Embargoed for release till 5.05 pm, 5 May 2005

CAPITALAND LIMITED

(Registration Number : 198900036N)

2005 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CAPITALAND LIMITED
2005 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

	Group		
	1Q 2005 S$'000	1Q 2004 S$'000 (Restated)	% Change
Revenue	**904,871**	**768,375**	**17.8**
Cost of sales	(646,229)	(529,541)	22.0
Gross profit	258,642	238,834	8.3
Other operating income	48,222	60,665	(20.5)
Administrative expenses	(147,740)	(134,643)	9.7
Other operating expenses	(1,389)	(21,642)	(93.6)
Profit from operations	**157,735**	**143,214**	**10.1**
Finance costs	(66,270)	(64,616)	2.6
Share of results of:			
- associates	29,761	14,362	107.2
- joint ventures	(1,039)	15,405	NM
- partnerships	1,052	-	NM
	29,774	29,767	NM
Profit before taxation	121,239	108,365	11.9
Taxation	(29,444)	(37,419)	(21.3)
Profit after taxation	91,795	70,946	29.4
Attributable to:			
Minority interests (MI)	21,790	22,050	(1.2)
Equity holders of the Company ("PATMI")	**70,005**	**48,896**	**43.2**
	91,795	70,946	29.4

NM : Not meaningful.

Note : The comparative profit and loss account ("P/L") for 1Q 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see Item 4 for details.

In respect of FRS 103 - Business Combinations which was adopted in 2004, the adjustments arising from this adoption were only put through in 4Q 2004 when the financial impact was finalised. For a more meaningful comparison with the current period P/L, 1Q 2004 P/L is also restated to account for the FRS 103 adjustments in the period in which they occurred.

1(a)(ii) Breakdown and Explanatory Notes to Income Statement

	Group		
	1Q 2005 S$'000	**1Q 2004 S$'000 (Restated)**	**% Change**
Other Operating Income	**48,222**	**60,665**	**(20.5)**
Investment income	160	25,243	(99.4)
Other income including interest income and portfolio gains	46,069	32,489	41.8
Foreign exchange gain	1,993	2,933	(32.0)
Other Operating Expenses	**(1,389)**	**(21,642)**	**(93.6)**
Impairment in value of assets	-	(625)	NM
Reduction in value of investment	-	(19,446)	NM
Others	(1,389)	(1,571)	(11.6)
Administrative Expenses	**(147,740)**	**(134,643)**	**9.7**
Included in Administrative Expenses:-			
Depreciation and amortisation	(25,367)	(23,329)	8.7
Provision for doubtful debts and bad debts	(2,158)	(705)	206.1

Investment Income

1Q 2005's investment income of $0.2 million came from Mori Crown in Hong Kong. In 1Q 2004, the investment income of $25.2 million came mainly from the special dividend of $24.3 million received from our investment in listed Sea View Hotel Ltd ("Seaview").

Other Income including interest income and portfolio gains

1Q 2005's other income of $46.1 million was higher than the $32.5 million recorded in the corresponding period last year. This was mainly due to a dilution gain of $6.9 million recorded in this quarter as a result of a slight reduction in the Group's equity interest in Australand Property Group arising from a dividend reinvestment program in February 2005 which was not participated by the Group. The higher 1Q 2005's other income was also due to the inclusion of changes in fair values of derivatives amounting to $4.6 million accounted for under the new FRS 39 on financial instruments.

Foreign exchange gain

The foreign exchange gain of $2.0 million was mainly due to the revaluation gain of loans denominated in US$, as a result of the weakening of US$ against S$ in this quarter.

Other Operating Expenses

Other operating expenses in 1Q 2005 at $1.4 million was lower than $21.6 million in 1Q 2004 as 1Q 2004 included a provision to reduce the Group's carrying cost for its investment in Seaview following the special dividend paid out by Seaview which in effect reduced its net tangible assets.

Administrative Expenses

Administrative expenses for 1Q 2005 were $147.7 million, about $13.1 million or 9.7% higher than 1Q 2004. This was mainly due to 3 months' consolidation of Citadines and APWT 3's expenses as well as higher provision for doubtful debts.

1(a)(ii) Breakdown and Explanatory Notes to Income Statement (cont'd)

Taxation expense

Tax expense for 1Q 2005 at $29.4 million was $8.0 million lower than 1Q 2004's tax expense of $37.4 million. This was mainly due to higher proportion of operating profits from China in this quarter which were taxed at concessionary tax rates compared to higher operating profits from Singapore in 1Q 2004 which were taxed at a higher rate. In addition, there was also higher non-taxable profits in Australia for the current quarter.

Adjustments for under or overprovision of tax in respect of prior years

The income tax expense 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 temporary differences. The amount of under-provision of tax in respect of prior years included in the Group's tax charge for the 1Q 2005 is $1.0 million (1Q 2004 : over-provision of $0.9 million).

Gain on sale of investments	$M
Sale of Lippo Tower 2 #18-06 to 08	2.3
Sale of investments in Vista Medical Management Inc	1.1
Sale of an investment property by APG	1.1
Total Group's share of gain after tax & MI for 1Q 2005	**4.5**

1(b)(i) Balance Sheet

As at 31/03/2005 vs 31/12/2004

	Group			Company		
	31/03/2005 S$'000	31/12/2004 S$'000 (Restated)	% Change	31/03/2005 S$'000	31/12/2004 S$'000 (Restated)	% Change
Non-Current Assets						
Property, Plant & Equipment	1,365,943	1,379,624	(1.0)	1,253	1,433	(12.6)
Intangible Assets	65,537	64,669	1.3	-	-	-
Investment Properties	4,202,525	4,237,498	(0.8)	-	-	-
Properties Under Devt	368,569	164,124	124.6	-	-	-
Interests in Subsidiaries	-	-	-	4,765,679	4,873,383	(2.2)
Interests in Associates, Joint Ventures and Partnerships	3,733,201	3,758,612	(0.7)	-	-	-
Other Assets	353,537	323,112	9.4	313	213	46.9
	10,089,312	**9,927,639**	**1.6**	**4,767,245**	**4,875,029**	**(2.2)**
Current Assets	**6,646,716**	**7,296,669**	**(8.9)**	**1,406,153**	**1,667,924**	**(15.7)**
Devt Properties for Sale	*4,143,228*	*4,270,850*	*(3.0)*	-	-	-
Trade & Other Receivables	*953,725*	*1,089,915*	*(12.5)*	*572,117*	*762,954*	*(25.0)*
Cash & Cash Equivalents	*1,532,746*	*1,917,722*	*(20.1)*	*834,036*	*904,970*	*(7.8)*
Other Current Assets	*17,017*	*18,182*	*(6.4)*	-	-	-
Less: Current Liabilities	**3,752,508**	**4,516,485**	**(16.9)**	**861,820**	**1,129,843**	**(23.7)**
Trade & Other Payables	*1,605,165*	*1,950,249*	*(17.7)*	*270,428*	*236,842*	*14.2*
Short-Term Borrowings	*1,972,457*	*2,366,023*	*(16.6)*	*591,392*	*893,001*	*(33.8)*
Other Current Liabilities	*174,886*	*200,213*	*(12.7)*	-	-	-
Net Current Assets	**2,894,208**	**2,780,184**	**4.1**	**544,333**	**538,081**	**1.2**
Less: Non-Current Liabilities						
Long-Term Borrowings	4,845,688	4,830,835	0.3	473,656	483,554	(2.0)
Other Non-Current Liabilities	477,067	461,842	3.3	645,390	796,657	(19.0)
	5,322,755	**5,292,677**	**0.6**	**1,119,046**	**1,280,211**	**(12.6)**
	7,660,765	**7,415,146**	**3.3**	**4,192,532**	**4,132,899**	**1.4**
Representing:						
Share Capital	2,558,393	2,524,795	1.3	2,558,393	2,524,795	1.3
Reserves	2,918,552	2,836,254	2.9	1,634,139	1,608,104	1.6
Share Capital and Reserves	5,476,945	5,361,049	2.2	4,192,532	4,132,899	1.4
Minority Interests	2,183,820	2,054,097	6.3	-	-	-
	7,660,765	**7,415,146**	**3.3**	**4,192,532**	**4,132,899**	**1.4**

Note : *The comparative balance sheet for 1Q 2004 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment, as well as revenue recognition policy for sale of residential development properties in Australia. Please see Item 4 for details.*

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		
	As at 31/03/2005 S$'000	**As at 31/12/2004 S$'000**	**As at 31/03/2004 S$'000 (Restated)**
Amount repayable in one year or less, or on demand:-			
Secured	378,703	505,865	621,268
Unsecured	1,593,754	1,860,158	1,892,832
Sub-Total 1	**1,972,457**	**2,366,023**	**2,514,100**
Amount repayable after one year:-			
Secured	2,193,811	1,906,877	2,405,064
Unsecured	2,651,877	2,923,958	3,420,094
Sub-Total 2	**4,845,688**	**4,830,835**	**5,825,158**
Total Debt	**6,818,145**	**7,196,858**	**8,339,258**
Less : Cash and cash equivalents	(1,532,746)	(1,917,722)	(1,966,888)
Net Debt	**5,285,399**	**5,279,136**	**6,372,370**

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' land and buildings, investment properties, properties under development or development properties for sale and assignment of all rights and benefits with respect to the properties.

Cash and cash equivalents

The cash and cash equivalents as at 31/03/2005 totalling to about $1,532.7 million included approximately $1,061.7 million in fixed deposits and approximately $180.6 million in Project Accounts whose withdrawals are restricted to payment for expenditure incurred on development projects.

1(c) Consolidated Cash Flow Statement

	Group	
	1Q 2005 $'000	**1Q 2004 $'000 (Restated)**
Cash Flows from Operating Activities		
Profit before taxation	**121,239**	**108,365**
Adjustments for :		
Amortisation and write off of:		
- Intangible assets	273	106
- Leasehold investment property	446	31
(Write-back)/Allowance for:		
- Foreseeable losses on development properties for sale	(6,126)	-
- Non-current portion of financial assets	14	19,446
- Share-based expenses	2,235	106
- Changes in fair value of financial instruments and hedge items	(4,585)	-
Non-current employee benefits	(166)	325
Depreciation of property, plant and equipment	24,672	22,603
(Gain)/Loss on disposal/Write off of property, plant and equipment	(103)	191
Gain on disposal of investment properties	(4,068)	(625)
Write-down in value of an investment property	-	625
Gain on disposal of non-current financial assets	(1,601)	-
Gain on disposal/dilution of subsidiaries	(6,864)	(3,398)
Share of results of associates, joint ventures and partnerships	(29,774)	(29,767)
Accretion of deferred income	(690)	(1,345)
Interest expense	66,270	64,616
Interest income	(23,143)	(18,960)
	16,790	**53,954**
Operating profit before working capital changes	**138,029**	**162,319**
Decrease/(Increase) in working capital		
Inventories, trade and other receivables	54,223	(129,729)
Development properties for sale	303,295	(131,156)
Trade and other payables	(202,061)	(57,782)
Amount due from related corporations	(6,140)	(465)
Financial assets	(1)	52,696
	149,316	**(266,436)**
Cash generated from/(used in) operations	**287,345**	**(104,117)**
Income tax paid	(50,872)	(42,440)
Customer deposits and other non-current payables refunded	(304)	2,218
Net cash generated from/(used in) Operating Activities	**236,169**	**(144,339)**

1(c) Consolidated Cash Flow Statement (cont'd)

	Group	
	1Q 2005 $'000	**1Q 2004 $'000 (Restated)**
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(17,905)	(10,902)
Proceeds from disposal of property, plant & equipment	245	99
Decrease/(Increase) in associates, joint ventures and partnerships	16,425	(904)
(Increase)/Decrease in amounts owing by investee companies and other non-current receivables	(7,971)	5,357
Acquisition of investment properties and properties under development	(24,341)	(27,044)
Proceeds from disposal of investment properties	70,818	-
Proceeds from disposal of non-current financial assets	4,425	7,481
Dividends received from associates, joint ventures, partnerships and other investments	30,395	15,616
Disposal of subsidiaries (net)	8,137	131,910
Acquisition of remaining interest in a subsidiary	(5,489)	-
Interest income received	10,283	6,674
Net cash generated from Investing Activities	**85,022**	**128,287**
Cash Flows from Financing Activities		
Proceeds from issue of shares under share option plan	15,304	1,653
Repayment of loans from related corporations	(395)	(386)
Proceeds from loans from minority shareholders	225	14,033
Contribution from minority shareholders	66,461	1,465
Repayment of proceeds from sales of future receivables	(290,749)	-
Proceeds from terms loans	145,598	1,125,508
Repayment of term loans	(499,902)	(459,854)
Proceeds from debt securities	-	36,449
Repayment of debt securities	(29,234)	(117,750)
Repayment of finance lease payables	(849)	-
Dividends paid to minority shareholders	(35,262)	(34,601)
Interest expense paid	(64,679)	(66,766)
Net cash (used in)/generated from Financing Activities	**(693,482)**	**499,751**
Net (decrease)/increase in cash and cash equivalents	**(372,291)**	**483,699**
Cash and cash equivalents at beginning of the year	1,904,831	1,475,766
Effect of exchange rate changes on cash balances held in foreign currencies	(5,962)	2,727
Cash and cash equivalents at end of the period	**1,526,578**	**1,962,192**

Note : *The comparative group cashflow statement for 1Q 2004 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment, as well as revenue recognition policy for sale of residential development properties in Australia. Please see Item 4 for details.*

In respect of FRS 103 - Business Combinations which was adopted in 2004, the adjustments arising from this adoption were only put through in 4Q 2004 when the financial impact was finalised. For a more meaningful comparison with the current period cashflow statement, 1Q 2004 cashflow statement is also restated to account for the FRS 103 adjustments in the period in which they occurred.

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

As at 31/03/2005 vs 31/03/2004 – GROUP

S$M	Share Capital	Share Prem.	Cap. Res.	Cap. Redem. Res.	Reval. Res.	For. Curr. Tran. Res.	Res. On Conso.	Rev. Res.	Other Res.*	Total	MI	Total Equity
Balance as at 1/01/2004												
As previously reported	2,517	3,429	102	4	90	7	(12)	(72)	-	**6,065**	2,032	**8,097**
Effect of change in accounting policy						(1)		(23)		**(24)**	(22)	**(46)**
Effect of adopting FRS 102								^	3	**3**	^	**3**
As restated	**2,517**	**3,429**	**102**	**4**	**90**	**6**	**(12)**	**(95)**	**3**	**6,044**	**2,010**	**8,054**
Effect of adopting FRS 103							12	15		**27**	12	**39**
Profit for 1Q 2004								49		**49**	22	**71**
Issue of shares under Share Option Plan	2	^								**2**	-	**2**
Capital contribution from MI										**-**	1	**1**
Dividend paid to MI										**-**	(34)	**(34)**
Transfer to revenue reserve			(6)					6		**-**	-	**-**
Foreign currency translation differences										**-**	35	**35**
Others			(3)		(1)	1				**(3)**	2	**(1)**
Balance as at 31/03/2004	**2,519**	**3,429**	**93**	**4**	**89**	**7**	**-**	**(25)**	**3**	**6,119**	**2,048**	**8,167**
Balance as at 1/01/2005												
As previously reported	2,525	2,545	96	3	56	(21)	-	179	-	**5,383**	2,079	**7,462**
Effect of change in accounting policy						(3)		(29)		**(32)**	(26)	**(58)**
Effect of adopting FRS 102								1	9	**10**	1	**11**
As restated	**2,525**	**2,545**	**96**	**3**	**56**	**(24)**	**-**	**151**	**9**	**5,361**	**2,054**	**7,415**
Effect of adopting FRS 39						17		(42)	9	**(16)**	(6)	**(22)**
Profit for 1Q 2005								70		**70**	22	**92**
Issue of shares under Share Option Plan	11	4							^	**15**	-	**15**
Issue of shares under Performance Share Plan	1									**1**	-	**1**
Conversion of convertible bonds	21	24	(3)							**42**	-	**42**
Net fair value change on cash flow hedge									16	**16**	1	**17**
Cost of share based payment									1	**1**		**1**
Capital contribution from MI										**-**	66	**66**
Dividend paid to MI										**-**	(35)	**(35)**
Acquisition/ (disposal) of subsidiary										**-**	60	**60**
Foreign currency translation differences						(14)				**(14)**	22	**8**
Others						^			^	**1**	-	**1**
Balance as at 31/03/2005	**2,558**	**2,573**	**93**	**3**	**56**	**(20)**	**-**	**179**	**35**	**5,477**	**2,184**	**7,661**

^ Less than $1.0 million.

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

As at 31/03/2005 vs 31/03/2004 – COMPANY

S$M	Share Capital	Share Prem.	Cap. Res.	Cap. Redem. Res.	Reval. Res.	For. Curr. Tran. Res.	Res. On Conso.	Rev. Res.	Other Res.*	Total
Balance as at 1/01/2004										
As previously reported	2,517	2,161	30	^	-	-	-	**186**	-	**4,895**
Effect of adopting FRS 102								^	2	**2**
As restated	**2,517**	**2,161**	**30**	**^**	**-**	**-**	**-**	**186**	**2**	**4,897**
Profit for 1Q 2004								123		**123**
Issue of shares under Share Option Plan	2	^								**2**
Balance as at 31/03/2004	**2,519**	**2,161**	**30**	**^**	**-**	**-**	**-**	**309**	**2**	**5,022**
Balance as at 1/01/2005										
As previously reported	2,525	1,277	30	^	-	-	-	**292**	-	**4,124**
Effect of adopting FRS 102								2	7	**9**
As restated	**2,525**	**1,277**	**30**	**^**	**-**	**-**	**-**	**294**	**7**	**4,133**
Profit for 1Q 2005								1		**1**
Issue of shares under Share Option Plan	11	4							^	**15**
Issue of shares under Performance Share Plan	1							1		**2**
Conversion of convertible bonds	21	24	(3)							**42**
Balance as at 31/03/2005	**2,558**	**1,305**	**27**	**^**	**-**	**-**	**-**	**296**	**7**	**4,193**

^ Less than $1.0 million.

1(d)(ii) Details of any changes in the Company's issued share capital

Issued Share Capital

As at 31/03/2005, the issued and fully paid-up share capital of the Company was $2,558,393,344 (31/03/2004 : $2,518,932,733) divided into 2,558,393,344 (31/03/2004 : 2,518,932,733) ordinary shares of $1 each. Movements in the Company's issued share capital during 1Q 2005 are as follows:

	$
As at 01/01/2005	2,524,795,481
Issue of shares under CapitaLand Share Option Plan	10,906,133
Issue of shares under CapitaLand Performance Share Plan	1,535,000
Issue of shares upon conversion of convertible bonds	21,156,730
As at 31/03/2005	**2,558,393,344**

Share Options

As at 31/03/2005, there were 90,958,416 (31/03/2004 : 89,820,004) unissued shares under options. Movements in the number of outstanding share options during 1Q 2005 are as follows:

As at 01/01/2005	80,795,569
Granted during 1Q 2005	21,299,800
Cancelled/Lapsed during 1Q 2005	(230,820)
Exercised during 1Q 2005	(10,906,133)
As at 31/03/2005	**90,958,416**

1(d)(ii) Details of any changes in the Company's issued share capital (con't)

Performance Shares

As at 31/03/2005, there were 5,019,300 (31/03/2004 : 3,650,000) performance shares outstanding under conditional awards. Awards granted are only released when the pre-determined targets are achieved. Movements in the number of outstanding performance shares conditionally awarded during 1Q 2005 are as follows:

As at 01/01/2005	6,836,700
Issued during 1Q 2005	(1,535,000)
Cancelled/Lapsed during 1Q 2005	(282,400)
As at 31/03/2005	**5,019,300**

Convertible Bonds

As at 31/03/2005, there are existing $337.75 million convertible bonds due 2007 issued by the Company which are convertible into 169,128,693 (31/03/2004 : 162,685,161) new ordinary shares at the adjusted conversion price of $1.9970 (31/03/2004 : $2.3358) per new ordinary share.

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

4(a) Adoption of New & Revised Financial Reporting Standards

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31/12/2004, except for the adoption of the following new Financial Reporting Standards (FRS) that became effective for financial years beginning on or after 1 January 2005:

4(a)(i) FRS 39 - Financial Instruments : Recognition and Measurement

This FRS sets out the new requirements for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments and all derivative financial instruments as assets or liabilities at fair value.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for 2004 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2005. Subject to year-end audit, the adjustments are as follows:-

	Increased/(Decreased) by
Retained Earnings	($42,015,000)
Minority Interests	($6,008,000)
Available for Sale Reserve	$23,429,000
Hedging Reserve	($15,002,000)
Foreign Currency Translation Reserve	$16,658,000
Other Payables (mainly Derivative Liabilities)	$46,728,000
Other Assets	$23,790,000

4(a)(ii) FRS 102 - Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company and certain of its subsidiaries currently have share-based incentive plans such as Share Option Plan, Performance Share Plan and/or Restricted Stock Plan, whereby share options have been granted and/or performance shares have been conditionally awarded. Under the transitional provisions of FRS 102, this FRS must be applied to shares, share options or other equity instruments that were granted after 22 November 2002 and had not yet vested at 1 January 2005. The application is retrospective and accordingly, the comparative financial statements for 2004 are restated and the opening balance of retained earnings has been adjusted.

Prior to adoption of FRS 102, no compensation expense was charged to the profit and loss account for share options granted. In respect of performance shares, the Group's accounting policy was to make a provision based on the latest estimate of the number of shares that will be awarded and the market price of the shares at the reporting date. With the adoption of FRS 102, the compensation expense relating to both share options and performance shares is taken to the profit and loss account over the vesting periods of the grants. The compensation expense is based on the respective fair values of share options and performance shares at grant dates computed using the Enhanced Trinomial/Lattice Valuation Model, adjusted by the incremental value, if any, arising from modifications to the plans. Subject to year-end audit, the financial impact on the Group arising from the adoption of FRS 102 is as follows:

	Increased/(Decreased) by
Net profit for comparative quarter 1Q 2004	$315,000
Net profit for current quarter 1Q 2005	($1,293,000)
Opening Retained Earnings as at 1 January 2004	($135,000)
Opening Retained Earnings as at 1 January 2005	$546,000
Equity Compensation Reserve as at 1 January 2004	$2,719,000
Equity Compensation Reserve as at 1 January 2005	$9,131,000
Other Payables (Provision for Performance Shares)	($10,153,000)

There is also no material impact on both the basic and the fully diluted earnings per share for 1Q 2004 arising from the said adoption of FRS 102.

4(a)(iii) Other Improvements to FRS applicable from 1 January 2005

Apart from FRS 39 and FRS 102, the Group adopted various revisions in FRS, applicable from 1 January 2005. These do not have a significant financial impact on the Group. The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 1 : Presentation of Financial Statements, with the 2004 comparatives restated to conform with current year's presentation.

4(b) Revenue Recognition Policy for Sale of Residential Development Properties in Australia

Australand Property Group ("APG"), a subsidiary of the Group in Australia, had previously recognised revenue and income in respect of pre-sold residential units and land subdivision using the percentage of completion method. This is consistent with CapitaLand Group's accounting policy.

With effect from 1 January 2005, Australian companies have adopted the Australian equivalent of the International Financial Reporting Standards ("IFRS"). Based on the guidance given by the International Financial Reporting Interpretation Committee ("IFRIC"), Australian companies can only recognise revenue and profits on settlement basis in respect of sale of development properties. Accordingly, APG would have to make certain retrospective adjustments which will impact CapitaLand Group's comparative numbers for 2004 and opening balances for 2005.

4(b) Revenue Recognition Policy for Sale of Residential Development Properties in Australia (cont'd)

As APG is required to release their results half-yearly, we will make the necessary retrospective adjustments to CapitaLand Group's 2004 profit and loss account in our half-year results announcement. In respect of opening balances for 2005, we have preliminarily assessed the following financial impact, subject to the finalised numbers from APG and year-end audit:

Opening retained earnings as at 1 January 2004 : Decreased by $23,365,000
Opening retained earnings as at 1 January 2005 : Decreased by $29,093,000

Certain balance sheet items as at 31 December 2004 have also been preliminarily restated as follows:

	Restated to:	Previously reported:
Development properties for sale	$4,270,850,000	$4,062,370,000
Trade and other receivables	$1,089,915,000	$1,415,355,000
Deferred taxation	$48,621,000	$73,386,000

Besides Australia, the Group has development properties for sale in other countries, mainly Singapore and China. The position taken by IFRIC on revenue recognition on a settlement basis has been brought to the attention of the regulatory and/or accounting standards setting authorities concerned. Pending any decision by them, the Group will continue to apply the revenue recognition policy based on percentage of completion method for projects outside Australia.

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 see Item 4 above.

6. Earnings per ordinary share (EPS) based on profit after tax & MI above after deducting any provision for preference dividends:-

In computing the EPS for 6(a) below, the weighted average number of ordinary shares in issue for 1Q 2005 is 2,533.5 million (1Q 2004 : 2,517.8 million).

In computing the EPS for 6(b) below, share options and convertible bonds whose exercise or conversion prices are equal to or above $2.35, the market share price of the Company as at 31/03/2005, are disregarded. The weighted average number of shares used for the computation for the EPS on fully diluted basis for 1Q 2005 is 2,739.7 million (1Q 2004 : 2,532.6 million).

		Group	
		1Q 2005	**1Q 2004 (Restated)**
6(a)	EPS based on weighted average number of ordinary shares in issue	2.8 cents	1.9 cents
6(b)	EPS based on fully diluted basis	2.7 cents	1.9 cents

7. Net asset value and net tangible assets per ordinary share based on issued share capital as at the end of the period reported on

	Group		Company	
	31/03/2005	**31/12/2004 (Restated)**	**31/03/2005**	**31/12/2004 (Restated)**
NAV per ordinary share	$2.14	$2.12	$1.64	$1.64
NTA per ordinary share	$2.12	$2.10	$1.64	$1.64

8. Review of the performance of the group

GROUP OVERVIEW

$M	1Q 2005 (3 mths)	1Q 2004 (3 mths) (Restated)
Revenue	904.9	768.4
EBIT	187.5	173.0
Finance costs	(66.3)	(64.6)
PBT	121.2	108.4
PATMI (Profit attributable to shareholders)	70.0	48.9

1Q 2005 vs 1Q 2004

The Group made a strong start this year. Profit after tax and minority interests ("PATMI") achieved for this quarter increased 43.2% to $70.0 million, compared to $48.9 million recorded in the corresponding period a year ago.

The increased profitability was achieved despite the loss of contributions from assets divested in 2004 such as 268 Orchard Road, Scotts Shopping Centre & The Ascott Singapore and 11 floors of Shinjuku Square Tower, as well as reduced share of profits from properties injected into Reits, namely the 7 commercial properties which were injected into CapitaCommercial Trust ("CCT") in May 2004 and Plaza Singapura which was sold to CapitaMall Trust ("CMT") in August 2004. The Group was able to compensate this loss of contributions through higher asset and fund management fees, interest savings due to utilisation of divestment proceeds to repay loans, improved operating performances from our hospitality business, and most of all, from the continuing strong contributions by our residential sector. Accordingly, the Group was able to maintain operating profits at the same level as 1Q 2004.

Earnings before interest and tax ("EBIT") for 1Q 2005 were $187.5 million, about $14.5 million or 8.4% higher than 1Q 2004. The higher EBIT was mainly due to a dilution gain of $6.9 million arising from a slight reduction in the Group's equity interest in Australand Property Group, as well as a write-back of $6.4 million for provisions no longer required.

Finance costs for 1Q 2005 were $66.3 million, about the same level as 1Q 2004. The reduction in interest expense from the repayment of borrowings was offset by the consolidation of interest expense from Citadines which became a subsidiary in October 2004.

Tax expense for this quarter was lower by $8.0 million compared to 1Q 2004 due mainly to higher proportion of operating profits from China in this quarter which were taxed at concessionary tax rates, as well as higher non-taxable profits in Australia.

The maintenance of operating profits, dilution gain, write-back in provision and lower tax all helped to boost the bottomline profit of the Group to $70.0 million for 1Q 2005.

On revenue, the Group recorded $904.9 million for 1Q 2005. This was $136.5 million or 17.8% higher than the corresponding period in 2004. The increased revenue was mainly due to higher residential sales in China, Australia and Singapore, consolidation of Citadines' revenue, as well as improved occupancy and room rates in our hospitality business.

Overseas revenue at $617.2 million accounted for 68.2% of group revenue, up from 60.4% a year ago. Overseas EBIT at $126.7 million also increased to 67.6% of group EBIT from 50.1% in 1Q 2004. The Group is on course to achieve the 75% target set for overseas revenue and profit by 2007.

8. Review of the performance of the group (cont'd)

Net debt stood at $5.3 billion, about the same level as December 2004. However, this was a significant reduction of $1.1 billion compared to March 2004. The reduction in borrowings was mainly due to loan repayments largely from divestment proceeds. As such, the group's debt-equity ratio was reduced to 0.69 compared to 0.78 a year ago. This was achieved despite a reduction of $886 million in the equity base which arose from the successful launch of CapitaCommercial Trust. As at end March 2005, the Group's net tangible assets stood at $2.12 per share.

Segment Performance

Commercial SBU: CapitaLand Commercial and Integrated Development Limited ("CCID")

Revenue for 1Q 2005 was $34.2 million. This was lower than 1Q 2004 by $36.5 million or 51.6%. The decrease was largely due to the deconsolidation of revenue from the 7 properties under CapitaCommercial Trust ("CCT") as CCT became an associate in May 2004, sale of 268 Orchard Road (March 2004) and Canary Riverside apartments (April 2004), as well as lower construction income from One George Street project.

EBIT for 1Q 2005 of $30.5 million was also lower by 37.5% due to our reduced stake in CCT's properties, lower contributions from some of our commercial properties and lower construction income from One George Street project, but partially offset by higher management fee income.

Retail SBU: CapitaLand Retail Limited ("CRTL")

Revenue for 1Q 2005 was $8.8 million compared to $26.0 million in 1Q 2004. The decrease was mainly due to the deconsolidation of Plaza Singapura following its sale to CapitaMall Trust ("CMT") in August 2004 and lower project management fee for asset enhancement works in Junction 8. In tandem, 1Q 2005 EBIT of $11.5 million was lower than 1Q 2004 EBIT of $18.9 million due largely to loss of contribution from Plaza Singapura but partially offset by higher share of profit from CMT.

Financial Services SBU: CapitaLand Financial Limited ("CFL")

CFL's 1Q 2005 revenue saw a significant jump of 60.6% from $7.9 million in 1Q 2004 to $12.7 million. CFL's fund management fees rose with the increase in assets under management ("AUM") from S$5.1 billion as at March 2004 to S$6.3 billion currently. The growth in AUM was largely due to the acquisition of Plaza Singapura by CapitaMall Trust and the acquisition of a second retail mall by CapitaRetail Japan Fund. Also contributing to the revenue increase were structuring and advisory fees from real estate financial deals in Malaysia and Hong Kong.

Similarly, EBIT for this quarter at $10.9 million was significantly higher than the EBIT of $3.9 million recorded for 1Q 2004. This was due to the higher revenue as well as higher contributions from associates and unrealized foreign exchange gain.

Residential SBU: CapitaLand Residential Limited ("CRL")

1Q 2005 revenue of $541.6 million was $114.9 million or 26.9% higher than 1Q 2004, due to higher sales from China, Australia and Singapore operations. EBIT for 1Q 2005 was $90.5 million, higher than 1Q 2004 by $20.8 million or 29.9%. This was mainly contributed by higher sales from China projects while maintaining strong margins.

In Singapore, The Waterina condominium obtained Temporary Occupation Permit in January 2005. In the first quarter of 2005, CRL completed an agreement to acquire a 90% stake in Ghim Li Property Pte Ltd, which owns a 6,519 square metre site located in Tanjong Rhu. CRL plans to build a riverfront condominium on the site.

In China, CRL acquired a prime site for mixed development in Dongcheng District, Beijing. It plans to build a mixed development project, which comprises a high-rise apartment block, office tower and retail podium, over the next three to five years.

Serviced Residences SBU: The Ascott Group ("Ascott")

Revenue for 1Q 2005 accelerated 97.4% from $50.5 million in 1Q 2004 to $99.7 million in 1Q 2005. The increase was mainly attributable to the growth and expansion in Ascott's serviced residence segment, partly offset by lower revenue from the retail sector as Scotts Shopping Centre ("SSC") was divested in September 2004.

Despite the loss of contribution from SSC and a charge of $2.3 million arising from the adoption of new FRS 39, EBIT for 1Q 2005 was $17.5 million, about 5.1% higher than 1Q 2004. This was achieved on the back of better performances from serviced residences in China and Australia, as well as higher contributions from Europe due to Ascott's increased stake in Citadines chain.

Hotels SBU: Raffles Holdings Group and RC Hotels ("The Hotels SBU")

Revenue for 1Q 2005 of $181.1 million was $15.2 million or 9.2% higher than 1Q 2004. The increase in EBIT was even higher at 83.1% from $11.4 million recorded in 1Q 2004 to $20.8 million achieved in the current quarter. The improvement in revenue and earnings was mainly contributed by the group-wide increase of 3.8% in room occupancy and higher average room rates, various sales and marketing initiatives that the SBU has successfully implemented, new income contributions from management contracts secured earlier, as well as successful cost management that resulted in better flow through to profits.

Property Services SBU: PREMAS

1Q 2005's revenue of $34.4 million was $2.5 million or 7.7% higher than 1Q 2004. This was due to higher volume of project works. However, EBIT at $1.7 million was lower by $0.6 million or 25.9% due to stiff competition resulting in lower margins.

9. Variance between the forecast or prospect statement (if disclosed previously) and the actual results

The current results are broadly in line with the prospect statement made when the 2004 full year 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

Commercial SBU: CapitaLand Commercial and Integrated Development Limited ("CCID")

In 1Q 2005, the office leasing market remained strong, extending gains from 2004. While recovery of the office property market in 2004 was mainly limited to the prime office sub-market, market recovery has become more broad-based. Given this and in light of the limited supply of office property coming on stream, the overall market outlook for the Singapore office properties in 2005 is generally positive. We expect our Singapore office properties to perform better than last year, and our industrial properties' performance to remain stable.

In Singapore, CCID has partnered Kerzner International and MGM Mirage to bid for the Integrated Resort projects at Sentosa Island and Marina Bayfront sites respectively. Concept proposals were submitted earlier and both proposals have been shortlisted to proceed further in the selection process.

Overseas in Shanghai, CCID had entered into agreements to sell its 95% equity interest in an office development project in the Luwan district of Shanghai and 100% equity interest in Pidemco Tower. The gains would be recognised upon successful completion of the respective sales. In Hong Kong, AIG Tower, which has obtained its Temporary Occupation Permit in April 2005, is well positioned to capitalise on the strong rebound in the Hong Kong office market. In London, the Moorgate office property, being already fully let, has attracted interest from institutional buyers and the opportunity to sell our interest in this property will be actively pursued.

Overall, CCID expects to be profitable in 2005.

Retail SBU: CapitaLand Retail Limited ("CRTL")

In Singapore, the Ministry of Trade and Industry has maintained its economic growth forecast for 2005 at 3% to 5%. The overall market outlook for the Singapore retail market remains positive. We expect occupancies and rentals for our retail properties to be resilient as our retail malls are well positioned to capitalize on consumers' confidence and spending in Singapore.

Overseas, CRTL will continue its expansion plan into China and Japan. Demand for consumer goods in China is expected to remain strong and this should bode well for our chain of malls in China anchored by Wal-Mart and Beijing Hualian Group. In February 2005, CapitaRetail Japan Fund in which the Group has a 23% stake, acquired Izumiya Hirakata, a freehold suburban mall in Hirakata City, Osaka Perfecture. In addition, the ¥44.13 billion (S$680 million) equity raised for the fund will enable it to invest further in retail properties in Japan, for which CRTL can play a role in the retail management and asset enhancement of the properties.

CRTL expects to be profitable in 2005.

Financial Services SBU: CapitaLand Financial Limited ("CFL")

With increased international investor appetite for exposures to Asian real estate, and our increased deal flow opportunities in this region, particularly in China, Japan and Malaysia, CFL is well poised to secure more financial advisory and structuring services, and to achieve its target of increasing its assets under management to S$13 billion by 2007.

The recent second and final closing for CapitaRetail Japan Fund undertaken by CFL saw ¥44.13 billion (S$680 million) in equity raised; a 4-fold increase over its first close of ¥10 billion (S$154 million). Three more funds targeting Japan and China are currently being planned for the rest of this year. In Singapore, CapitaCommercial Trust would be completing its acquisition of HSBC Building in the second quarter of 2005.

CFL anticipates continued growth in revenue and that profits for full year 2005 to be higher than 2004.

Residential SBU: CapitaLand Residential Limited ("CRL")

The recovery in the Singapore residential market is expected to continue in 2005 and there are plans to launch RiverGate and Tanglin Residences during the year.

In China, recent government policies aimed at stabilising the real estate industry will help to create and sustain a healthy real estate investment environment in the long run. We expect demand for our properties to remain good, underpinned by strong income growth and continuing urbanisation in China.

In Australia, the outlook remains positive with Australand continuing with its plan to increase its recurrent investment property income and reducing dependence on development profits.

Overall, CRL expects 2005 to be profitable.

Serviced Residences SBU: The Ascott Group ("Ascott")

The economic and business outlook for the global hospitality industry remains positive. In 1Q 2005, Ascott added 587 units to its inventory through two new management contracts in Bangkok and Jakarta, as well as the acquisition of a serviced residence development in Guangzhou.

With the expanded presence in Europe through Citadines, and new properties in United Arab Emirates, South Korea, China, Malaysia and Thailand to be opened in 2005, Ascott is well positioned to benefit from economies of scale and maintaining its leadership in the global serviced residence industry.

Although lower exceptional divestment gain is expected for 2005 compared to 2004, the profit from operations for full year 2005 is expected to be higher than 2004.

Hotels SBU: Raffles Holdings Group and RC Hotels ("The Hotels SBU")

The Hotels SBU will continue to implement various initiatives to aggressively grow revenue to benefit from the strong global lodging demand and to manage costs and efficiency to improve profitability.

For the rest of the year, the SBU will also focus on expanding its network of hotels and resorts to grow fee-based income and improve returns. It has been successful in its efforts in this area and won four contracts, namely Swissôtel Grand Shanghai, Swissôtel Tallinn, Raffles Beijing Hotel and Raffles Dubai, giving an addition of 1,136 rooms in the first four months of 2005.

Operating performance for the whole of 2005 is expected to be profitable. The SBU continues to actively explore options to create and unlock value for shareholders, including balance sheet management, divestment and deployment of capital.

Property Services SBU: PREMAS

As announced on 29 April 2005, the Group had entered into a conditional sale and purchase agreement for the divestment of PREMAS. The Group had taken this decision due to the increasingly different growth paths of CapitaLand and PREMAS. Over the years, PREMAS has developed competencies in facilities management that would allow it to provide services to a much wider range of industries. These include the pharmaceutical, semiconductor and wafer fabrication industries. PREMAS will be better positioned to attract even more third party business if it is independent of any property developer. The divestment will also facilitate PREMAS' plans for growth as the acquirer can provide related resources to support PREMAS' expansion into new markets and services.

The Board is pleased to report that the divestment is expected to result in a gain of about $32 million, thereby enhancing shareholder value.

GROUP OVERALL PROSPECTS FOR 2005

Prospects for the Group in 2005 are favourable as the Asia-Pacific economies are still growing positively despite moderating global economic growth due to the impact of higher interest rates and high oil prices.

In Singapore, both the office and residential sectors are in an early upturn phase. We see continued rental growth for prime office space on the back of rising demand and limited supply driving up office property yields. As for residential prices, they continued to edge up 0.7% in the first quarter of this year, for four straight quarters. We envisage improving demand on the back of sustainable economic growth. Buying interest will be underpinned by brighter labour market prospects and favourable affordability. The retail sector will see more new retail projects launched. However, we expect rentals for our retail properties, in particular the suburban malls, to see moderate rise on the back of strong demand.

Overseas, in China and Australia, the twin engines of profit drivers for the Group, the market fundamentals remain positive. In China, the authorities are taking positive measures to maintain the sustainability of the residential property market and we expect demand for our properties to remain good. We will also expand our retail management business in China through our business relationship with SZITIC/Wal-Mart and Beijing Hualian Group. The outlook for Australand remains positive as it continues to increase recurrent investment property income as a percentage of total profit, and reduce its risks in its business by reducing dependence on development profits.

The real estate financial services arm is expected to grow in revenue and profitability as it secures more financial advisory and structuring services. It is well poised to tap the increased deal flow opportunities in the Asian region, particularly in China, Japan and Malaysia as international investor appetite for Asian real estate grows. We intend to launch three more private funds in China and another in Japan.

The recovery in the global business and leisure travel is expected to continue into the second quarter of 2005, and this should benefit both our hotels and serviced residence businesses. Raffles Holdings expects its operating performance in 2005 to be profitable. It will focus on expanding its network of hotels and resorts to grow fee-based income. In the first four months of 2005, it has already secured four management contracts. The Ascott Group foresees improvement in operating results, augmented by the Citadines chain of serviced residences in Europe and new properties to be opened in 2005 in various regions.

Overall, the Group is confident that its operations will be profitable in 2005.

11. Dividend

11(a) Any dividend declared for the present financial period? Nil
11(b) Any dividend declared for the previous corresponding period? Nil
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. Segmental Revenue & Results

13(a) By Strategic Business Units (SBUs) – 1Q 2005 vs 1Q 2004

	Revenue			Earnings before interest & tax		
	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000	% Change	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000 (Restated)	% Change
Commercial	34,174	70,645	(51.6)	30,467	48,718	(37.5)
Retail	8,769	26,027	(66.3)	11,517	18,940	(39.2)
Financial Services	12,703	7,912	60.6	10,860	3,858	181.5
Residential	541,558	426,678	26.9	90,489*	69,647*	29.9*
The Ascott Group	99,662	50,483	97.4	17,456	16,616	5.1
RHL Group & RCH	181,074	165,842	9.2	20,849	11,385	83.1
Property Services Group	34,428	31,972	7.7	1,679	2,266	(25.9)
Others and consolidation adjms	(7,497)	(11,184)	(33.0)	4,192	1,551	170.3
Group	**904,871**	**768,375**	**17.8**	**187,509**	**172,981**	**8.4**

** Note:*
For Residential SBU, its cost of sales included interest expenses capitalised as part of development costs. Excluding the embedded interest expenses, the profit before interest and tax for Residential SBU for 1Q 2005 and 1Q 2004 are S$111.1 million and S$87.2 million respectively and the % change is 27.4%.

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

	Revenue			Earnings before interest & tax (including exceptional items)		
	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000	% Change	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000 (Restated)	% Change
The Ascott Group	99,662	50,483	97.4	17,456	16,616	5.1
Raffles Holdings Group	138,615	127,648	8.6	19,928	11,046	80.4

13(b) By Geographical Location – 1Q 2005 vs 1Q 2004

	Revenue			Earnings before interest & tax		
	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000	% Change	1Q 2005 (3 mths) S$'000	1Q 2004 (3 mths) S$'000 (Restated)	% Change
Singapore	287,646	303,936	(5.4)	60,842	86,290	(29.5)
Australia & New Zealand	284,621	235,615	20.8	32,135	25,730	24.9
China	150,441	101,171	48.7	66,362	42,321	56.8
Asia (excl. Sgp & China)	57,745	54,510	5.9	19,263	14,232	35.3
Europe	115,647	64,731	78.7	7,335	3,983	84.2
Others	8,771	8,412	4.3	1,572	425	269.9
Group	**904,871**	**768,375**	**17.8**	**187,509**	**172,981**	**8.4**

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

Please refer to Item 8.

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

Not applicable.

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

Not applicable.

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.

BY ORDER OF THE BOARD

Tan Wah Nam
Company Secretary
5 May 2005