Embargoed for release till 5.00 pm, 1 August 2001

CAPITALAND LIMITED
2001 HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT

Half year financial statement on consolidated results for the six months ended 30 June 2001.
These figures have not been audited.

		Group			Company		
		1H 2001 S$'000	1H 2000 S$'000 (Note)	% Change	1H 2001 S$'000	1H 2000 S$'000 (Note)	% Change
1(a)	**Turnover**	**1,747,123**	**1,379,695**	**26.6**	**71,315**	**79,303**	**(10.1)**
1(b)	Investment income	4,279	2,646	61.7	65,803	65,164	1.0
1(c)	Other income including interest income	554,384	58,885	841.5	16,528	37,159	(55.5)
2(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss), and exceptional items	293,519	102,292	186.9	74,887	98,806	(24.2)
2(b)(i)	Interest on borrowings (including RCCPS dividend)	(225,642)	(175,882)	28.3	(50,468)	(49,739)	1.5
2(b)(ii)	Depreciation and amortisation	(82,885)	(61,292)	35.2	(851)	(441)	93.0
2(b)(iii)	Foreign exchange gain/(loss)	4,433	8,148	(45.6)	(4,487)	2,590	NM
2(c)	Exceptional items	-	-	-	-	-	-
2(d)	Operating profit/(loss) before income tax, minority interests and extraordinary items	(10,575)	(126,734)	(91.7)	19,081	51,216	(62.7)
2(e)	Share of results of associated companies, joint ventures and partnerships	(25,066)	13,398	NM	-	-	-
	Operating profit/(loss) before tax	(35,641)	(113,336)	(68.6)	19,081	51,216	(62.7)
2(f)	Taxation	(42,808)	(75,113)	(43.0)	(5,210)	(12,373)	(57.9)
2(g)(i)	**(Loss)/Profit after tax**	**(78,449)**	**(188,449)**	**(58.4)**	**13,871**	**38,843**	**(64.3)**
2(g)(ii)	Minority interests (MI)	(189,894)	(7,400)	NM	-	-	-
2(h)	**(Loss)/Profit after tax & MI**	**(268,343)**	**(195,849)**	**37.0**	**13,871**	**38,843**	**(64.3)**
2(i)	Extraordinary items (EI)	-	-	-	-	-	-
2(j)	**(Loss)/Profit after tax, MI & EI attributable to members of the Company**	**(268,343)**	**(195,849)**	**37.0**	**13,871**	**38,843**	**(64.3)**

Note : Comparative figures have been adjusted to conform with current year's presentation. Please see Paragraph 12 for more details.

NM Not meaningful.

3(a) Earnings per ordinary share (EPS) based on 2(h) profit after tax & MI but before EI

In line with revised Statement of Accounting Standard 8, the extraordinary items for 1H 2000 have been reclassified and presented before calculating "operating profit before taxation". Hence, there is no difference in the profit figures based on 2(h) and 2(j).

The EPS based on existing share capital is calculated on the profit set out in 2(h) and 2(j) above and the weighted average number of issued shares of 2,517.3 million (1H 2000: 2,489.2 million) during the period under review.

In computing the EPS on fully diluted basis, share options whose exercise prices are equal to or above the market share price of the Company as at 30 June 2001 are disregarded. The weighted average number of shares used for the computation for the EPS on fully diluted basis is 2,517.5 million (1H 2000: 2,489.2 million).

		Group	
		1H 2001	**1H 2000**
3(a)(i)	EPS based on existing share capital (cents)	(10.7)	(7.9)
3(a)(ii)	EPS based on fully diluted basis (cents)	(10.7)	(7.9)

3(b) Earnings per ordinary share (EPS) based on 2(j) profit after tax, MI and EI

		Group	
		1H 2001	**1H 2000**
3(b)(i)	EPS based on existing share capital (cents)	(10.7)	(7.9)
3(b)(ii)	EPS based on fully diluted basis (cents)	(10.7)	(7.9)

3(c) Net tangible assets backing per ordinary share

	Group	
	1H 2001	**1H 2000**
NTA per ordinary share	$2.58	$2.81

The fall in the NTA per share to $2.58 was largely due to total provision of $588.2 million which caused a decline of 23 cents in NTA per share.

For purposes of calculating the comparative NTA per share as at 1H 2000, the enlarged share capital of the Group is used.

4(a) Amount of any adjustment for under or over-provision of tax in respect of prior years

The provision for income tax is based on the statutory tax rates of the respective countries in which the companies are operating and after taking into account non-deductible expenses and timing differences.

The amount of under-provision of current tax and deferred tax included in the Group's tax charge for the 6 months ended 30 June 2001 is immaterial (1H 2000: immaterial).

4(b) Amount of any pre-acquisition profits

There were no pre-acquisition profits included in the results reported.

4(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties	**Group's Share of Profit/(Loss) after tax and MI $M**
• Phoenix Tower Ltd (an associated company in which the Group has a 50% equity interest) sold its 55% stake in a 23-storey strata-titled building at 79 Anson Road.	25.3
• The Group sold its 50% equity interest in an associated company, Thomson Plaza Investments Pte Ltd, which owns a strata unit on the 3rd level of Thomson Plaza.	11.1
• The Group sold its entire equity interest in wholly-owned subsidiary, Fusion Investments Pte Ltd, which owns an office building at 11 Beach Road.	4.0
• Hill Street Centre Pte Ltd, a wholly-owned subsidiary of the Group, sold its property known as Hill Street Centre.	(0.6)
• The Group sold its 40% stake in Little India Arcade Pte Ltd.	3.2
• Subsidiary, Tanjong Pagar Heritage Pte Ltd, disposed of a property known as 59 Neil Road.	0.6
• Portion of land at Clark Quay required for MRT	(0.2)
• Subsidiary, The Ascott Group Limited, divested the retail component of Orchard Point.	(0.3)
• Subsidiary, Raffles Holdings Limited, divested 55% equity interest in Raffles City Pte Ltd.	277.4
Total Group's share of divestment gains after tax & MI	**320.5**

4(d) Any other comments relating to Paragraph 4

Nil.

5. Review of Performance
Segmental Results

5(a)(a) By Strategic Business Units (SBUs)

	Turnover			Profit before interest & tax		
	1H 2001 S$'000	1H 2000 S$'000	% Change	1H 2001 S$'000	1H 2000 S$'000	% Change
Commercial & Fund Mgt	261,186	172,578	51.3	177,997	84,214	111.4
Residential	1,058,113	867,433	22.0	(431,840)	152,875	NM
The Ascott Group *	141,610	93,917	50.8	47,782	30,693	55.7
RHL Group & RCH **	231,383	203,477	13.7	463,722	50,955	810.1
Property Services Group	49,888	44,407	12.3	8,215	6,872	19.5
E-Business	-	-	-	(1,911)	(292)	554.5
Non-Core Businesses	14,049	13,054	7.6	(66,012)	(267,203)	(75.3)
- 3 Other Hotels	14,049	13,054	7.6	(10,412)	(151,945)	(93.1)
- Healthcare	-	-	-	(55,600)	(115,258)	(51.8)
Corporate and consolidation adjms	(9,106)	(15,171)	(40.0)	(7,952)	4,435	NM
Group	**1,747,123**	**1,379,695**	**26.6**	**190,001**	**62,549**	**203.8**

* *Although the Ascott Group prepares its financial statements on merger accounting, The Ascott Limited became a subsidiary only on 25 November 2000 from CapitaLand Group's perspective. Hence, the 1H 2000 comparative turnover and profits shown above pertain only to the former Somerset Group which was a subsidiary of CapitaLand Group.*

** *Depreciation of about $12.2M and $13.1M were put through at CapitaLand Group level in 1H 2001 and 1H 2000 respectively to align Raffles Holdings' depreciation rates for its hotels to the CapitaLand Group's depreciation rates.*

Strictly for information only, the numbers reported by The Ascott Group and Raffles Holdings Group to their respective shareholders are:-

	Turnover			Profit before interest & tax (including exceptional items)		
	1H 2001 S$'000	1H 2000 S$'000	% Change	1H 2001 S$'000	1H 2000 S$'000	% Change
The Ascott Group	141,610	111,770	26.7	43,498	51,742	(15.9)
Raffles Holdings Group	179,503	157,839	13.7	357,045	62,040	475.5

5(a)(b) By business activities

	Turnover			Profit before interest & tax		
	1H 2001 S$'000	1H 2000 S$'000	% Change	1H 2001 S$'000	1H 2000 S$'000	% Change
Commercial	247,860	249,167	(0.5)	406,003	123,895	227.7
Residential	1,176,657	872,723	34.8	(433,181)	161,008	NM
Serviced Residences	67,992	31,420	116.4	16,745	8,748	91.4
Hotels	199,395	170,350	17.1	267,782	30,151	788.1
Property Mgt & Services	50,276	58,675	(14.3)	8,945	10,826	(17.4)
E-Business	-	-	-	(1,911)	(292)	554.5
Non-Core Businesses	14,049	13,054	7.6	(66,012)	(267,203)	(75.3)
- 3 Other Hotels	14,049	13,054	7.6	(10,412)	(151,945)	(93.1)
- Healthcare	-	-	-	(55,600)	(115,258)	(51.8)
Others and consolidation adjms	(9,106)	(15,694)	(42.0)	(8,370)	(4,584)	82.6
Group	**1,747,123**	**1,379,695**	**26.6**	**190,001**	**62,549**	**203.8**

5(a)(c) By geographical location

	Turnover			Profit before interest & tax		
	1H 2001 S$'000	1H 2000 S$'000	% Change	1H 2001 S$'000	1H 2000 S$'000	% Change
Singapore	721,752	853,693	(15.5)	130,599	243,582	(46.4)
Australia & New Zealand	682,162	415,200	64.3	59,902	72,086	(16.9)
China & Hong Kong	148,225	70,250	111.0	1,274	(134,206)	NM
South East Asia	41,877	5,203	704.9	(2,303)	(41,199)	(94.4)
United Kingdom	110,233	20,480	438.2	6,546	6,715	(2.5)
Others	45,991	30,175	52.4	(6,017)	(75,356)	(92.0)
Inter-segment elimination and consolidation adjms	(3,117)	(15,306)	(79.6)	-	(9,073)	NM
Group	**1,747,123**	**1,379,695**	**26.6**	**190,001**	**62,549**	**203.8**

Overview

1H 2001 net loss after tax and minority interests was $268.3 million compared to a loss of $195.8 million for the previous corresponding period. The increase in losses was largely due to substantial provisions made totalling $588.2 million. The provisions comprise:-

- $69.7 million for foreseeable losses in respect of completed units and projects under development in Singapore residential sector;
- $437.9 million in value of landbank in Singapore;
- $49.3 million write-down being Parkway shares marked to market closing price of $0.94 per share;
- $6.3 million further provision for the Group's investments in Vista Healthcare;
- $18 million by Raffles Holdings Group for diminution in value in certain leasehold land; and
- $7 million by Raffles Holdings Group for unquoted equity investments.

Without the above provisions, the Group would have recorded a net profit after tax and minority interests of $310.1 million, resulting from the Group's successful divestment programme. Specifically, the Group divested its interests in five commercial properties, besides the sale of the Orchard Point retail podium and 55% of its stake in the wholly-owned Raffles City (Private) Ltd which owns the Raffles City complex. Proceeds from the Group's divestment activities totalled $1.2 billion and resulted in gains of $320.5 million. In the absence of the $588.2 million provision, these gains, coupled with cautious new investments, would have resulted in the Group's gearing falling to 0.84 from the 0.92 reported at year-end 2000. As a result of the provision, gearing still remains high at 0.90. However, the Group is looking at various strategies to reduce its gearing to 0.6 by year-end 2002.

Operationally, commercial properties and property management services sectors have provided steady contributions. In addition, the average occupancy and room rates for our serviced residences and hotels have shown improvement as compared to the same period last year. However, the Group's performance was negatively impacted by the poor contributions from Singapore residential projects and related provisions.

Another major adverse factor affecting the Group's profitability was its increased interest expenses. For the first half year, total interest expenses charged to the profit and loss account increased by 28.3% to $225.6 million from $175.9 million in the first half of 2000. This was largely due to interest costs relating to holding of residential landbank and increased borrowings.

The Group's improvement in turnover is on track to exceed the target of 10% to 15% growth set for 2001. For 1H 2001, Group turnover was $1,747.1 million, or a 26.6% increase over the $1,379.7 million reported in the first half of 2000. This improvement came largely from higher residential sales in Australia and China, consolidation of revenue from Canary Riverside which became a subsidiary in November 2000 and higher contributions from serviced residences and hotels.

Segment Performance

Commercial & Fund Management SBU

Turnover for 1H 2001 was $261.2 million, an increase of 51.3% from $172.6 million in the same period last year. The increase was mainly attributable to the inclusion of revenue from the Canary Riverside project which became a subsidiary in November 2000 and contributions from Capital Tower, where tenants started to take occupancy at the beginning of the year. The increase in turnover was partially reduced by the loss of contributions from 79 Anson Road and 11 Beach Road which were divested early this year.

1H 2001 EBIT of $178.0 million includes divestment gains of $43.3 million from the sale of five commercial properties. This is a huge turnaround from the same period last year totalled $84.2 million following a net write-down of $45.7 million due to revaluation deficits for investment properties in Indonesia and China.

Excluding the divestment gains and provisions, 1H 2001 EBIT is $134.7 million, a slight improvement of 3.7% over the $129.9 million recorded for the same period last year. The improvement is mainly attributable to higher contributions from Capital Tower, Hitachi Tower, Caltex House and PWC Building.

Residential SBU

1H 2001 turnover was $1,058.1 million, a 22.0% increase over the same period last year of $867.4 million. The increase was mainly due to higher sales at our listed Australian subsidiary, Australand.

During the first half year, the Group launched two new projects in Singapore - Tanamera Crest and SunGlade. SunGlade was well received with more than 70% sold to-date. Woodsvale and The Floravale Executive Condominiums were relaunched with encouraging take up rates. The new sales pushed the total percentage sold for these two projects to more than 90% and 75% respectively. One joint venture project, Central Grove, obtained TOP in April 2001.

Although the turnover improved, EBIT was affected by poor contributions from Singapore residential projects. In addition, a total provision of $507.6 million was made for foreseeable losses attributable to completed units and projects under development, as well as in the value of landbank. As a result, the Residential SBU recorded negative EBIT of $431.8 million compared with an EBIT of $152.9 million for the same period last year.

Serviced Residences SBU (The Ascott Group)

Turnover and EBIT for the first half year were $141.6 million and $47.8 million respectively compared to $93.9 million and $30.7 million for 1H 2000. It should be noted, however, that 1H2000 figures only included the results of the former Somerset Group. 1H 2001 figures, on the other hand, include contributions from both the Ascott and Somerset Groups. However, this year's improvement is not solely a result of this consolidation. Higher occupancy and room rates were achieved for the serviced residences properties. This strong performance is particularly noteworthy given the economic uncertainties in many of the cities in which the Ascott Group operates.

Turnover for Ascott's retail properties increased by 9%, or $3.5 million over 1H 2000, mainly due to the rents generated from the new annexe building at Junction 8 and higher rental rates achieved for Funan IT Mall.

Hotels SBU (Raffles Holdings Group and RC Hotels)

In the period under review, the Raffles Holdings Group ("RH Group") achieved two significant milestones in its efforts to transform the RH Group into one of the top global hotel brands. In June 2001, the RH Group completed the divestment of 55% of its 100% stake in Raffles City (Private) Ltd which owns the Raffles City Complex for a total cash consideration of $985 million. The divestment is in line with the RH Group's stated objective to monetize its interest in Raffles City to fuel its future growth and expansion. It also acquired Swissotel Holding AG, the owner and operator of the Swissotel Hotels and Resorts, for CHF410 million (subject to post completion adjustments).

For the first half year of 2001, this SBU achieved a turnover of $231.4 million, an improvement of 13.7% over 1H 2000's turnover of $203.5 million. The increase was due to the acquisition of the Raffles L'Ermitage Beverly Hills in October 2000 and Swissotel in June 2001, and better hotel occupancy and room rates in Australia and Cambodia. On the other hand, turnover of related commercial segment decreased by 21% to $31.6 million as a result of the Raffles City divestment and lower average office occupancy and rental rates.

1H 2001 EBIT of $463.7 million included an adjusted divestment gain of $461.9 million arising from the divestment of RH Group's 55% stake in Raffles City (Private) Ltd, as well as a write-down of $18 million for a piece of leasehold land and a provision of $7 million for diminution in value of unquoted equity investments.

Property Services SBU

This sector continues to show improvement. Turnover was up 12.3% to $49.9 million (1H 2000: $44.4 million) and EBIT was up 19.5% to $8.2 million (1H 2000: $6.9 million). These increases were attributable to new contracts secured and improved margins.

E-Business SBU

pFission was established in March 2000 with an initial funding of $50 million. It began operation in May 2000. As of June 2001, it had invested $16.3 million in e-businesses and technologies. The loss before interest for 1H 2001 was $1.9 million (1H 2000: loss of $0.3 million).

Despite the bust of the dotcom bubble, the Group believes there are niche property-related e-businesses which could complement and enhance the Group's core businesses. Hence, pFission has selectively taken stakes in companies such as icFox International Limited and IcFox Singapore Pte Ltd (a construction B2B enabler providing e-tendering and project management), Propbuzz Holdings Pte Ltd (an agent centric property listing portal) and eNabled Homes Pte Ltd (Application Service Provider for total integrated smart home features).

Non-Core Businesses : Other Hotels and Healthcare

Turnover from the Group's other hotels, namely Hotel Equatorial in Yangon, Meritus Westlake in Hanoi and Sheraton Suzhou Hotel, was $14.0 million, up 7.6% from $13.1 million in 1H 2000. The hotels were also moving towards improved performance with losses of $10.4 million vs $11.9 million in 1H 2000. However, consistent with its strategy to divest its non-core assets, the Group entered into a sale and purchase agreement on 26 April 2001 with Hotel Plaza Limited to divest its equity interests in the companies holding these three hotels. The sale price is based on a total valuation of US$82 million for the three hotels. The sale is expected to close by the end of Q3 and result in a write-back of about US$9 million on provisions previously made.

Parkway Holdings Limited shares have been marked to the market closing price at end-June 2001 resulting in a further diminution in value of $49.3 million (1H 2000 : write-down of $115.3 million). The Group is finalizing plans to divest its interests in Vista Healthcare and has taken a further provision of $6.3 million this reporting period.

Company's Performance

The Group is currently undergoing an internal restructuring to rationalise its businesses. Pending completion of this restructuring and a review of the appropriate capitalisation for each strategic business unit, certain corporate costs and inter-company interest charges have not been fully recovered. Accordingly, turnover and other income (mainly inter-company interest income) of the Company declined by 10.1% and 55.5% respectively. Consequently, the profit after tax recorded for the first six months was $13.9 million, compared to $38.8 million for the previous corresponding period.

5(b) Events Subsequent to Balance Sheet Date

In the opinion of the directors, no item or event of a material or unusual nature has occurred between 30 June 2001 and the date of this report which would materially affect the results of the operations of the Company and the Group for the six months ended 30 June 2001.

6. Commentary on current year prospects

Commercial & Property Fund SBU

This SBU generated cash inflows of $135.9 million from the sale of its interests in five commercial properties. The Group will continue to improve the yield on its existing portfolio by upgrading and repositioning several of its core properties. It will also explore injecting suitable properties into property funds.

In line with the Group's objectives to grow its fee-based income and to acquire fund management expertise, the Commercial SBU has embarked on establishing property funds and distressed debt funds. The Group is finalizing details of listing at least one of these funds before end of 2001.

Operating profit contribution of the commercial sector is expected to be weaker in the second half of the year. The slowdown in the economy will put pressure on occupancy and rental rates. However, successful monetisation of certain commercial assets via property funds should unlock additional value for shareholders.

Residential SBU

Australand will continue to contribute positively to the Group's profitability and its performance this year is expected to exceed slightly that of 2000.

China operations have made a turnaround. In addition to the launch of Manhatten Heights in Shanghai in the first half, another project – Summit Panorama will be launched in the second half of the year. Sales are expected to be strong.

Overall, the residential market in Singapore was slow, although some projects experienced good take up rates. Consequently, the Group has decided to make provisions for its Singapore projects and landbank. For the second half year, the Singapore operations will continue to affect the SBU and the overall group performance.

Serviced Residences SBU (The Ascott Group)

Despite global economic uncertainties, the Ascott Group expects second half performance of its serviced residence sector to be better than that for the same period last year. This sector has remained resilient because of Ascott Group's successful efforts to increase the average length of stay of its guests, and the general flight to quality properties offered by the Group.

Second half performance of Ascott Group's retail portfolio, which remains a significant contributor, will be slightly lower compared to last year due to the divestment of the Orchard Point retail podium. Operationally, however, the individual properties are expected to perform better than the second half of last year.

The Ascott Group is in an advanced stage of negotiations to divest its Junction 8 and Funan IT Mall.

While the performance of this SBU is expected to be relatively resilient, uncertainty over slowing global conditions remains. However, barring unforeseen circumstances, the Ascott Group expects the third quarter and full year financial performance to remain profitable.

Hotels SBU (Raffles Holdings Group and RC Hotels)

In line with the global outlook, economic growth in RH Group's key markets is projected to grow at a slower rate for the rest of 2001. A slow down in leisure and business travel, hotel occupancy and spending on food and beverage will adversely affect RH Group's performance in the second half of this year. In addition, RH Group will incur one-off costs arising from the Swissotel acquisition which will not be offset immediately by synergistic benefits arising from the enlarged group.

Consequently, RH Group expects operating performance to be weaker in the second half. However, with the gain on the Raffles City divestment, RH Group expects the performance for the whole of 2001 to be better compared with 2000.

Property Services SBU

Moving forward, the Property Services SBU will focus its efforts on securing new third party management contracts in growth sectors such as wafer fabs, pharmaceutical plants and data centres.

At present, the Property Services SBU has overseas operations in Hong Kong, Shanghai and Jakarta and plans to expand further into the Asian region. For the rest of the year, this sector is expected to remain profitable.

E-Business SBU

Due to the economic downturn, new investments will continue to be scaled back until the environment stabilizes. At associated companies level, operating cost will be continuously monitored as part of cost containment measures.

Overall Prospects for 2001

CapitaLand experienced significant increases in both revenue and EBIT in the first half of this year. Specifically, revenue climbed 27% to $1.7 billion from $1.4 billion in the first half of 2000. The company's increase in EBIT was even more significant. The $190 million of EBIT generated in the first half of this year represented more than a 200% increase over the $63 million posted for the same period last year.

In the first half of this year, CapitaLand generated a strong cash flow before financing items and tax of roughly $930 million. The Group expects the current global economic climate to persist throughout the balance of the year. Consequently, it will continue to emphasize cash flow growth and position itself to seize opportunities in the future.

The Group expects to find these opportunities both in Singapore and in international gateway cities. It is also anticipated that the Group will continue to securitize receivables from other CapitaLand residential projects. It will also expand its fee-based income by leveraging its property domain knowledge and expertise and providing management services.

The Group has worked diligently over the past six months to execute the strategy outlined by management at the year-end 2000 earnings conference in February. Significant progress has been made towards achieving these goals in the midst of a challenging economic environment. The Group exceeded its full-year divestment target of between $500 million to $1 billion by completing sales of non-core assets totalling $1.2 billion in 1H 2001. The Group will, however, continue to improve its gearing through additional divestments. It is optimistic that it can divest another $500 million to $1 billion worth of non-core assets in the second half of this year.

The Singapore residential market has continued to decline over the first half of this year and the Residential SBU expects to face a challenging environment in the near-term. In view of this and in order to more appropriately reflect the current value of its completed stock and landbank parcels, the Group has written down its residential property value by $507.6 million.

In the absence of the $588.2 million provision, the Group's gearing would have fallen to 0.84 from the 0.92 reported at year-end 2000. As a result of the provision, gearing declined only marginally to 0.90. The Group remains focussed on strengthening our balance sheet by reducing our gearing. The provisioning has also affected the Group's EBIT. Full-year EBIT is not expected to meet the 20-25% increase projected by management in February. The Group continues to expect FY2001 turnover to be 10% to 15% higher than last year. Unless economic conditions worsen substantially, the Group does expect the second-half of the year to be profitable.

7. Dividend

7(a) Any dividend declared for the present financial period? Nil

7(b) Any dividend declared for the previous corresponding period? Nil

7(c) Date payable

Not applicable.

7(d) Books closing date

Not applicable.

7(e) Any other comments relating to Paragraph 7

Nil.

8. Details of any changes in the Company's issued share capital

During the first 6 months of the year, there was no change in the Company's issued share capital.

On 18 June 2001, a total of 21,614,240 options were offered to 1,888 participants under the CapitaLand Share Option Plan at the exercise price of $2.50 per share. The options may be exercised one year after the date of grant and in accordance with a vesting schedule as laid down in the Share Option Plan rules. At the closing date of 17 July 2001, a total of 20,685,757 options were accepted by 1,513 participants.

	Company	
	Half Year ended 30/6/2001 S$'000	**Half Year ended 31/12/2000 S$'000**
Issued and fully paid ordinary share of S$1 each :-		
i) As at beginning of period	2,517,350	1,114,824
ii) Issue of 86,494,952 ordinary shares of $1 each at par fully paid pursuant to a bonus issue by way of capitalisation of part of the share premium account	-	86,495
iv) Issue of 1,316,031,127 ordinary shares of $1 each at par fully paid pursuant to the Merger between the Company and DBS Land Limited	-	1,316,031
v) As at end of the period	**2,517,350**	**2,517,350**
Number of ordinary shares of $1 each that may be issued on exercise of all share options outstanding at the end of each period	**22,823,815**	**24,448,985**

There are also 172,500 2% redeemable convertible cumulative preference shares ("RCCPS") of US$1 each which are convertible to ordinary shares by 31 December 2001 at the conversion price of $5.43. As the conversion price is currently much higher than the prevailing market price and is expected to remain so before 31 December 2001, it is not anticipated that the RCCPS holders will opt to convert. The RCCPS have been reclassified as short-term liabilities.

9. Comparative figures of the group's borrowings and debt securities

		Group	
		As at 30/6/2001 S$'000	**As at 31/12/2000 S$'000**
9(a)	**Amount repayable in one year or less, or on demand:-**		
	Secured	687,688	885,750
	Unsecured	3,621,978	3,486,782
	Sub-Total 1	**4,309,666**	**4,372,532**
9(b)	**Amount repayable after one year:-**		
	Secured	2,476,950	2,399,586
	Unsecured	2,382,455	2,287,722
	Sub-Total 2	**4,859,405**	**4,687,308**
	Total	**9,169,071**	**9,059,840**

9(c) Any other comments relating to Paragraph 9

The above-stated unsecured amount repayable within one year includes an amount of $312.9 million which is the 2% RCCPS.

Cash at bank and in hand as at 30/6/2001 was $1,476.4 million (31/12/2000: $879.3 million). Hence, total borrowings net of cash as at 30/6/2001 was $7,692.7 million (31/12/2000: $8,180.5 million).

10. Balance Sheet

	Group			Company		
	30/6/2001 S$'000	Restated 30/6/2000 S$'000	% Change	30/6/2001 S$'000	30/6/2000 S$'000	% Change
Non-Current Assets						
Property, Plant & Equipment	2,131,025	1,621,083	31.5	3,618	1,951	85.4
Investment Properties	7,673,049	8,509,659	(9.8)	-	-	-
Properties under Devt	459,507	168,867	172.2	-	-	-
Interests in Subsidiaries	-	-	-	5,615,123	3,919,297	43.3
Interests in Associated Companies, Joint Venture Companies and Partnerships	2,169,753	1,577,498	37.5	63,810	73,036	(12.6)
Deferred Expenditure (note 1)	42,868	-	NM	-	-	-
Other Assets	460,215	553,123	(16.8)	25	25	-
Current Assets (note 1)	6,229,104	6,406,455	(2.8)	1,353,508	1,305,076	3.7
Less: Current Liabilities	(5,563,056)	(5,259,040)	5.8	(1,302,909)	(947,834)	37.5
Net Current Assets	666,048	1,147,415	(42.0)	50,599	357,242	(85.8)
Less: Non-Current Liabilities						
Long-Term Borrowings	(4,859,405)	(4,700,885)	3.4	(789,715)	(899,973)	(12.3)
Other Non-Current Liabilities	(207,193)	(175,365)	18.1	(26,768)	(22,038)	21.5
	8,535,867	**8,701,395**	**(1.9)**	**4,916,692**	**3,429,540**	**43.4**
Representing:						
Share Capital (note 2)	2,517,350	2,517,348	-	2,517,350	1,114,824	125.8
Reserves (note 1)	4,029,328	4,557,074	(11.6)	2,399,342	2,314,716	3.7
Shareholders' Funds	6,546,678	7,074,422	(7.5)	4,916,692	3,429,540	43.4
Minority Interests (MI)	1,989,189	1,626,973	22.3	-	-	-
	8,535,867	**8,701,395**	**(1.9)**	**4,916,692**	**3,429,540**	**43.4**

Note 1: The previously reported figure of $53.4 million in respect of deferred expenditure for 1H 2000 has been restated and reclassified in line with new SAS 34 on Intangible Assets. An amount of $30.5 million was reclassified to prepayments in Current Assets and the balance $22.9 million relating to pre-operating expenses has been charged to reserves.

Note 2: The comparative share capital figure for 1H 2000 at Group level has been adjusted to include 1,316,029,127 ordinary shares being the issued ordinary share capital of DBS Land Limited and a bonus issue of 86,494,952 shares which the Company would have issued pursuant to the share exchange in connection with the merger with DBS Land Limited.

11. Cash Flows Statement for 6 months ended 30 June 2001

	S$M
Net cashflow from operations	**464**
Divestments inflows	1,177
Investments outflows	(634)
Capital expenditure	(75)
Net cashflow before financing cost and tax	**932**
Net interest paid	(215)
Tax and dividend paid	(122)
Net cashflow after financing cost and tax	**595**

12. Change in Accounting Policies

In compliance with new and revised Statements of Accounting Standard, the Group has this year modified its accounting policies in respect of:

1. deferred expenditure (mainly pre-operating expenses of hotels and services) which is now written off in the year incurred instead of being amortised over an appropriate period. At 30 June 2001, the deferred expenditure refers to goodwill on consolidation arising from acquisition of a subsidiary in the first half year; and

2. items outside the normal trading activities which were previously classified as "extraordinary". These items are now presented before calculating "operating profit before taxation".

In consequence, deferred expenditure as at 1 January 2000 was adjusted by a charge of $22.9 million against reserves. The comparative figures in the profit statement for the six months to 30 June 2000 have not been restated in accordance with the new policy as the impact is immaterial.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events. The company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

BY ORDER OF THE BOARD

Lim Mei Yi
Company Secretary
1 August 2001