CAPITALAND LIMITED

(Registration Number : 198900036N)

2014 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

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1(a)(i) Income Statement

	Note	Group 2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	Change %	1H 2014 S$'000	1H 2013 S$'000 (Restated)	Change %
Continuing operations							
Revenue	A	**875,290**	**1,008,879**	**(13.2)**	**1,487,862**	**1,643,061**	**(9.4)**
Cost of sales		(574,110)	(675,182)	(15.0)	(853,317)	(1,022,414)	(16.5)
Gross profit		301,180	333,697	(9.7)	634,545	620,647	2.2
Other operating income	B	241,182	230,740	4.5	288,566	334,607	(13.8)
Administrative expenses	C	(106,964)	(104,014)	2.8	(199,974)	(197,148)	1.4
Other operating expenses	D	(10,425)	(44,678)	(76.7)	(19,120)	(45,499)	(58.0)
Profit from continuing operations		424,973	415,745	2.2	704,017	712,607	(1.2)
Finance costs		(107,957)	(121,094)	(10.8)	(219,550)	(248,063)	(11.5)
Share of results (net of tax) of:	E						
- associates		228,461	227,424	0.5	348,846	315,354	10.6
- joint ventures		146,255	125,836	16.2	166,308	165,793	0.3
		374,716	353,260	6.1	515,154	481,147	7.1
Profit before taxation from continuing operations		691,732	647,911	6.8	999,621	945,691	5.7
Taxation	F	(62,937)	(53,805)	17.0	(115,350)	(85,295)	35.2
Profit for the period from continuing operations		628,795	594,106	5.8	884,271	860,396	2.8
Discontinued operation							
Profit from discontinued operation	G	-	92,109	(100.0)	35,359	125,793	(71.9)
Profit for the period		628,795	686,215	(8.4)	919,630	986,189	(6.7)
Attributable to:							
Owners of the Company ("PATMI")							
- from continuing operations		438,720	332,841	31.8	586,143	502,907	16.6
- from discontinued operation		-	50,429	(100.0)	35,359	66,390	(46.7)
Total PATMI		**438,720**	**383,270**	**14.5**	**621,502**	**569,297**	**9.2**
Non-controlling interests ("NCI")		190,075	302,945	(37.3)	298,128	416,892	(28.5)
Profit for the period		628,795	686,215	(8.4)	919,630	986,189	(6.7)

Note:

2Q 2013 and 1H 2013 results have been restated to take into account:

1. The retrospective adjustments relating to FRS 110 *Consolidated Financial Statements* (please refer to item 4).
2. The re-presentation of Australand's results under "discontinued operation" in accordance with FRS 105 *Non-current Assets Held for sale and Discontinued Operation* (please refer to item 1(a)(ii)(G)).

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2014 vs 2Q 2013 (Restated)

The Group adopted FRS 110 Consolidated Financial Statements (FRS 110) on 1 January 2014 and this requires the Group to consolidate CapitaCommercial Trust, Ascott Residence Trust and CapitaMalls Malaysia Trust. The comparative figures for 2Q 2013 have been restated on similar basis for comparison. (Please see item 4 for details).

(A) Revenue

The decrease was mainly attributable to lower revenue from the Group's development projects in Singapore and China, partially mitigated by higher rental revenue from our shopping mall and serviced residence businesses as well as higher revenue from our development projects in Vietnam. (Please see item 8 for details).

The cost of sales also decreased in line with lower sales and handover for development projects.

(B) Other Operating Income

		Group		
		2Q 2014 S$'000	**2Q 2013 S$'000 (Restated)**	**Change (%)**
Other Operating Income		**241,182**	**230,740**	**4.5**
Investment income		620	62	900.0
Interest income	(i)	14,223	22,088	(35.6)
Other income (including portfolio gains)	(ii)	18,019	35,162	(48.8)
Fair value gains of investment properties	(iii)	208,320	165,872	25.6
Foreign exchange gain		-	7,556	(100.0)

(i) Interest income decreased due to lower amount of interest bearing loans extended to associates, repayment of loan by an external party in 2Q 2013 as well as lower placement of surplus funds with financial instituitions.

(ii) Other income included portfolio gains of $5.6 million mainly from the divestment of the entire 10% interest in The Waterside, Hong Kong.

2Q 2013's other income included divestment gains of $33.0 million mainly from the injection of Luwan Integrated Development, Shanghai, by CapitaMalls Asia ("CMA") into CapitaMalls China Development Fund III.

(iii) The net fair value gains in respect of investment properties held through subsidiaries were higher in 2Q 2014 as the properties in China, Malaysia and Europe registered higher revaluation gains.

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 (E)).

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2014 vs 2Q 2013 (Restated)

(C) Administrative Expenses

	Group		
	2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	Change (%)
Administrative Expenses	**(106,964)**	**(104,014)**	**2.8**
Included in Administrative Expenses:-			
Depreciation and amortisation	(16,596)	(14,604)	13.6
(Allowance)/Writeback for doubtful receivables and bad debts written off	(80)	193	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were higher this quarter due to higher depreciation and professional fees incurred by CMA in relation to the privatisation offer, partially mitigated by lower staff costs.

(D) Other Operating Expenses

Other operating expenses in 2Q 2014 decreased in the absence of impairment losses of $10.1 million in 2Q 2013 and lower losses amounting to $31.2 million incurred on repurchase of convertible bonds. The decrease was partially offset by a foreign exchange loss of $8.5 million which arose mainly from the repayment of USD loans to related parties.

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

The share of results from associates in 2Q 2014 was marginally higher than 2Q 2013 as better operating performance of projects held by associates in China was partially offset by lower net fair value gains from revaluation of investment properties in China.

Share of results from joint ventures increased on account of share of profits from Dolce Vita and The Orchard Residences as well as write back of impairment for Urban Suites.

(F) 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 companies operate and takes into account non-deductible expenses and temporary differences.

Tax expenses were higher this quarter due to lower write backs, partially offset by lower tax being provided for divestments in the current quarter.

2Q 2014's tax expenses included write back of taxes provided in prior years totalling $6.4 million (2Q 2013: write back of $36.4 million).

(G) Profit from discontinued operation

On 24 March 2014, the Group completed the sale of its remaining 39.1% stake in Australand through a secondary placement of its stapled securities and Australand has ceased to be an associated company of the Group ("discontinued operation"). Accordingly, Australand's results for 2Q 2013 was re-presented as profit after taxation from discontinued operation.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2014 vs 2Q 2013 (Restated)

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

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

2Q 2014	**PATMI (S$M)**
10% interest in The Waterside, Hong Kong	3.0
Others	1.8
Total Group's share of gain after tax & NCI for 2Q 2014	**4.8**
2Q 2013 (Restated)	
Luwan Integrated Development, Shanghai	10.0
Others	(0.6)
Total Group's share of gain after tax & NCI for 2Q 2013	**9.4**

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	Change %	1H 2014 S$'000	1H 2013 S$'000 (Restated)	Change %
Profit for the period	628,795	686,215	(8.4)	919,630	986,189	(6.7)
Other comprehensive income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations [1]	(111,435)	145,322	NM	(10,100)	195,665	NM
Change in fair value of available-for-sale investments	(2,532)	1,404	NM	(2,360)	1,849	NM
Effective portion of change in fair value of cash flow hedges	610	37,258	(98.4)	(1,173)	55,791	NM
Share of other comprehensive income of associates and joint ventures	(61,723)	117,887	NM	(8,213)	159,484	NM
	(175,080)	301,871	NM	(21,846)	412,789	NM
Total comprehensive income	453,715	988,086	(54.1)	897,784	1,398,978	(35.8)
Attributable to:						
Owners of the Company	**283,085**	**627,757**	**(54.9)**	**596,042**	**916,014**	**(34.9)**
Non-controlling interests	170,630	360,329	(52.6)	301,742	482,964	(37.5)
	453,715	988,086	(54.1)	897,784	1,398,978	(35.8)

NM: Not meaningful

[1] *2Q 2014's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 1.53% and 0.75% respectively.*

1H 2014's exchange differences arose mainly from the appreciation of SGD against RMB by 0.67%.

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2014 S$'000	31/12/2013 S$'000 (Restated)[1]	Change %	30/06/2014 S$'000	31/12/2013 S$'000	Change %
Non-current assets						
Property, plant & equipment[2]	936,029	666,406	40.5	12,916	12,316	4.9
Intangible assets	464,563	467,049	(0.5)	147	147	-
Investment properties[3]	16,232,477	15,495,934	4.8	-	-	-
Subsidiaries	-	-	-	12,747,499	12,739,628	0.1
Associates & joint ventures[4]	12,067,502	12,673,226	(4.8)	-	-	-
Other non-current assets	797,876	620,454	28.6	1,495	1,495	-
	30,498,447	**29,923,069**	**1.9**	**12,762,057**	**12,753,586**	**0.1**
Current assets						
Development properties for sale and stocks[5]	*7,803,003*	*7,382,388*	*5.7*	-	-	-
Trade & other receivables	*1,083,429*	*1,167,361*	*(7.2)*	*1,762,210*	*1,100,375*	*60.1*
Cash & cash equivalents[6]	*2,485,522*	*6,306,325*	*(60.6)*	*22,917*	*330,439*	*(93.1)*
Other current assets[7]	*3,728*	*196,923*	*(98.1)*	-	-	-
Assets held for sale	83,253	*87,033*	*(4.3)*	-	-	-
	11,458,935	**15,140,030**	**(24.3)**	**1,785,127**	**1,430,814**	**24.8**
Less: Current liabilities						
Trade & other payables	*2,880,066*	*2,889,369*	*(0.3)*	*1,429,081*	*1,360,493*	5.0
Short-term borrowings[8]	*1,417,156*	*1,279,884*	*10.7*	*347,731*	-	NM
Current tax payable	*430,023*	*478,212*	*(10.1)*	*7,977*	*8,064*	(1.1)
	4,727,245	**4,647,465**	**1.7**	**1,784,789**	**1,368,557**	**30.4**
Net current assets	**6,731,690**	**10,492,565**	**(35.8)**	**338**	**62,257**	**(99.5)**
Less: Non-current liabilities						
Long-term borrowings[8]	13,849,794	14,656,279	(5.5)	2,964,387	3,190,458	(7.1)
Other non-current liabilities	1,323,055	1,304,572	1.4	37,994	41,468	(8.4)
	15,172,849	**15,960,851**	**(4.9)**	**3,002,381**	**3,231,926**	**(7.1)**
Net assets	**22,057,288**	**24,454,783**	**(9.8)**	**9,760,014**	**9,583,917**	**1.8**
Representing:						
Share capital	6,303,123	6,302,207	-	6,303,123	6,302,207	-
Revenue reserves	9,140,293	9,459,989	(3.4)	3,164,483	2,992,741	5.7
Other reserves	288,219	346,673	(16.9)	292,408	288,969	1.2
Equity attributable to owners of the Company	15,731,635	16,108,869	(2.3)	9,760,014	9,583,917	1.8
Non-controlling interests[9]	6,325,653	8,345,914	(24.2)	-	-	-
Total equity	**22,057,288**	**24,454,783**	**(9.8)**	**9,760,014**	**9,583,917**	**1.8**

Notes:

1. *The Group's comparative balance sheet as at 31 December 2013 had been restated to take into account the retrospective adjustments relating to FRS 110 (please refer to item 4).*

2. *The increase was mainly due to the acquisition of a serviced residence in Hong Kong and reclassification of owner-occupied portion of Capital Tower from investment properties.*

3. *The increase was mainly due to fair value gains, acquisition of three serviced residences in Europe, Japan and China, partially offset by the reclassification of owner-occupied portion of Capital Tower to property, plant and equipment.*

4. *The decrease was mainly due to the divestment of our 39.1% stake in Australand; partially mitigated by share of results for the period and equity injection into a joint venture in China.*

5. *The increase was mainly due to the acquisition of two residential sites in Chengdu.*

6. *The decrease was mainly due to the payment for 2013 dividend and voluntary cash offer for CMA. The cash balances as at 30 June 2014 included $270.0 million held at CapitaLand Limited and CapitaLand Treasury Limited.*

7. *The decrease was due to the redemption of a money market investment.*

8. *The decrease in long-term borrowings was mainly due to repayment of AUD loans following the divestment of Australand. In addition, there were also reclassification of borrowings from non-current to current in accordance with contractual terms and maturity dates.*

9. *The decrease was mainly due to the voluntary cash offer for CMA. The Group's stake in CMA has increased from 65.4% to 98.4% as at 30 June 2014.*

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

	Group	
	As at 30/06/2014 S$'000	**As at 31/12/2013 (Restated) S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	393,898	213,065
Unsecured	1,023,258	1,066,819
Sub-Total 1	**1,417,156**	**1,279,884**
Amount repayable after one year:-		
Secured	4,995,337	5,127,460
Unsecured	8,854,457	9,528,819
Sub-Total 2	**13,849,794**	**14,656,279**
Total Debt	**15,266,950**	**15,936,163**
Total Debt less Cash	**12,781,428**	**9,629,838**

As at 30 June 2014, CapitaLand Limited and CapitaLand Treasury Limited have available undrawn facilities of approximately $1.16 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 2014 S$'000	2Q 2013 S$'000 (Restated)	1H 2014 S$'000	1H 2013 S$'000 (Restated)
Cash Flows from Operating Activities				
Profit after taxation	**628,795**	**686,215**	**919,630**	**986,189**
Adjustments for :				
Amortisation and impairment of intangible assets	1,699	1,277	3,320	2,879
(Writeback of)/Allowance for:				
- Foreseeable losses	(9,038)	-	(9,038)	-
- Doubtful receivables	127	4,463	211	5,028
- Impairment on property, plant and equipment	(549)	6,185	601	6,401
Gain from bargain purchase	-	-	-	(6,278)
Share-based expenses	25,051	12,228	33,189	16,031
Net change in fair value of financial derivatives	(294)	(1,302)	(538)	(3,804)
Depreciation of property, plant and equipment	15,142	15,190	28,932	30,575
Gain on disposal of property, plant and equipment	(352)	(31)	(348)	(27)
Net fair value gain from investment properties	(208,320)	(185,183)	(208,320)	(185,183)
Net gain on disposal/liquidation of equity investments and other financial assets	(5,138)	(32,974)	(24,497)	(91,449)
Share of results of associates and joint ventures	(374,716)	(355,110)	(531,454)	(486,104)
Loss on re-purchase of convertible bonds	1,933	33,125	1,933	33,125
Interest expense	107,957	136,806	219,550	275,747
Interest income	(14,223)	(21,301)	(31,444)	(44,692)
Taxation	62,937	53,805	115,350	85,295
	(397,784)	**(332,822)**	**(402,553)**	**(362,456)**
Operating profit before working capital changes	**231,011**	**353,393**	**517,077**	**623,733**
Changes in working capital				
Trade and other receivables	137,124	(5,233)	30,272	70,666
Development properties for sale	(146,534)	63,478	(197,654)	(534,149)
Trade and other payables	62,245	70,991	(11,963)	132,825
Restricted bank deposits	(3,929)	4	(4,087)	915
	48,906	**129,240**	**(183,432)**	**(329,743)**
Cash generated from operations	**279,917**	**482,633**	**333,645**	**293,990**
Income tax paid	(101,843)	(76,463)	(138,609)	(115,942)
Net cash generated from Operating Activities	**178,074**	**406,170**	**195,036**	**178,048**

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

	2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	1H 2014 S$'000	1H 2013 S$'000 (Restated)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	177	166	307	3,250
Purchase of property, plant and equipment	(19,676)	(28,644)	(40,314)	(44,906)
Repayment of loans by/(Investments in) associates and joint ventures	55,898	137,274	(45,873)	258,369
Repayment of/(Advances to) investee companies and other receivables	-	19,980	58,603	(3,922)
Deposits placed for investments	(227,040)	(232,671)	(229,156)	(264,841)
Acquisition/Development expenditure of investment properties	(290,005)	(232,287)	(382,059)	(336,672)
Proceeds from disposal of investment properties and assets held for sale	4,213	90,544	4,213	90,544
Proceeds from disposal of associates, joint ventures and other financial assets	251,871	20,472	1,204,227	27,812
Dividends received from associates and joint ventures	140,262	65,838	230,182	122,504
Acquisition of subsidiaries, net of cash acquired	(166,719)	(109,696)	(236,931)	(109,696)
Disposal of subsidiaries, net of cash disposed off	1,329	27,619	1,329	124,651
Release of deposit from escrow account for an acquisition	-	(164,152)	-	(164,152)
Settlement of hedging instruments	4,346	(1,161)	(9,809)	20,262
Interest income received	8,148	13,345	19,571	31,595
Net cash (used in)/generated from Investing Activities	**(237,196)**	**(393,373)**	**574,290**	**(245,202)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	249	851	916	1,558
(Repayment of)/Increase in shareholder loans from non-controlling interests	(53,113)	(63,691)	(74,581)	33,920
Contributions from non-controlling interests	-	11,459	-	180,290
Payments for acquisition of ownership interests in subsidiaries with no change in control	(3,012,842)	(127,803)	(3,012,842)	(127,803)
Proceeds from bank borrowings	1,292,829	942,008	1,907,749	1,623,909
Repayments of bank borrowings	(867,037)	(480,588)	(2,368,172)	(1,121,488)
Proceeds from issue of debt securities	-	650,000	-	656,705
Repayments of debt securities	(165,697)	(806,411)	(290,697)	(821,162)
Repayments of finance lease payables	(946)	(868)	(1,895)	(1,717)
Dividends paid to non-controlling interests	(34,263)	(45,143)	(159,368)	(201,436)
Dividends paid to shareholders	(340,648)	(298,010)	(340,648)	(298,010)
Interest expense paid	(116,592)	(159,915)	(244,333)	(340,669)
Net cash used in Financing Activities	**(3,298,060)**	**(378,111)**	**(4,583,871)**	**(415,903)**
Net decrease in cash and cash equivalents	**(3,357,182)**	**(365,314)**	**(3,814,545)**	**(483,057)**
Cash and cash equivalents at beginning of the period	5,842,165	5,686,047	6,288,631	5,816,635
Effect of exchange rate changes on cash balances held in foreign currencies	(21,242)	35,811	(10,345)	22,966
Cash and cash equivalents at end of the period	**2,463,741**	**5,356,544**	**2,463,741**	**5,356,544**
Restricted cash deposits	21,781	167,347	21,781	167,347
Cash and cash equivalents in the balance sheet	**2,485,522**	**5,523,891**	**2,485,522**	**5,523,891**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $2,485.5 million as at 30/06/2014 included $1,009.7 million in fixed deposits and $173.2 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

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

For the period ended 30/06/2014 vs 30/06/2013 (restated) – 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 01/04/2014	**6,302,874**	**9,666,612**	**465,664**	**16,435,150**	**8,347,299**	**24,782,449**
Total comprehensive income						
Profit for the period		438,720		**438,720**	190,075	**628,795**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(96,436)	**(96,436)**	(14,999)	**(111,435)**
Change in fair value of available-for-sale investments			(2,532)	**(2,532)**	-	**(2,532)**
Effective portion of change in fair value of cash flow hedges			1,756	**1,756**	(1,146)	**610**
Share of other comprehensive income of associates and joint ventures			(58,423)	**(58,423)**	(3,300)	**(61,723)**
Total other comprehensive income, net of income tax	-	-	(155,635)	**(155,635)**	(19,445)	**(175,080)**
Total comprehensive income	**-**	**438,720**	**(155,635)**	**283,085**	**170,630**	**453,715**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company and its subsidiaries	249			**249**	-	**249**
Conversion of convertible bonds			(1,829)	**(1,829)**	61,985	**60,156**
Repurchase of convertible bonds			(10,225)	**(10,225)**	(22,050)	**(32,275)**
Dividends paid/payable		(340,648)		**(340,648)**	(28,452)	**(369,100)**
Share-based payments			9,163	**9,163**	13,906	**23,069**
Cash settlement of share awards by a subsidiary				**-**	(31,477)	**(31,477)**
Total contributions by and distributions to owners	249	(340,648)	(2,891)	**(343,290)**	(6,088)	**(349,378)**
Changes in ownership interests in subsidiaries with change in control				**-**	181,415	**181,415**
Changes in ownership interests in subsidiaries with no change in control		(615,232)	(27,936)	**(643,168)**	(2,369,605)	**(3,012,773)**
Share of reserves of associates and joint ventures		(5,963)	5,721	**(242)**	(20)	**(262)**
Others		(3,196)	3,296	**100**	2,022	**2,122**
Total transactions with owners	**249**	**(965,039)**	**(21,810)**	**(986,600)**	**(2,192,276)**	**(3,178,876)**
Balance as at 30/06/2014	**6,303,123**	**9,140,293**	**288,219**	**15,731,635**	**6,325,653**	**22,057,288**

** 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 30/06/2014 vs 30/06/2013 (restated) – 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 01/04/2013, as previously reported	**6,300,718**	**9,089,240**	**(14,789)**	**15,375,169**	**4,462,707**	**19,837,876**
Effect of change in accounting policy#		44,161	11,231	**55,392**	4,675,217	**4,730,609**
Balance as at 01/04/2013, as restated	**6,300,718**	**9,133,401**	**(3,558)**	**15,430,561**	**9,137,924**	**24,568,485**
Total comprehensive income						
Profit for the period		383,270		**383,270**	302,945	**686,215**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			132,651	**132,651**	12,671	**145,322**
Change in fair value of available-for-sale investments			759	**759**	645	**1,404**
Effective portion of change in fair value of cash flow hedges			19,349	**19,349**	17,909	**37,258**
Share of other comprehensive income of associates and joint ventures			91,728	**91,728**	26,159	**117,887**
Total other comprehensive income, net of income tax	-	-	244,487	**244,487**	57,384	**301,871**
Total comprehensive income	**-**	**383,270**	**244,487**	**627,757**	**360,329**	**988,086**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company and its subsidiaries	1,408		15	**1,423**	321	**1,744**
Contribution from non-controlling interests (net)				**-**	13,028	**13,028**
Equity portion of convertible bonds issued			42,323	**42,323**	-	**42,323**
Conversion of convertible bonds			(1,022)	**(1,022)**	33,426	**32,404**
Repurchase of convertible bonds		5,330	(64,582)	**(59,252)**	-	**(59,252)**
Dividends paid/payable		(298,010)		**(298,010)**	(68,939)	**(366,949)**
Share-based payments			7,456	**7,456**	3,436	**10,892**
Total contributions by and distributions to owners	1,408	(292,680)	(15,810)	**(307,082)**	(18,728)	**(325,810)**
Changes in ownership interests in a subsidiary with a change in control				**-**	(177,411)	**(177,411)**
Changes in ownership interests in subsidiaries with no change in control		(10,731)	3,119	**(7,612)**	(89,675)	**(97,287)**
Share of reserves of associates and joint ventures		187	(976)	**(789)**	(45)	**(834)**
Others		2,894	251	**3,145**	(464)	**2,681**
Total transactions with owners	**1,408**	**(300,330)**	**(13,416)**	**(312,338)**	**(286,323)**	**(598,661)**
Balance as at 30/06/2013	**6,302,126**	**9,216,341**	**227,513**	**15,745,980**	**9,211,930**	**24,957,910**

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

Please refer to Note 4.

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

For the period ended 30/06/2014 vs 30/06/2013 – 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 01/04/2014	**6,302,874**	**3,214,117**	**(36,989)**	**287,245**	**39,246**	**9,806,493**
Total comprehensive income						
Profit for the period		291,014				**291,014**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	249					**249**
Dividends paid		(340,648)				**(340,648)**
Share-based payments					2,906	**2,906**
Total transactions with owners	**249**	**(340,648)**	**-**	**-**	**2,906**	**(337,493)**
Balance as at 30/06/2014	**6,303,123**	**3,164,483**	**(36,989)**	**287,245**	**42,152**	**9,760,014**
Balance as at 01/04/2013	**6,300,718**	**3,177,161**	**(35,017)**	**383,490**	**46,501**	**9,872,853**
Total comprehensive income						
Profit for the period		(4,806)				**(4,806)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	1,408					**1,408**
Dividends paid		(298,010)				**(298,010)**
Equity portion of convertible bonds issued				46,990		**46,990**
Repurchase of convertible bonds		6,673		(72,461)		**(65,788)**
Share-based payments					2,339	**2,339**
Total transactions with owners	**1,408**	**(291,337)**	**-**	**(25,471)**	**2,339**	**(313,061)**
Balance as at 30/06/2013	**6,302,126**	**2,881,018**	**(35,017)**	**358,019**	**48,840**	**9,554,986**

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

Issued Share Capital

As at 30 June 2014, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,258,361,958 (31 December 2013: 4,252,045,918) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	No. of Shares
As at 01/04/2014	4,258,062,194
Issue of new shares under Share Option Plans and payment of directors' fees	299,764
As at 30/06/2014	**4,258,361,958**

Outstanding Options under CapitaLand Share Option Plan

	No. of Shares
As at 01/04/2014	6,565,330
Exercised/Lapsed/Cancelled	(211,387)
As at 30/06/2014	6,353,943

Performance Share Plan

As at 30 June 2014, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 11,724,943 (30 June 2013: 9,362,029).

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 2012 and 2013, the maximum is 175 percent of the baseline award. From 2014, the maximum will be 170 percent of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 30 June 2014, the number of shares comprised in contingent awards granted under the restricted stock/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 11,568,376 (30 June 2013: 7,448,250) and 6,994,801 (30 June 2013: 6,764,049) respectively, of which 1,051,157 (30 June 2013: 336,210) shares out of the former and 245,870 (30 June 2013: 374,734) 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 2014:

Principal Amount $ million	Final Maturity Year	Conversion price $	Convertible into new ordinary shares
184.25	2016	6.0100	30,657,237
235.25	2018	7.1468	32,916,829
467.00	2016	4.6619	100,173,748
650.00	2020	4.9946	130,140,551
800.00	2023	4.2074	190,141,179
1,000.00	2022	11.5218	86,791,994

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 570,821,538 (30 June 2013: 572,791,966) representing a 13.4% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2014.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 2Q 2014. As at 30 June 2014, the Company held 13,928,946 treasury shares (30 June 2013: 13,911,215) which represents 0.3% 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 2013, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2014.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 January 2014 are:

Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities;
FRS 110 Consolidated Financial Statements;
FRS 111 Joint Arrangements;
FRS 112 Disclosures of Interests in Other Entities

Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 32 clarify the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The Group does not expect any significant financial impact on its financial position from the adoption of amendment to FRS 32.

FRS 110 Consolidated Financial Statements

FRS 110 establishes a single control model as the basis for determining the entities that will be consolidated. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group is required under FRS 110 to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.

In accordance with FRS 110, this change in accounting policy was applied retrospectively. Accordingly, the effects of the Group's financial statements arising from the adoption of FRS 110 are as follows:

	Group	
	2014 $'000 Increase/ (Decrease)	**2013 $'000 Increase/ (Decrease)**
Balance sheet as at 1 January		
Revenue reserves	30,013	54,302
Other reserves	10,947	11,213
Non-controlling interests	5,102,880	4,600,925
Total equity	**5,143,840**	**4,666,440**
Balance sheet as at 31 December		
Property, plant & equipment	-	(412,833)
Investment properties	-	10,560,740
Interest in associates and joint ventures	-	(1,602,676)
Other non-current assets	-	(113,833)
Assets held for sale	-	87,033
Cash and cash equivalents	-	386,173
Other current assets	-	3,611
Total assets	-	8,908,215
Trade and other payables	-	208,886
Short-term borrowings	-	85,602
Current tax payable	-	5,501
Long-term borrowings	-	3,287,774
Other non-current liabilities	-	176,612
Total liabilities	-	3,764,375
Net assets	**-**	**5,143,840**

	Group 2013 $'000 Increase/ (Decrease)
Income statement for the period ended 30 June	
Revenue	257,691
Cost of sales	65,656
Other operating income	147,192
Administrative expenses	11,094
Other operating expenses	280
Finance costs	45,586
Share of results of associates (net of tax)	(108,837)
Share of results of joint ventures (net of tax)	51,669
Taxation	20,800
Non-Controlling interests	206,316
Profit attributable to owners of the Company	**(2,017)**
Decrease in basic earnings per share (cents)	*
Decrease in diluted earnings per share (cents)	*

* Less than 0.1 cents.

FRS 111 Joint Arrangements

FRS 111 establishes the principles for classification and accounting of joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations. As the Group is currently applying the equity method of accounting for its joint ventures, there is no impact to the Group's profit or net assets.

FRS 112 Disclosures of Interests in Other Entities

FRS 112 sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there is no financial impact on the results and financial position of the Group and the Company from the adoption of this standard.

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 2014	2Q 2013 (Restated)	1H 2014	1H 2013 (Restated)
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)				
	- from continuing operations	10.3	7.8	13.8	11.8
	- from discontinued operation	-	1.2	0.8	1.6
	Total	**10.3**	**9.0**	**14.6**	**13.4**
	Weighted average number of ordinary shares (in million)	4,258.2	4,257.3	4,256.1	4,255.1
6(b)	EPS based on fully diluted basis (in cents)				
	- from continuing operations	10.0	7.5	13.1	11.7
	- from discontinued operation	-	1.1	0.7	1.4
	Total	**10.0**	**8.6**	**13.8**	**13.1**
	Weighted average number of ordinary shares (in million)	4,478.2	4,768.6	4,750.2	4,622.8

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	
	30/06/2014	31/12/2013 (Restated)	30/06/2014	31/12/2013
NAV per ordinary share	$3.69	$3.79	$2.29	$2.26
NTA per ordinary share	$3.59	$3.68	$2.29	$2.26

8 Review of the Group's performance

Group Overview

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	875.3	1,008.9	(13.2)	1,487.9	1,643.1	(9.4)
Earnings before Interest and Tax ("EBIT")	799.7	769.0	4.0	1,219.2	1,193.8	2.1
Finance costs	(108.0)	(121.1)	10.8	(219.6)	(248.1)	11.5
PBT	691.7	647.9	6.8	999.6	945.7	5.7
PATMI - continuing operations	438.7	332.8	31.8	586.1	502.9	16.6
PATMI - discontinued operation[(1)]	-	50.4	(100.0)	35.4	66.4	(46.7)
Total PATMI	438.7	383.3	14.5	621.5	569.3	9.2
Operating PATMI	136.5	104.4	30.7	292.2	224.3	30.3

[(1)] Discontinued operation consists of profit contribution from Australand as well as gain from sale of 39.1% stake in Australand of $19.1 million in 1H 2014.

2Q 2014 vs 2Q 2013 (Restated)

Continuing Operations

For the quarter under review, the Group achieved a revenue of $875.3 million and a PATMI of $438.7 million from its continuing operations.

Revenue decreased by 13.2% mainly due to lower sales from development projects in Singapore and China. The decrease was partially mitigated by higher contribution from our shopping mall and serviced residence businesses as well as development projects in Vietnam, namely Mulberry Lane and The Vista.

CapitaLand Singapore's ("CL Singapore") revenue was 20.9% lower as sales from Urban Resort Condominium and The Interlace tapered off after obtaining Temporary Occupation Permit in 2013, lower progressive revenue recognition for Bedok Residences as well as absence of rental income from TechnoPark@Chai Chee which was divested in November 2013. The decrease was partially mitigated by higher contribution from Sky Habitat, higher rental income from CapitaCommercial Trust as well as Bedok Mall and Westgate which commenced operations in December 2013.

Revenue from CapitaLand China ("CL China") which is recognised on a completion basis, was 38.0% lower as fewer apartment units for projects held through subsidiaries were handed over to home buyers during the quarter. The main contributor to 2Q 2014 revenue was iPark in Shenzhen.

For CapitaMalls Asia ("CMA"), the lower revenue was mainly attributable to lower progressive recognition for Bedok Residences. Excluding Bedok Residences, the revenue from the shopping malls recorded a 16.6% growth in current quarter, on account of higher contributions from Bedok Mall and Westgate in Singapore.

Serviced residences' revenue increased by 8.0% due to improved operating performance of properties in Europe, as well as contribution from newly acquired properties in China and Japan.

Collectively, the two core markets of Singapore and China accounted for 72.9% (2Q 2013: 81.5%) of the Group's revenue.

For 2Q 2014, the Group achieved an EBIT of $799.7 million which was 4.0% higher than 2Q 2013 mainly due to better operating performance, higher fair value gains and write back of foreseeable losses, partially offset by lower portfolio gains.

The improved operating performance was driven by higher development profits from China, rental income from the shopping mall business and lower losses incurred on the re-purchase of convertible bonds.

In terms of revaluation of investment properties gains, the Group recorded a net fair value gain of $427.3 million at the EBIT level (2Q 2013 of $407.9 million), of which $208.3 million was recorded by subsidiaries and are recognised in other operating income and $219.0 million was recorded through share of results of associates and joint ventures. In addition, a net write back of provision for foreseeable losses was made in respect of certain projects in Singapore and Bahrain amounting to $11.3 million (2Q 2013: impairments of $9.9 million).

Singapore and China markets remain the key contributors to EBIT, accounting for 78.6% of total EBIT from continuing operations (2Q 2013: 81.5%). Singapore EBIT was $387.6 million or 48.5% of total EBIT (2Q 2013: $363.4 million or 47.2%) while China EBIT was $241.1 million or 30.1% of total EBIT (2Q 2013: $263.7 million or 34.3%).

Singapore EBIT was comparatively higher due to better performance from the shopping mall business and lower losses from the re-purchase of convertible bonds, partially offset by lower development profits. EBIT from China was lower due to lower fair value gains from investment properties.

Overall, the Group achieved a PATMI from continuing operations of $438.7 million in 2Q 2014, which was 31.8% higher than the restated 2Q 2013 PATMI of $332.8 million. Including PATMI from discontinued operation, the Group's total PATMI for the quarter was 14.5% higher than the 2Q 2013. The Group's operating PATMI was $136.5 million, which was 30.7% higher than the same quarter last year.

1H 2014 vs 1H 2013 (Restated)

<u>Continuing Operations</u>

The Group achieved a revenue of $1,487.9 million and a PATMI of $621.5 million from its continuing operations in the first half of 2014.

1H 2014 revenue was 9.4% lower mainly due to lower contribution from CL Singapore and CL China. The decrease was partially mitigated by higher revenue from our Vietnam development projects as well as higher rental revenue from our shopping mall and serviced residence businesses.

CL Singapore recorded a lower revenue of 28.3% as sales from Urban Resort Condominium and The Interlace tapered off after obtaining Temporary Occupation Permit in 2013 as well as loss of rental revenue from TechnoPark@Chai Chee, partially offset by higher revenue from Sky Habitat and higher rental contribution from CapitaCommercial Trust, Bedok Mall and Westgate.

CL China's revenue was lower by 21.6% as it delivered a lower number of residential units for projects held through subsidiaries in 1H 2014. The units handed over to home buyers this year were mainly from La Cite in Foshan and iPark in Shenzhen.

CMA reported a 13.0% increase in revenue, backed by higher rental revenue from Bedok Mall and Westgate in Singapore, Olinas Mall in Japan and malls in China. The increase was partially offset by lower leasing commission from China as there were no mall opening in 1H 2014.

Ascott also saw an increase of 8.1% in its revenue due to better performance of properties in Europe, as well as contribution from newly acquired properties in China and Japan.

Singapore accounted for 48.9% (1H 2013: 54.1%) of the Group's revenue while China operations accounted for 22.7% (1H 2013: 24.3%). Together they accounted for 71.6% (1H 2013: 78.4%) of the Group's revenue.

The Group achieved an EBIT of $1,219.2 million, which was 2.1% higher than 1H 2013, on account of improved operating performance, write back of provision for foreseeable losses as compared to impairments in 1H 2013 and higher fair value gains on investment properties. The increase was offset by a divestment loss in 1H 2014 as compared to a gain last year.

The improvement in operating performance was driven by higher development profits in China and Vietnam, improved operating performance from shopping mall business and lower losses on re-purchase of convertible bonds. The increase was partially offset by lower contribution from development projects in Singapore.

In terms of revaluation of investment properties, the Group recorded a fair value gain of $448.1 million (1H 2013: $415.8 million) at EBIT level. The fair value gain from investment properties in Singapore, Malaysia and Europe were higher, but this was partially offset by lower fair value gain from our investment properties in China and Japan.

The divestment loss in 1H 2014 was $6.3 million (1H 2013: gain of $91.5 million), which arose mainly from the sale of LOMA IT Park in India. In addition, the Group recorded net write backs of $8.6 million (1H 2013: impairment charge of $10.5 million) mainly in respect of certain projects in Singapore and Bahrain.

Singapore and China markets accounted for 80.3% of total EBIT against 82.8% in 1H 2013. EBIT from Singapore was $573.4 million or 47.0% (1H 2013: $586.4 million or 49.1%), while China EBIT was $405.9 million or 33.3% (1H 2013: $402.4 million or 33.7%).

The lower Singapore EBIT was mainly attributable to lower development profits, partially mitigated by better performance from our shopping malls and lower losses from re-purchase of convertible bonds. EBIT from China increased on account of better operating performance, partially offset by lower fair value and portfolio gains.

Finance costs decreased as the average interest rate and level of borrowings were both lower in 1H 2014. The reduction in financing costs is a result of debt management initiatives undertaken in FY2013.

For the six months ended June 2014, the Group achieved a PATMI from continuing operations of $586.1 million in, which is 16.6% higher than the restated 1H 2013 PATMI of $502.9 million. Including PATMI from discontinued operation, the Group's total PATMI was $621.5 million, 9.2% higher than restated 1H 2013. The Group's operating PATMI was $292.2 million, which is 30.3% higher than restated 1H 2013.

Segment Performance

CL Singapore

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	317.8	401.8	(20.9)	513.8	716.7	(28.3)
EBIT	241.0	247.3	(2.6)	358.9	398.5	(9.9)

In 2Q 2014, CL Singapore sold 161 residential units (2Q 2013: 139 units), bringing the total number of residential units sold in 1H 2014 to 195 units (1H 2013: 683 units) with a sales value of $340 million (1H 2013: $1.6 billion)

The decrease in revenue for 2Q 2014 and 1H 2014 was mainly due to the tapering off of sales contribution from The Interlace and Urban Resort Condominium as the projects obtained Temporary Occupation Permit in 2013, lower progressive revenue recognition for Bedok Residences, as well as loss of rental revenue from Technopark@Chai Chee which was divested in November 2013. This was partially mitigated by higher revenue from better sales achieved for Sky Habitat in 2Q 2014 and higher rental revenue from CapitaCommercial Trust (CCT), as well as Bedok Mall and Westgate which commenced operations in December 2013.

On account of lower revenue, EBIT for 2Q 2014 and 1H 2014 were lower than previous corresponding periods. This was partially mitigated by higher net revaluation gain from CCT properties, CapitaGreen, PWC Building and Bedok Mall as well as write back of impairment charge for Urban Suites.

CL China

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	153.8	248.2	(38.0)	235.8	300.7	(21.6)
EBIT	114.3	105.3	8.6	245.2	214.4	14.3

In 2Q 2014, CL China sold 1,054 units with a sales value of RMB 1.4 billion or approximately $279 million (2Q 2013: 1,891 units; RMB 2.1 billion). Vista Garden, a new project in Guangzhou, launched 2 blocks (244 units) in this quarter and achieved a sales rate of 67%.

For the six months ended June 2014, 2,231 units were sold at a value of RMB 2.7 billion or approximately $544 million (1H 2013: 4,140 units; RMB 4.8 billion). The units sold were mainly from La Botanica in Xi’an, The Loft in Chengdu, The Metropolis in Kunshan and The Paragon in Shanghai.

In 2Q 2014, 4,985 units (2Q 2013: 1,326 units) were handed over to home buyers, mainly from La Botanica in Xi’an (2,085 units), The Botanica in Chengdu (1,833 units), Imperial Bay in Hangzhou (213 units) and iPark in Shenzhen (208 units). Including 555 units handed over in 1Q 2014, CL China delivered 5,540 units in 1H 2014 (1H 2013: 3,917 units).

Revenue in 2Q 2014 and 1H 2014 were lower than previous corresponding periods mainly due to lower number of residential units being handed over from projects held through subsidiaries. While the total units handed over to home buyers in 2014 has increased, this was not reflected in the revenue line as the majority of these projects were held through associates and joint ventures, which are accounted in the share of results of associates and joint ventures.

EBIT for 2Q 2014 and 1H 2014 was higher mainly due to higher share of associates’ and joint ventures’ operating results but partially offset by lower fair value gains. The higher EBIT in 1H 2014 was also due to reversal of costs accruals upon final settlement for a project. 1H 2013’s result was boosted by a gain from divestment of a residential site in Beijing.

CapitaMalls Asia ("CMA")

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	178.6	188.8	(5.4)	347.6	307.6	13.0
EBIT	314.8	355.2	(11.4)	441.2	468.6	(5.8)

Revenue decreased by 5.4% for 2Q 2014 mainly due to lower progressive revenue recognition from Bedok Residences and lower leasing commission from China as there was no mall opening this quarter. This was partially mitigated by rental revenue from Bedok Mall and Westgate which began operations in December 2013.

For 1H 2014, revenue increased by 13.0% to S$347.6 million. This was mainly due to higher rental revenue from Bedok Mall and Westgate, Olinas Mall in Japan and malls in China. The increase was partially offset by lower leasing commission from China.

EBIT for 2Q 2014 and 1H 2014 were 11.4% and 5.8% lower respectively. This was largely due to the absence of portfolio gains in China and lower revaluation gains in the current periods. Excluding portfolio, revaluation gains and impairments, CMA's EBIT improved by 27.9% and 20.1% to $131.2 million and $259.5 million in 2Q 2014 and 1H 2014 respectively, due to contributions from Bedok Mall and Westgate, better performances from China Funds, ION Orchard and CapitaMall Trust.

Ascott

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	175.0	162.1	8.0	327.3	302.8	8.1
EBIT	113.5	99.2	14.4	158.4	136.8	15.8

In line with strategy to grow its fee-based income, Ascott has secured its first franchise agreements in 2Q 2014, one of which is in Vientiane, Laos while the other is in Bali, Indonesia. In addition, Ascott has secured management contracts to manage five more properties in various cities in China and two more properties in Jeddah, Saudi Arabia. With this, Ascott has crossed its milestone of 35,000 apartment units globally.

Ascott has also acquired an operating serviced residence, The Mercer in Hong Kong, further strengthening Ascott's leadership position as the world's largest international serviced residence owner-operator.

Revenue for 2Q 2014 and 1H 2014 were higher mainly due to contribution from newly acquired properties in China and Japan as well as improved performance from properties in Europe.

EBIT for 2Q 2014 and 1H 2014 were higher mainly due to higher fair value gain from investment properties and higher revenue.

Corporate and Others

S$M	2Q 2014	2Q 2013 (Restated)	Variance (%)	1H 2014	1H 2013 (Restated)	Variance (%)
Revenue	50.2	8.0	526.4	63.3	15.3	314.9
EBIT	16.1	(38.1)	NM	15.5	(24.6)	NM

Corporate and Others include Corporate Office, Surbana (Consultancy), Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.

Higher revenue in 2Q 2014 and 1H 2014 was attributable to higher sales from development projects in Vietnam, namely Mulberry Lane and The Vista.

The improvement in EBIT for 2Q 2014 was mainly attributable to higher revenue, the absence of a loss incurred on re-purchase of convertible bonds and write back of provision for a project in Bahrain. 1H 2014's EBIT was higher due to higher revenue, receipt of forfeiture deposit arising from an abortive deal, the absence of a loss incurred on re-purchase of convertible bonds and write back of provision for foreseeable losses, partially offset by the loss on divestment of LOMA IT Park in India.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the first quarter 2014 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

CL Singapore

According to URA, prices of private residential properties decreased by 1.0% as compared to 1.3% in the previous quarter. Prices of non-landed private residential properties in all market segments declined in 2Q 2014.

As the impact of the Total Debt Servicing Ratio and concerns over interest rate hikes continue to weigh down the market, private residential demand and pricing is expected to further moderate in 2H 2014.

However, with a resilient Singapore economy and policies to support population and economic growth, demand for new homes over the long term remains positive.

Marine Blue is expected to be launch-ready in 2H 2014. As at end June 2014, CL Singapore has a pipeline of 1,417 residential units including those held through joint ventures and unlaunched projects. CL Singapore will continue to source for well-located sites to build up its pipeline.

The Singapore office market continues to see an increase in Grade A office rent in the core central business district (CBD) during the second quarter, with average monthly Grade A office rent rising by 3.4% from $10.25 per square foot ("psf") at end-March 2014 to reach $10.60 psf at end-June 2014. Core CBD office occupancy rose marginally from 95.7% to 95.8%. In comparison, CCT's portfolio occupancy and average monthly grade A office rent registered 99.4% and $10.40-$14.00 psf respectively. Tight office supply conditions in the Core CBD market is expected to continue through to the first half of 2016 which, together with healthy demand, would potentially support further rental growth. Structural work at CapitaGreen has reached its top floor and the building is on schedule for completion by end-2014. The building has committed leases for 165,000 square feet which translates to about 23% of the building's net lettable area.

CL China

The Chinese government is expected to maintain its policies to ensure stability and healthy development of the real estate market. CapitaLand remains confident in the long term outlook of the Chinese real estate market and will continue its strategic objective of strengthening and deepening its presence in China through the five city clusters.

Four new residential projects are expected to be launch-ready in 2H 2014. They are Lotus Mansion and New Horizon in Shanghai, Riverfront in Hangzhou and Vermont Hills in Beijing. These new projects, together with new phases to be launched from existing projects, will collectively yield about 7,500 units. These units will be released for sale in 2H 2014 according to market conditions and subject to regulatory approval.

In 2H 2014, CL China expects to complete about 2,000 of the launched units mainly from La Botanica, The Metropolis and International Trade Centre in Tianjin.

Of the eight assets under the Raffles City portfolio, four are operational, namely Raffles City Shanghai, Raffles City Beijing, Raffles City Ningbo and Raffles City Chengdu and they will continue to generate positive and stable leasing income. The other four are in various stages of development and are poised to open in phases from 2015 to 2018.

CL China will continue to seek opportunities to acquire new sites to boost its development pipeline in China, including undertaking strategic acquisitions of land banks and real estate assets.

CMA

In Asia, growth is expected to be supported by resilient domestic demand and a gradual recovery in external demand. China's economy is expected to grow between 7.0% and 7.5% in 2014, as the authorities continue to focus on quality rather than quantity of growth. Singapore's GDP growth forecast for 2014 is expected to be between 2.0% and 4.0%, while Malaysia's growth forecast for 2014 is expected to be between 4.5% and 5.5%.

This bodes well for the key markets that CMA operates in namely, Singapore, China and Malaysia. The malls that opened in 2013 will progressively contribute meaningfully to earnings. In the coming months, CMA will focus its efforts on opening new malls in China and India; as well as improving the performance of its existing malls. CMA will also continue to strengthen its presence in the region when opportunities arise as well as build upon the sizeable pipeline of malls under development which will lay the foundation for growth in future earnings.

Ascott

Ascott will continue to seek investment opportunities in key gateway cities in Asia and Europe and focus on active asset enhancement initiatives to reposition and upgrade its residences by reconfiguring layout of public space and rooms to maximise returns and enhance travelers' experience.

Ascott will also continue to grow its fee-based income through securing more management contracts as part of its strategy to scale up its global network.

GROUP OVERALL PROSPECTS

CapitaLand has a well-balanced portfolio of investment properties and residential projects. This has provided us with an improved set of results despite the slowdown in the residential markets in Singapore and China. With a simplified organisational structure, CapitaLand is strategically positioned to leverage its strength in development, as well as management of integrated developments, shopping malls and serviced residences to capture the growth in Asia. The Group will continue to focus on Singapore and China as its core markets.

CapitaLand is well-positioned to benefit from the ongoing strategy of recycling capital using the REITs and funds platforms. Coupled with a healthy balance sheet and prudent capital management, CapitaLand is able to capitalise on new opportunities when they arise.

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 obtained a general mandate from shareholders for Interested Person Transactions.

14 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 2014 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

15 Segmental Revenue and Results – Continuing operations

15(a)(i) By Strategic Business Units (SBUs) – 2Q 2014 vs 2Q 2013 (Restated)

	Revenue			Earnings before interest & tax		
	2Q 2014 S$'000	2Q 2013 [(1)] S$'000 (Restated)	Variance %	2Q 2014 S$'000	2Q 2013 [(1)] S$'000 (Restated)	Variance %
Continuing operations						
CapitaLand Singapore [(2)]	317,803	401,830	(20.9)	240,957	247,346	(2.6)
CapitaLand China [(3)]	153,758	248,161	(38.0)	114,347	105,276	8.6
CapitaMalls Asia	178,586	188,825	(5.4)	314,828	355,234	(11.4)
Ascott	174,973	162,054	8.0	113,469	99,211	14.4
Corporate and Others [(4)]	50,170	8,009	526.4	16,088	(38,062)	NM
Total	**875,290**	**1,008,879**	**(13.2)**	**799,689**	**769,005**	**4.0**

15(a)(ii) By Strategic Business Units (SBUs) – 1H 2014 vs 1H 2013 (Restated)

	Revenue			Earnings before interest & tax		
	YTD Jun 2014 S$'000	YTD Jun [(1)] 2013 S$'000 (Restated)	Variance %	YTD Jun 2014 S$'000	YTD Jun [(1)] 2013 S$'000 (Restated)	Variance %
Continuing operations						
CapitaLand Singapore [(2)]	513,833	716,706	(28.3)	358,894	398,511	(9.9)
CapitaLand China [(3)]	235,766	300,650	(21.6)	245,179	214,419	14.3
CapitaMalls Asia	347,607	307,629	13.0	441,234	468,627	(5.8)
Ascott	327,319	302,809	8.1	158,398	136,793	15.8
Corporate and Others [(4)]	63,337	15,267	314.9	15,466	(24,596)	NM
Total	**1,487,862**	**1,643,061**	**(9.4)**	**1,219,171**	**1,193,754**	**2.1**

Note : [(1)] *The comparatives have been restated to take into account the retrospective adjustments relating to FRS 110.*
[(2)] *Includes residential business in Malaysia.*
[(3)] *Excludes Retail and Serviced Residences in China.*
[(4)] *Includes Surbana (Consultancy), Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.*

15(b)(i) By Geographical Location – 2Q 2014 vs 2Q 2013 (Restated)

	Revenue			Earnings before interest & tax		
	2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	Variance %	2Q 2014 S$'000	2Q 2013 S$'000 (Restated)	Variance %
Continuing operations						
Singapore	434,100	522,808	(17.0)	387,619	363,420	6.7
China [1]	203,687	299,011	(31.9)	241,056	263,663	(8.6)
Other Asia [2]	141,937	96,045	47.8	116,709	102,968	13.3
Europe & Others[3]	95,566	91,015	5.0	54,305	38,954	39.4
Total	**875,290**	**1,008,879**	**(13.2)**	**799,689**	**769,005**	**4.0**

15(b)(ii) By Geographical Location – 1H 2014 vs 1H 2013 (Restated)

	Revenue			Earnings before interest & tax		
	YTD Jun 2014 S$'000	YTD Jun 2013 S$'000 (Restated)	Variance %	YTD Jun 2014 S$'000	YTD Jun 2013 S$'000 (Restated)	Variance %
Continuing operations						
Singapore	727,831	889,651	(18.2)	573,406	586,382	(2.2)
China [1]	337,867	398,775	(15.3)	405,904	402,362	0.9
Other Asia [2]	249,629	190,030	31.4	176,417	155,272	13.6
Europe & Others[3]	172,535	164,605	4.8	63,444	49,738	27.6
Total	**1,487,862**	**1,643,061**	**(9.4)**	**1,219,171**	**1,193,754**	**2.1**

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

16 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.

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

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
05 August 2014