10,332,372**	**10,253,697**	**0.8**
Representing:						
Share capital	6,309,496	6,309,289	0.0	6,309,496	6,309,289	0.0
Revenue reserves	10,421,385	10,305,191	1.1	3,934,592	3,817,479	3.1
Other reserves (8)	10,206	1,290,826	(99.2)	88,284	126,929	(30.4)
Equity attributable to owners of the Company	16,741,087	17,905,306	(6.5)	10,332,372	10,253,697	0.8
Non-controlling interests	6,966,527	7,032,356	(0.9)	-	-	-
Total equity	**23,707,614**	**24,937,662**	**(4.9)**	**10,332,372**	**10,253,697**	**0.8**

Notes:

1. *The increase was mainly due to the acquisition of an investment property in the United States of America, fair value gains, as well as ongoing development expenditure for properties under construction mainly in China. The increase was partly offset by the divestment of Somerset ZhongGuanCun Beijing.*

2. *The increase was mainly attributed to the reclassification of a shareholder loan to an associated company from current trade and other receivables in accordance with the repayment terms following the refinancing this year.*

3. *The decrease was also due to the repayment of advances extended to associates and a joint venture.*

4. *The cash balances as at 30 June 2016 included $1.08 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).*

5. *The decrease was mainly due to the sale of units in Somerset Fortune Garden.*

6. *The increase was mainly due to higher progress billings in respect of our residential sales in China as well as advances from an associate.*

7. *The overall decrease in borrowings was mainly due to settlement in accordance with the repayment terms.*

8. *The decrease in other reserves was mainly due to foreign currency translation differences arising from appreciation of SGD against RMB, USD and GBP during the year.*

1(b)(ii) Group's borrowings (including finance leases)

	Group	
	As at 30/06/2016 S$'000	**As at 31/12/2015 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	311,152	596,297
Unsecured	1,749,554	1,650,073
Sub-Total 1	**2,060,706**	**2,246,370**
Amount repayable after one year:-		
Secured	5,138,120	5,344,254
Unsecured	8,316,125	8,467,856
Sub-Total 2	**13,454,245**	**13,812,110**
Total Debt	**15,514,951**	**16,058,480**
Cash	**3,920,925**	**4,173,281**
Total Debt less Cash	**11,594,026**	**11,885,199**

As at 30 June 2016, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $3.50 billion.

Details of any collateral

Secured borrowings are generally secured by mortgages on the borrowing subsidiaries' investment properties (including those under development) or development properties for sale and assignment of all rights and benefits with respect to the properties mortgaged.

1(c) Consolidated Statement of Cash Flows

	2Q 2016 S$'000	2Q 2015 S$'000	1H 2016 $'000	1H 2015 $'000
Cash Flows from Operating Activities				
Profit after taxation	**395,325**	**609,534**	**683,176**	**822,411**
Adjustments for :				
Amortisation and impairment of intangible assets	733	548	1,206	1,101
Allowance/(Write back) for:				
- Foreseeable losses	18,623	63,604	18,612	63,604
- Doubtful receivables	(603)	56	(376)	(1,442)
- Impairment loss on financial assets	6,891	-	6,891	-
- Impairment on property, plant and equipment	(17)	117	(7)	563
Gain from bargain purchase	-	-	-	(1,239)
Share-based expenses	11,311	8,418	15,945	11,476
Net change in fair value of financial instruments	(2,945)	705	(2,840)	(719)
Depreciation of property, plant and equipment	15,853	17,704	32,165	34,835
Gain on disposal of property, plant and equipment	(131)	(65)	(144)	(172)
Net fair value gain from investment properties	(132,712)	(322,400)	(211,389)	(322,371)
Fair value gain arising from change in use of development projects	-	(148,377)	-	(207,953)
(Gain)/Loss on disposal/liquidation/dilution of equity investments and other financial assets	(18,897)	15,341	(13,734)	33,951
Share of results of associates and joint ventures	(198,140)	(236,208)	(363,267)	(361,763)
Gain on repurchase of convertible bonds	-	(17,922)	-	(17,922)
Interest expense	113,713	121,742	232,512	239,847
Interest income	(11,368)	(10,066)	(22,394)	(20,723)
Taxation	82,063	143,810	133,648	194,377
	(115,626)	**(362,993)**	**(173,172)**	**(354,550)**
Operating profit before working capital changes	**279,699**	**246,541**	**510,004**	**467,861**
Changes in working capital				
Trade and other receivables	40,152	(428,789)	16,649	(573,143)
Development properties for sale	108,674	551,604	132,885	567,954
Trade and other payables	400,970	498,609	589,923	433,943
Restricted bank deposits	70	(3,836)	4,215	(11,759)
	549,866	**617,588**	**743,672**	**416,995**
Cash generated from operations	**829,565**	**864,129**	**1,253,676**	**884,856**
Income tax paid	(228,644)	(97,957)	(260,235)	(122,178)
Net cash generated from Operating Activities	**600,921**	**766,172**	**993,441**	**762,678**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	142	151	442	637
Purchase of property, plant and equipment	(21,678)	(14,367)	(43,762)	(22,566)
Advances from/ Repayment of loans by associates and joint ventures	46,862	144,874	404,500	236,423
Repayment from investee companies and other receivables	22,194	-	22,194	-
Deposits placed for investments	(68,231)	(28,227)	(90,478)	(76,683)
Acquisition/ Development expenditure of investment properties	(311,327)	(145,843)	(446,103)	(214,350)
Proceed from disposal of other financial assets	25,251	-	30,829	-
Proceeds from disposal of associates and joint ventures	-	151,017	-	153,104
Dividends received from associates and joint ventures	144,265	134,271	225,650	188,563
Acquisition of subsidiaries, net of cash acquired	(7,512)	(18,531)	(15,271)	(41,177)
Disposal of subsidiaries, net of cash disposed of	99,072	-	127,780	-
Settlement of hedging instruments	8,202	9,473	9,342	1,658
Interest income received	9,368	9,762	17,706	18,589
Net cash (used in)/ generated from Investing Activities	**(53,392)**	**242,580**	**242,829**	**244,198**

1(c) Consolidated Statement of Cash Flows (cont'd)

	2Q 2016 S$'000	2Q 2015 S$'000	1H 2016 $'000	1H 2015 $'000
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	-	2,279	105	4,327
Purchase of treasury shares	(56,839)	-	(56,839)	-
Contributions from non-controlling interests	999	12,487	100,588	12,487
Repayment of shareholder loans from non-controlling interests	(9,149)	(12,388)	(14,254)	(31,011)
Payment for acquisition of ownership interests in subsidiaries with no change in control	(9,888)	-	(14,487)	-
Proceeds from issue of perpetual securities	-	247,870	-	247,870
Proceeds from bank borrowings	1,097,817	1,212,960	1,789,424	2,131,540
Repayments of bank borrowings	(905,180)	(1,099,397)	(2,571,130)	(1,600,703)
Proceeds from issue of debt securities	-	650,000	222,450	750,000
Repayments of debt securities	-	(944,130)	-	(1,021,880)
Repayments of finance lease payables	(738)	(677)	(1,469)	(1,366)
Dividends paid to non-controlling interests	(38,638)	(13,734)	(181,686)	(146,904)
Dividends paid to shareholders	(383,034)	(384,069)	(383,034)	(384,069)
Interest expense paid	(120,215)	(126,559)	(226,942)	(255,333)
Bank deposits pledged for bank facility	2,352	(25,772)	(620)	(30,475)
Net cash used in Financing Activities	**(422,513)**	**(481,130)**	**(1,337,894)**	**(325,517)**
Net increase/ (decrease) in cash and cash equivalents	**125,016**	**527,622**	**(101,624)**	**681,359**
Cash and cash equivalents at beginning of the period	3,876,742	2,899,655	4,153,302	2,706,073
Effect of exchange rate changes on cash balances held in foreign currencies	(97,217)	(9,271)	(147,137)	30,574
Cash and cash equivalents reclassified to asset held for sale	-	(8,392)	-	(8,392)
Cash and cash equivalents at end of the period	**3,904,541**	**3,409,614**	**3,904,541**	**3,409,614**
Restricted cash deposits	16,384	85,557	16,384	85,557
Cash and cash equivalents in the Balance Sheet	**3,920,925**	**3,495,171**	**3,920,925**	**3,495,171**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $3,920.9 million as at 30/06/2016 included $1,909.3 million in fixed deposits and $408.8 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis
2Q 2016 vs 2Q 2015

In 2Q 2016, the Group generated a net cash of $600.9 million from its operating activities as compared to $766.2 million for the corresponding quarter last year. This was mainly due to lower progress billings from Singapore development projects and higher taxes paid in respect of residential projects in China.

Net cash used in investing activities for the quarter was $53.4 million. This comprised mainly the acquisition of a property in The United States of America and on-going development expenditure, partially offset by proceeds from sale of Somerset ZhongGuanCun in Beijing as well as dividends received for associates and joint ventures during the quarter.

Net cash used in financing activities for 2Q 2016 was $422.5 million. This was due mainly to dividend payment to shareholders and non-controlling interests, purchase of treasury shares, partially offset by net proceeds from bank borrowings.

1(d)(i) Statement of Changes in Equity

For the period ended 30/06/2016 vs 30/06/2015 – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2016	**6,309,496**	**10,511,258**	**768,436**	**17,589,190**	**6,981,292**	**24,570,482**
Total comprehensive income						
Profit for the period		294,049		**294,049**	101,276	**395,325**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(432,751)	**(432,751)**	(81,971)	**(514,722)**
Change in fair value of available-for-sale investments			3,842	**3,842**	6,748	**10,590**
Effective portion of change in fair value of cash flow hedges			11,281	**11,281**	1,445	**12,726**
Share of other comprehensive income of associates and joint ventures			(291,929)	**(291,929)**	(3,358)	**(295,287)**
Total other comprehensive income, net of income tax	-	-	(709,557)	**(709,557)**	(77,136)	**(786,693)**
Total comprehensive income	**-**	**294,049**	**(709,557)**	**(415,508)**	**24,140**	**(391,368)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Purchase of treasury shares			(56,839)	**(56,839)**	-	**(56,839)**
Issue of treasury shares			613	**613**	-	**613**
Contributions from non-controlling interests (net)				**-**	1,510	**1,510**
Dividends paid/payable		(383,034)		**(383,034)**	(23,143)	**(406,177)**
Distribution attributable to perpetual securities issued by a subsidiary		(2,093)		**(2,093)**	(7,534)	**(9,627)**
Share-based payments			10,424	**10,424**	76	**10,500**
Total contributions by and distributions to owners	-	(385,127)	(45,802)	**(430,929)**	(29,091)	**(460,020)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with change in control		14	(14)	**-**	-	**-**
Changes in ownership interests in subsidiaries with no change in control		(2,683)	561	**(2,122)**	(9,911)	**(12,033)**
Share of reserves of associates and joint ventures		1,429	(1,422)	**7**	-	**7**
Others		2,445	(1,996)	**449**	97	**546**
Total changes in ownership interests in subsidiaries and other capital transactions	-	1,205	(2,871)	**(1,666)**	(9,814)	**(11,480)**
Total transactions with owners	**-**	**(383,922)**	**(48,673)**	**(432,595)**	**(38,905)**	**(471,500)**
Balance as at 30/06/2016	**6,309,496**	**10,421,385**	**10,206**	**16,741,087**	**6,966,527**	**23,707,614**

** Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.*

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2016 vs 30/06/2015 – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2015	**6,306,305**	**9,780,527**	**1,195,159**	**17,281,991**	**6,576,683**	**23,858,674**
Total comprehensive income						
Profit for the period		464,000		**464,000**	145,534	**609,534**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(77,146)	**(77,146)**	(26,445)	**(103,591)**
Change in fair value of available-for-sale investments			(1,485)	**(1,485)**	(2,617)	**(4,102)**
Effective portion of change in fair value of cash flow hedges			(25,133)	**(25,133)**	(1,720)	**(26,853)**
Share of other comprehensive income of associates and joint ventures			48,564	**48,564**	37	**48,601**
Total other comprehensive income, net of income tax	-	-	(55,200)	**(55,200)**	(30,745)	**(85,945)**
Total comprehensive income	**-**	**464,000**	**(55,200)**	**408,800**	**114,789**	**523,589**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	2,904			**2,904**	-	**2,904**
Contributions from non-controlling interests (net)				**-**	11,853	**11,853**
Issue of perpetual securities by a subsidiary				**-**	247,355	**247,355**
Equity portion of convertible bonds issued			10,504	**10,504**		**10,504**
Repurchase of convertible bonds		43,817	(115,867)	**(72,050)**	-	**(72,050)**
Dividends paid/payable		(384,069)		**(384,069)**	(3,251)	**(387,320)**
Distribution attributable to perpetual securities issued by a subsidiary		(878)		**(878)**	(2,862)	**(3,740)**
Share-based payments			7,984	**7,984**	41	**8,025**
Total contributions by and distributions to owners	2,904	(341,130)	(97,379)	**(435,605)**	253,136	**(182,469)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with no change in control		257	(152)	**105**	(105)	**-**
Share of reserves of associates and joint ventures			(38)	**(38)**	-	**(38)**
Others		(1,423)	871	**(552)**	(15)	**(567)**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(1,166)	681	**(485)**	(120)	**(605)**
Total transactions with owners	**2,904**	**(342,296)**	**(96,698)**	**(436,090)**	**253,016**	**(183,074)**
Balance as at 30/06/2015	**6,309,209**	**9,902,231**	**1,043,261**	**17,254,701**	**6,944,488**	**24,199,189**

** Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.*

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2016 vs 30/06/2015 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve For Own Shares S$'000	Capital Reserves S$'000	Equity Comp Reserves S$'000	Total Equity S$'000
Balance as at 01/04/2016	**6,309,496**	**3,864,257**	**(50,934)**	**162,277**	**30,190**	**10,315,286**
Total comprehensive income						
Profit for the period		453,369				**453,369**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Purchase of treasury shares			(56,839)			**(56,839)**
Issue of treasury shares			613			**613**
Dividends paid		(383,034)				**(383,034)**
Share-based payments					2,977	**2,977**
Total transactions with owners	**-**	**(383,034)**	**(56,226)**	**-**	**2,977**	**(436,283)**
Balance as at 30/06/2016	**6,309,496**	**3,934,592**	**(107,160)**	**162,277**	**33,167**	**10,332,372**
Balance as at 01/04/2015	**6,306,305**	**3,295,106**	**(17,439)**	**286,673**	**29,792**	**9,900,437**
Total comprehensive income						
Profit for the period		362,324				**362,324**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	2,904					**2,904**
Dividends paid		(384,069)				**(384,069)**
Equity portion of convertible bonds issued		(572)		13,628		**13,056**
Repurchase of convertible bonds		47,526		(126,713)		**(79,187)**
Share-based payments					2,337	**2,337**
Total transactions with owners	**2,904**	**(337,115)**	**-**	**(113,085)**	**2,337**	**(444,959)**
Balance as at 30/06/2015	**6,309,209**	**3,320,315**	**(17,439)**	**173,588**	**32,129**	**9,817,802**

1(d)(ii) Changes in the Company's Issued Share Capital

Issued Share Capital

As at 30 June 2016, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,237,387,475 (31 December 2015: 4,247,973,707) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	No. of Shares
As at 01/04/2016	4,255,931,180
Treasury shares transferred pursuant to payment of directors' fees	200,295
Purchase of treasury shares	(18,744,000)
As at 30/06/2016	**4,237,387,475**

Outstanding Options under CapitaLand Share Option Plan

	No. of Shares
As at 01/04/2016	407,886
Lapsed/Cancelled	(113,354)
As at 30/06/2016	**294,532**

Performance Share Plan

As at 30 June 2016, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 11,198,342 (30 June 2015: 7,030,722).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted in 2013 and 2014, the maximum is 175 percent and 170 percent of the baseline award, respectively. For awards granted in 2015 and 2016, the maximum is 200 percent of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Share Plan

As at 30 June 2016, the number of shares comprised in contingent awards granted under the restricted share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 11,778,628 (30 June 2015: 9,622,800) and 9,612,461 (30 June 2015: 9,028,114) respectively, of which 2,184,768 (30 June 2015: 1,167,460) shares out of the former and 1,011,036 (30 June 2015: 661,423) shares out of the latter are to be cash-settled.

Under the RSP, the final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150 percent of the baseline award. From 2014, an additional number of shares of a total value equals to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 June 2016:

Principal Amount $ million	Final Maturity Year	Conversion price $	Convertible into new ordinary shares
184.25	2016	6.0100	30,657,237
650.00	2020	4.9875	130,325,814
650.00	2025	4.9700	130,784,708
686.25	2022	11.5218	59,561,006
800.00	2023	4.2014	190,412,719

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

Assuming all the convertible bonds are fully converted based on their respective conversion prices, the number of new ordinary shares to be issued would be 541,741,484 (30 June 2015: 559,523,871) representing a 12.8% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2016.

1(d)(iii) Treasury Shares

Movements in the Company's treasury shares were as follows:

	No of Shares
As at 01/04/2016	18,452,566
Treasury shares transferred pursuant to payment of directors' fees	(200,295)
Purchase of treasury shares	18,744,000
As at 30/06/2016	**36,996,271**

The number of treasury shares held by the Company represents 0.9% of the total number of issued shares (excluding treasury shares) as at 30 June 2016. As at 30 June 2015, the Company held 6,566,857 treasury shares which represented 0.2% of the total number of issued shares (excluding treasury shares).

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2016 as follows:

Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangibles*
Amendments to FRS 27 *Separate Financial Statements*
Amendments to FRS *111 Joint Arrangements*
Amendments to FRS 110 *Consolidated Financial Statements,* FRS 112 *Disclosures of Interests in Other Entities* and FRS 28 *Investments in Associates and Joint Ventures*
Improvements to FRSs (November 2014)
Amendments to FRS 1 *Presentation of Financial Statements*

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings per ordinary share (EPS) based on profit after tax & NCI attributable to the owners of the Company:

		Group			
		2Q 2016	**2Q 2015**	**1H 2016**	**1H 2015**
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	6.9	10.9	12.1	14.7
	Weighted average number of ordinary shares (in million)	4,251.2	4,267.4	4,250.9	4,264.4
6(b)	EPS based on fully diluted basis (in cents)	6.5	10.0	11.4	13.8
	Weighted average number of ordinary shares (in million)	4,777.7	4,874.0	4,777.4	4,754.8

7 Net asset value and net tangible assets per ordinary share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	30/06/2016	**31/12/2015**	**30/06/2016**	**31/12/2015**
NAV per ordinary share	$3.95	$4.21	$2.44	$2.41
NTA per ordinary share	$3.84	$4.11	$2.44	$2.41

8 Review of the Group's performance

Group Overview

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	1,131.7	1,031.3	9.7	2,025.8	1,946.3	4.1
Earnings before Interest and Tax ("EBIT")	591.1	875.1	(32.5)	1,049.3	1,256.6	(16.5)
Finance costs	(113.7)	(121.7)	(6.6)	(232.5)	(239.8)	(3.1)
Profit Before Taxation	477.4	753.3	(36.6)	816.8	1,016.8	(19.7)
Total PATMI	294.0	464.0	(36.6)	512.3	625.3	(18.1)
Comprising:						
Operating PATMI[(1)]	171.6	256.1	(33.0)	324.4	411.3	(21.1)
Portfolio gains/ (losses)	6.0	(10.8)	NM	8.8	(8.8)	NM
Revaluation gains and impairments	116.4	218.7	(46.8)	179.1	222.8	(19.6)

(1) Operating PATMI for 1H 2016 included fair value gains of $30.5 million which arose from the change in use of a development project in China, Raffles City Changning Tower 2 in 1Q 2016. The change in use of the development was due to a reclassification of the project from construction for sale to leasing as an investment property. Operating PATMI for 1H 2015 and 2Q 2015 included fair value gains from change in use of $170.6 million and $125.9 million respectively which relate to The Paragon Tower 5 & 6 ($110.3 million) and Raffles City Changning Tower 3 ($15.6 million) in 2Q 2015 and Ascott Heng Shan ($44.7 million) in 1Q 2015 (collectively "gain from change in use"). These projects are located at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

2Q 2016 vs 2Q 2015

For the quarter under review, the Group achieved a revenue of $1,131.7 million and a PATMI of $294.0 million.

Revenue

Revenue increased by 9.7% despite the absence of a gain from change in use of $148.4 million in 2Q 2015. This was attributable to higher contributions from development projects in Singapore and China as well as higher rental income from serviced residence business and CapitaGreen. The projects which contributed to the higher revenue this quarter include Cairnhill Nine in Singapore as well as The Paragon in Shanghai and Vermont Hills in Beijing.

Collectively, the two core markets of Singapore and China accounted for 79.4% (2Q 2015: 79.6%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $591.1 million in 2Q 2016 (2Q 2015: $875.1 million). The decrease was mainly due to absence of gains from change in use ($164.0 million) and repurchase of convertible bonds in 2Q 2015 as well as lower revaluation gains from investment properties. The decrease was partially mitigated by lower provision for foreseeable losses for projects in China as well as portfolio gains as compared to a loss in 2Q 2015.

Excluding the gain from change in use in 2Q 2015, the Group's operating EBIT improved by $55.5 million on account of higher handover from development projects in China, namely Vermont Hills in Beijing and Dolce Vita in Guangzhou, project cost savings in Singapore, higher contribution from CapitaGreen as well as contribution from serviced residences acquired in 2015 and 2016.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $199.7 million in 2Q 2016 (2Q 2015: $434.5 million). This gain comprised $132.7 million (2Q 2015: $322.4 million) by our subsidiary projects and was recognised in other operating income and $67.0 million (2Q 2015: $112.1 million) recorded through share of results of associates and joint ventures.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 78.1% of total EBIT (2Q 2015: 81.8%). Singapore EBIT was $255.3 million or 43.2% of total EBIT (2Q 2015: $356.5 million or 40.7%) while China EBIT was $206.1 million or 34.9% of total EBIT (2Q 2015: $360.4 million or 41.1%).

Singapore EBIT was lower mainly due to lower fair value gains from revaluation of investment properties and absence of a gain on repurchase of convertible bonds, partially mitigated by higher contribution from CapitaGreen.

China EBIT decreased by 42.8% largely due to lower fair value gains from revaluation of properties, partially mitigated by higher contributions from development projects and shopping malls as well as lower provision for foreseeable losses in 2Q 2016.

PATMI

Overall, the Group achieved a PATMI of $294.0 million in 2Q 2016, which was 36.6% lower than 2Q 2015 due to lower fair value gains from revaluation of properties, partially mitigated by improved operating performance. The operating PATMI (excluding gain from change in use) increased by 31.8% to $171.6 million on the back of higher contributions from shopping malls and development projects in China, CapitaGreen and project cost savings in Singapore, as well as serviced residence business.

1H 2016 vs 1H 2015

The Group achieved a revenue of $2,025.8 million and a PATMI of $512.3 million in 1H 2016.

Revenue

Revenue for 1H 2016 increased by 4.1% driven mainly by our development projects in Singapore and China as well as rental income from serviced residence business and CapitaGreen. The increase was partially offset by lower gain from change in use and lower handover from development projects in Vietnam.

Singapore accounted for 49.0% (1H 2015: 43.7%) of the Group's revenue while China operations accounted for 29.5% (1H 2015: 35.6%). Together, the two core markets of Singapore and China accounted for 78.5% (1H 2015: 79.3%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $1,049.3 million in 1H 2016 (1H 2015: $1,256.6 million). The decrease was mainly due to lower gain from change in use and absence of a gain from repurchase of convertible bonds in 1H 2015 as well as lower fair value gains from revaluation of investment properties. The decrease was partially mitigated by higher operating EBIT, portfolio gains in 1H 2016 as compared to a loss in 1H 2015 and lower provision for foreseeable losses and impairments.

Excluding the gain from change in use, the Group's operating EBIT improved by $73.1 million mainly driven by better operating performance from our development projects in China and CapitaGreen as well as contribution from properties acquired/opened in 2015 and 2016, namely, CapitaMall Sky+ in China, Tropicana City in Malaysia, Vivit Minami-Funabashi in Japan, Element New York Times Square and Sheraton Tribeca New York in United States of America.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $283.4 million in 1H 2016 (1H 2015: $440.8 million). The fair value gains from investment properties in Singapore, China and Japan were lower, partially mitigated by fair value gains from our investment properties in the United States of America.

The portfolio gains in 1H 2016 were $17.3 million (1H 2015: loss of $21.8 million), which arose mainly from the divestment of Somerset ZhongGuanCun in Beijing.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounted for 81.6% of total EBIT (1H 2015: 82.7%). Singapore EBIT was $422.7 million or 40.3% of total EBIT (1H 2015: $555.4 million or 44.2%) while China EBIT was $433.4 million or 41.3% of total EBIT (1H 2015: $483.3 million or 38.5%).

Singapore EBIT decreased mainly due to lower fair value gains from revaluation of investment properties and absence of a gain from repurchase of convertible bonds in 1H 2015, mitigated by higher contribution from CapitaGreen. EBIT from China was lower due to lower fair value gain from revaluation of properties, partially mitigated by higher handover from residential projects and contribution from shopping mall business.

Finance Costs

Finance costs for 1H 2016 were lower as compared to the corresponding period last year due to decrease in borrowings and lower average cost of borrowings at 3.4% (1H 2015: 3.5%).

PATMI

Overall, the Group achieved a PATMI of $512.3 million (1H 2015: $625.3 million). The decrease was mainly attributable to lower fair value gains from revaluation of properties, partially mitigated by higher portfolio gains and improved operating performance.

The Group’s operating PATMI for 1H 2016 was $324.4 million (1H 2015: $411.3 million). Excluding the gain from change in use, operating PATMI improved by 22.1% in 1H 2016, driven by higher handover from residential projects in China, and higher recurring income from CapitaGreen, shopping malls in China and serviced residence business.

Segment Performance

CL Singapore

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	377.9	318.8	18.5	659.2	662.7	(0.5)
EBIT	155.4	202.0	(23.1)	253.6	302.0	(16.0)

In 2Q 2016, CL Singapore sold 82 residential units (2Q 2015: 37 units), bringing the total number of residential units sold in 1H 2016 to 304 units (1H 2015: 106 units) with a sales value of $716 million (1H 2015: $303 million).

Revenue rose by 18.5% in 2Q 2016 against same period last year mainly attributable to strong sales of Cairnhill Nine which commenced revenue recognition in 1Q 2016, and higher rental income from CapitaGreen which started contributing to revenue from April 2015 onwards.

EBIT for 2Q 2016 and 1H 2016 is lower than the same period last year due to lower revaluation gains and an impairment loss made on CCT's investment in MRCB-Quill in Malaysia, partially mitigated by cost savings upon finalisation of projects in 2016.

CL China

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	261.8	342.7	(23.6)	457.7	546.4	(16.2)
EBIT	79.1	265.7	(70.2)	167.5	354.1	(52.7)

In 2Q 2016, CL China sold 2,896 units with a sales value of RMB4.4 billion or approximately $0.9 billion (2Q 2015: 2,764 units; RMB 5.7 billion). For the six months ended June 2016, 6,273 units were sold at a value of RMB 9.0 billion or approximately $1.8 billion (1H 2015: 4,070 units; RMB 7.8 billion). The sales were mainly from The Metropolis in Kunshan, Dolce Vita in Guangzhou, International Trade Centre in Tianjin, La Botanica in Xian, One iPark in Shenzhen and Century Park in Chengdu.

In 2Q 2016, CL China handed over 1,657 units to home buyers (2Q 2015: 702 units). The units handed over were mainly from completion of a phase / block from Vermont Hills in Beijing, La Botanica in Xian, Dolce Vita and Vista Garden in Guangzhou, as well as sales and handover of completed units from The Paragon in Shanghai and International Trade Centre in Tianjin. Including 773 units handed over in 1Q 2016, CL China delivered a total of 2,430 units in 1H 2016 (1H 2015: 1,811 units).

Revenue for 2Q 2016 and 1H 2016 were higher than previous corresponding periods (excluding gain from change in use), mainly due to higher handover of residential units. Revenue in 1H 2015 included fair value gains recognised from the change in use of development properties to investment properties in respect of The Paragon (Tower 5 and 6) in 2Q 2015 and Ascott Heng Shan in 1Q 2015.

EBIT for 2Q 2016 and 1H 2016 were lower mainly due to lower fair value gains recognised from investment properties and change in use of development properties recognised in the previous periods. The impact is partially offset by higher contribution from residential projects, foreign exchange gain on revaluation of RMB payables as SGD has appreciated against RMB and lower provision for foreseeable losses.

CMA

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	148.7	167.8	(11.4)	295.9	349.3	(15.3)
EBIT	246.8	289.2	(14.7)	392.1	425.9	(8.0)

The lower revenue for 2Q 2016 and 1H 2016 was largely due to the absence of revenue recognition from Bedok Residences and the loss of contribution from Bedok Mall which was divested to CapitaLand Mall Trust in 4Q 2015. This was partially buffered by new contribution from CapitaMall Sky+ which opened in December 2015 as well as malls acquired in 3Q 2015, namely Tropicana City in Malaysia and Vivit Minami-Funabashi in Japan.

EBIT for 2Q 2016 and 1H 2016 were lower than the previous corresponding periods by 14.7% and 8.0% respectively. While the portfolio of malls in China and Singapore continued to show improved performance, EBIT for both periods were lower mainly due to lower revaluation gains from investment properties and foreign exchange losses.

Ascott

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	330.3	182.6	80.9	587.1	349.8	67.8
EBIT	117.8	98.0	20.2	245.5	144.4	70.0

In 2Q 2016, Ascott secured 10 management contracts in Southeast Asia, China and Middle East.

In addition, Ascott acquired two prime properties, one located in Islington, London and one located in Docklands, Melbourne through its serviced residence global fund, which will invest a total of about $171 million in the properties. With these, the fund has acquired 4 properties since it was set up in July 2015, bringing the total investment to US$270 million.

Revenue for 2Q 2016 and 1H 2016 were higher mainly due to Ascott's proportionate share of revenue from Cairnhill Nine project in Singapore which Ascott owns a 50% stake as well as contribution from properties acquired in 2015 and 2016.

EBIT for 2Q 2016 was higher on account of higher revenue as well as higher fair value gain from investment properties. EBIT for 1H 2016 was higher due to fair value gain from arising from the divestment of Somerset ZhongGuanCun.

Corporate and Others

S$M	2Q 2016	2Q 2015	Variance (%)	1H 2016	1H 2015	Variance (%)
Revenue	12.9	19.3	(33.0)	25.9	38.1	(31.9)
EBIT	(8.0)	20.2	NM	(9.3)	30.2	NM

Corporate and Others include Corporate Office, Storhub and other businesses in Vietnam, Japan and GCC.

In 2Q 2016, CapitaLand Vietnam sold 230 residential units (2Q 2015: 300 units) with a sales value of $43.5 million (2Q 2015: $49.2 million). For the six months ended 30 June 2016, 470 residential units (1H 2015: 390 units) were sold with a sales value of $79.5 million (1H 2015: $67.6 million). The sales were mainly from Seasons Avenue, Kris Vue and Vista Verde.

In 2Q 2016, CapitaLand Vietnam handed over 33 residential units to home buyers (2Q 2015: 65 units). The units handed over were mainly from Mulberry Lane. For the six months ended 30 June 2016, a total number of 61 residential units (1H 2015: 116 units) from The Vista and Mulberry Lane were handed over to the home buyers.

The lower revenue in 2Q 2016 and 1H 2016 was attributable to lower number of units being handed over to buyers for projects in Vietnam.

EBIT in 2Q 2016 and 1H 2016 was lower due to lower revenue, absence of a gain from repurchase of convertible bonds as well as share of fair value loss from an associate. In addition, EBIT for 1H 2016 was also impacted by foreign exchange loss as compared to a gain in 1H 2015.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the first quarter 2016 financial results were announced.

10 Commentary of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

GROUP OVERALL PROSPECTS

Singapore

The Group expects the impact of the property cooling measures to continue to weigh on the residential market. Major projects to be launched in 2H 2016 include Victoria Park Villas.

The outlook for office occupancy and rental is expected to remain muted. To mitigate leasing risks, CCT will continue to bring forward renewals of larger leases due in 2017 while it proactively attracts and retains tenants. As at 30 June 2016, CCT's total portfolio only has 4% of office leases to be renewed this year and another 10% of office leases due in 2017.

Our Singapore portfolio of malls is expected to carry on providing stable recurring income as they are well-supported by their connections to the public transportation networks and locations in either large population catchments or within popular shopping and tourist destinations.

China

The Chinese government's commitment to rebalance its economy by driving domestic consumption and growth in the non-manufacturing sector continues to be positive for the real estate industry.

Residential sales performance in China is expected to remain positive for the rest of 2016. The Group's focus remains in the first- and second-tier cities, and to target first-time buyers and upgraders.

The Group's four operating Raffles City developments are expected to continue generating steady leasing income. The other four new Raffles City developments are on-track for completion by phases over the next few years.

For the shopping malls in China, the Group remains focused on driving performance by improving the net property income of existing malls. At the same time, the Group will continue to look for suitable opportunities to expand our market presence in key China cities.

Serviced Residence

CapitaLand continues to grow Ascott's global platform with the extended stay business model and well-diversified global presence. As part of the strategy to scale up its global network in key gateway cities, Ascott will focus on growing its fee-based income through securing more management contracts and establishing strategic partnerships.

Other Growth Platforms

The Group remains focused on Singapore and China as core markets, while it continues to expand in growth markets such as Vietnam and Indonesia.

11 Dividend

11(a) Any dividend declared for the present financial period? No.

11(b) Any dividend declared for the previous corresponding period? No.

11(c) Date payable : Not applicable.

11(d) Books closing date : Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared or recommended in the current reporting period.

13 Interested Person Transactions

The Company has not sought a general mandate from shareholders for Interested Person Transactions.

14 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers in the form set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

15 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2016 and for the six months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board

Ng Kee Choe	**Lim Ming Yan**
Chairman	Director

16 Segmental Revenue and Results

16(a)(i) By Strategic Business Units (SBUs) – 2Q 2016 vs 2Q 2015

	Revenue			Earnings before interest & tax		
	2Q 2016 S$'000	2Q 2015 S$'000	Variance %	2Q 2016 S$'000	2Q 2015 S$'000	Variance %
CapitaLand Singapore (1)	377,909	318,830	18.5	155,443	202,015	(23.1)
CapitaLand China	261,821	342,745	(23.6)	79,069	265,700	(70.2)
CapitaLand Mall Asia	148,655	167,804	(11.4)	246,819	289,220	(14.7)
Ascott	330,332	182,624	80.9	117,781	97,977	20.2
Corporate and Others (2)	12,935	19,311	(33.0)	(8,011)	20,173	NM
Total	**1,131,652**	**1,031,314**	**9.7**	**591,101**	**875,085**	**(32.5)**

16(a)(ii) By Strategic Business Units (SBUs) – 1H 2016 vs 1H 2015

	Revenue			Earnings before interest & tax		
	1H 2016 S$'000	1H 2015 S$'000	Variance %	1H 2016 S$'000	1H 2015 S$'000	Variance %
CapitaLand Singapore (1)	659,224	662,675	(0.5)	253,565	301,988	(16.0)
CapitaLand China	457,691	546,445	(16.2)	167,458	354,133	(52.7)
CapitaLand Mall Asia	295,883	349,318	(15.3)	392,064	425,928	(8.0)
Ascott	587,115	349,823	67.8	245,508	144,424	70.0
Corporate and Others (2)	25,914	38,050	(31.9)	(9,259)	30,161	NM
Total	**2,025,827**	**1,946,311**	**4.1**	**1,049,336**	**1,256,634**	**(16.5)**

Note : (1) *Includes residential business in Malaysia.*
(2) *Includes Storhub and other businesses in Vietnam, Indonesia, Japan and GCC.*

16(b)(i) By Geographical Location – 2Q 2016 vs 2Q 2015

	Revenue			Earnings before interest & tax		
	2Q 2016 S$'000	2Q 2015 (1) S$'000	Variance %	2Q 2016 S$'000	2Q 2015 (1) S$'000	Variance %
Singapore	569,281	406,404	40.1	255,294	356,517	(28.4)
China (1)	329,079	414,334	(20.6)	206,064	360,352	(42.8)
Other Asia (2)	118,795	116,663	1.8	65,485	99,743	(34.3)
Europe & Others (3)	114,497	93,913	21.9	64,258	58,473	9.9
Total	**1,131,652**	**1,031,314**	**9.7**	**591,101**	**875,085**	**(32.5)**

Note: (1) *China including Hong Kong.*
(2) *Excludes Singapore and China and includes projects in GCC.*
(3) *Includes Australia and USA.*

16(b)(ii) By Geographical Location – 1H 2016 vs 1H 2015

	Revenue			Earnings before interest & tax		
	1H 2016 S$'000	1H 2015 S$'000	Variance %	1H 2016 S$'000	1H 2015 S$'000	Variance %
Singapore	993,461	850,361	16.8	422,686	555,360	(23.9)
China [1]	597,182	692,050	(13.7)	433,407	483,339	(10.3)
Other Asia [2]	234,950	232,676	1.0	113,498	142,301	(20.2)
Europe & Others[3]	200,234	171,224	16.9	79,745	75,634	5.4
Total	**2,025,827**	**1,946,311**	**4.1**	**1,049,336**	**1,256,634**	**(16.5)**

Note: (1) *China including Hong Kong.*
(2) *Excludes Singapore and China and includes projects in GCC.*
(3) *Includes Australia and USA.*

17 In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to Item 8.

18 Breakdown of Group's revenue and profit after tax for first half year and second half year

Not applicable.

19 Breakdown of Total Annual Dividend (in dollar value) of the Company

Not applicable.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
4 August 2016