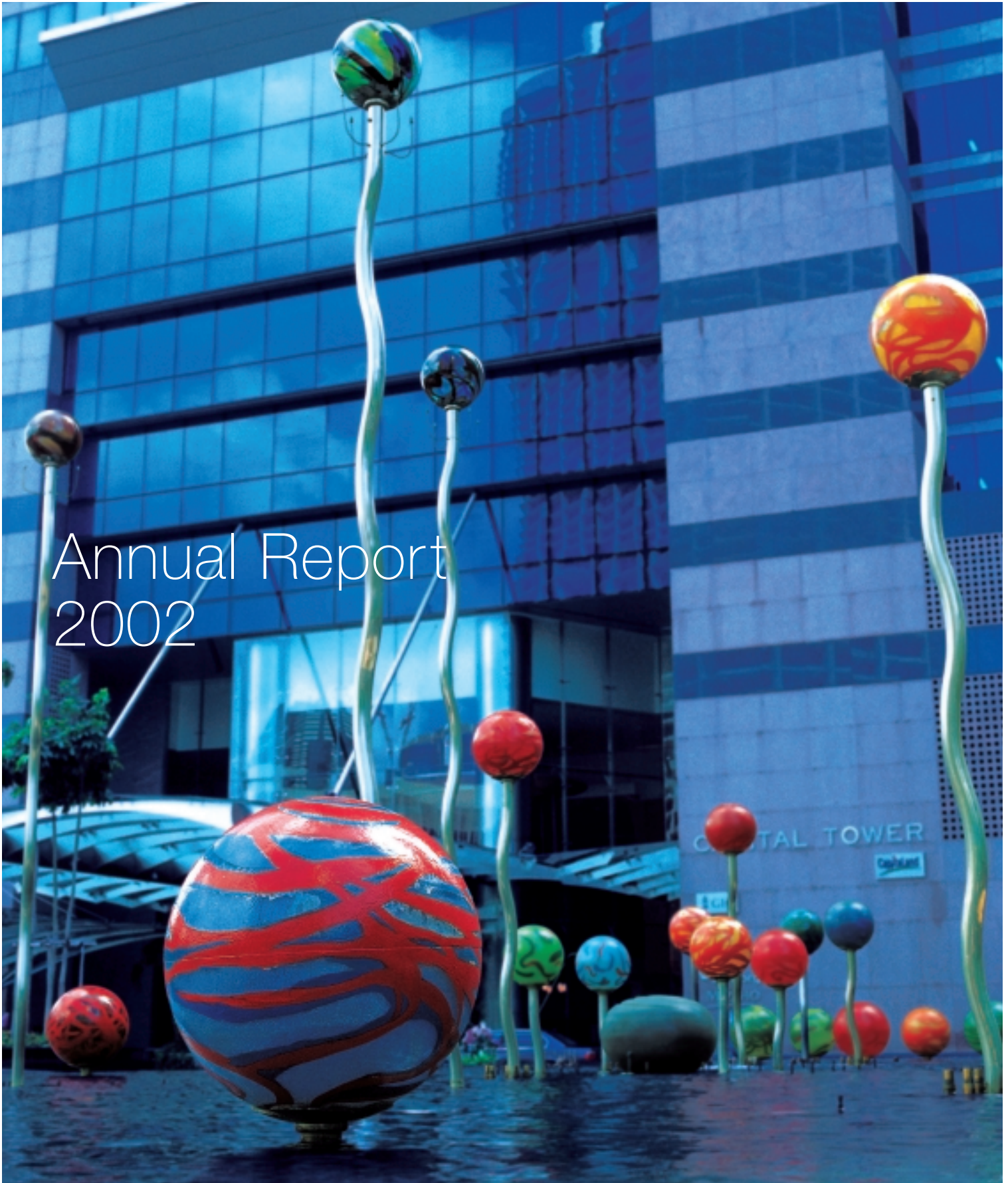




Annual Report 2002

Building a Lasting and Profitable Company

CapitaLand

Our Mission

To build a world-class property company with international presence that:

- creates sustainable shareholder value
- delivers quality products and services
- attracts and develops quality human capital

Profile

CapitaLand is one of the largest listed property companies in Asia. Headquartered in Singapore, the multinational company’s core businesses in residential, commercial and industrial property and property-related services, such as property funds and real estate financial products, are focused in selected gateway cities in China, Australia and the UK. In these countries, CapitaLand is in partnership with reputable local players and has established a management team that understands the market, business practices and socio-economic factors.

The Company’s hospitality businesses, in hotels and serviced residences, span more than 50 cities around the world. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop fee-based products and services in Singapore and the region.

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Corporate Directory

Board of Directors

Philip Yeo Liat Kok
Chairman

Hsuan Owyang
Deputy Chairman

Liew Mun Leong
President & CEO

in alphabetical order:

Sir Alan Cockshaw
Richard Edward Hale
Lim Chin Beng
Peter Seah Lim Huat
Sum Soon Lim
Jackson Peter Tai
Lucien Wong Yuen Kuai

Company Secretary

Tan Wah Nam

Assistant Company Secretary

Jessica Lum

Audit Committee

Richard Edward Hale
Sum Soon Lim
Lucien Wong Yuen Kuai

Investment Committee

Philip Yeo Liat Kok
Hsuan Owyang
Liew Mun Leong
Jackson Peter Tai
Lui Chong Chee

Executive Resource and Compensation Committee

Peter Seah Lim Huat
Hsuan Owyang
Sir Alan Cockshaw
Lim Chin Beng
Jackson Peter Tai

Nominating Committee

Peter Seah Lim Huat
Hsuan Owyang
Liew Mun Leong
Sir Alan Cockshaw
Lim Chin Beng
Jackson Peter Tai

Budget and Finance Committee

Hsuan Owyang
Liew Mun Leong
Jackson Peter Tai
Lui Chong Chee

Corporate Disclosure Committee

Sum Soon Lim
Liew Mun Leong
Lucien Wong Yuen Kuai

Risk Committee

Sum Soon Lim
Richard Edward Hale
Lucien Wong Yuen Kuai

Registered Address

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel: (65) 6823 3200
Fax: (65) 6820 2202

Registrar

Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Tel: (65) 6536 5355
Fax: (65) 6536 1360

Auditors

KPMG
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: (65) 6213 3388
Fax: (65) 6225 6157
(Engagement Partner since financial year ended 31 December 2001: Martha Tan Hui Keng)

Principal Bankers

- Bank of America N.A.
- Bayerische Landesbank Girozentrale
- BNP Paribas
- Citibank N.A.
- Credit Agricole Indosuez
- Malayan Banking Berhad
- National Australia Bank Limited
- Oversea-Chinese Banking Corporation Limited
- Standard Chartered Bank
- Sumitomo Mitsui Banking Corporation
- The Development Bank of Singapore Limited
- The Hongkong & Shanghai Banking Corporation Limited
- UFJ Bank Limited
- United Overseas Bank Limited
- Wing Hang Bank, Ltd

Letter to Shareholders

Dear Shareholders

Two years after the merger, and managing in the midst of very difficult market conditions, we are pleased to announce that we achieved a profit before tax of S\$484 million, and profit after tax and minority interests (PATMI) of S\$290 million. The Group generated healthy net cash flow from operations, in excess of S\$1 billion in 2002. During the course of the year, we monetised about S\$1.1 billion of assets to strengthen our balance sheet and build platforms for a lasting and profitable company.

Turning Platforms into Profits

In many respects, 2002 was the year when our strategic platforms, articulated during the merger of DBS Land and Pidemco Land, came to fruition. We strengthened our balance sheet, grew our fee-based businesses, and created a new asset class by launching Singapore’s first real estate investment trust, or REIT. In addition, we increased our return on equity and achieved cost savings through synergies among our various business units.

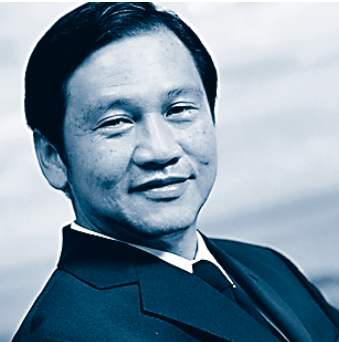
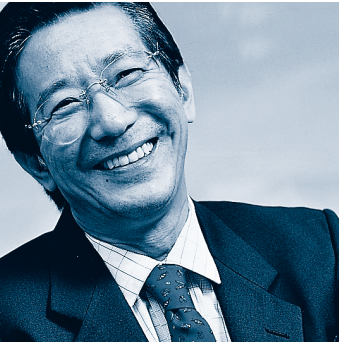
Throughout the year, we were well aware that our properties must remain top drawer assets to attract top-quality tenants. As a result, we actively implemented asset enhancement programmes, such as Six Battery Road’s hotel-like lobby complete with concierge services, to improve yields and to provide greater value to tenants. Consequently, our Singapore office portfolio outperformed the market in 2002, with a 91% occupancy rate, as compared to the market average of 84%.

Similarly, the CapitalLand-owned and managed Singapore retail malls enjoyed 96% occupancy, as compared to the market average of 90%.

For our residential property business, we operated with focused attention in Singapore, China and Australia. China and Australia continued to make healthy contributions, while the Singapore market showed signs of stability. In terms of earnings before interests and tax (EBIT), China and Australia operations, which are primarily residential activities, contributed 32% of the total group EBIT, up from 29% in 2001.

While our core property businesses are in selected gateway cities, our hospitality businesses have wider global footprint, operating in 50 cities worldwide. Our serviced residences chain, The Ascott Group, steadily strengthened its presence in the UK, China, Japan and Australia and announced plans to acquire a 50% interest in Citadines, a pan-European serviced residence chain. Meanwhile, Raffles Holdings integrated its Swissôtel properties and secured new management contracts.

Besides successes in our core business, the Group has also successfully executed its strategy to lower its debt level. By end FY2002, the net debt level stood at S\$5.7 billion, down substantially from S\$8.2 billion in November 2000. Gearing has also improved to 0.73, from 0.92 at the time of the merger. The reduced borrowings have led to a substantial 30.6% reduction in



PHILIP YEO **Chairman**
LIEW MUN LEONG **President & CEO**

“2002 was the year when our strategic platforms, articulated during the merger of DBS Land and Pidemco Land, came to fruition.”

interest expense. Moreover, we strengthened our balance sheet by divesting several non-core assets in Singapore and abroad. Specifically, we divested our stakes in two Indonesian companies, a healthcare operation in Malaysia, and non-core stakes in China. In Singapore, The Ascott Group sold some of its retail and residential holdings.

A Multinational with Multi-local Operations

As a multinational company, CapitaLand has successfully implemented its multi-local strategy in its international operations. The strategy calls for a synthesis of its international brand name and world-class competencies with a deep appreciation of the respective domestic real estate markets. Within the multi-local operations, we leveraged upon our full suite of property related and hospitality businesses.

China is a testament to the success of our multi-local strategy. We have built a strong local management team, operating within social sensitivities, and selling international standard properties to a dynamic middle class. We have a staff strength of 250 people, and as a team they have launched and sold residential projects such as Summit Panorama and Summit Residences to satisfied homebuyers. The Chinese government granted CapitaLand “Wholly Foreign-Owned Enterprise” (WFOE) status in 2002. WFOE will enable us to effectively operate as a local player in China with flexibility in capital flows and minimum administrative burden.

Our international presence, with the distinctive multi-local strategy, has also improved the quality of our earnings. In 2002, our international properties accounted for 61% of our revenue and 45% of our EBIT. While the UK market played a significant part in contributing to the bottomline in 2001, our China operations became significant contributors to our profitability in 2002. Australia continued to perform well over the years.

The Group’s international strategy is also to work with strong local players. The Group formed strong alliances with top local players like Mitsubishi Estate and Okura in Tokyo to deepen our operations in Japan. Joint ventures elsewhere include our commercial project, Raffles City Shanghai, and the Cushman and Wakefield PREMAS joint venture to offer consultancy, agency and asset services to multinational companies in China.

New Revenues from Real Estate Financial Products

As a growth driver, CapitaLand Financial will pursue real estate financing and capital raising activities in Singapore and in regional markets. In Singapore, we successfully listed the CapitaMall Trust in July 2002. CapitaMall Trust (CMT), projected to yield 7%, was five times subscribed. It created a new asset class in the Republic

and at its debut results announcement had outperformed expectations. CMT, together with the various management contracts clinched by our listed and unlisted business units, provided us with increased fee-based income.

Another notable “first” in 2002 was the company’s S\$380 million convertible bond, the first major Singapore dollar-denominated convertible bond. In addition, the company completed another Rated Securitised Bond, using residential progress payments from The Waterina condominium project in Singapore.

Managing Cost for Profit Contribution

The Group achieved its target of over S\$50 million in synergistic cost savings in 2002, as proposed in the merger plan. This is a significant and important accomplishment in a difficult year. Among the initiatives to harness synergistic cost management is to out-source non-key functions, such as the online procurement of engineering, hospitality and office supplies, centralisation of media buying, and streamlining of all contracts. The Group pioneered an ambitious Energy Programme, which when fully implemented, will result in more than S\$5 million of annual recurrent savings from energy procurement, management and conservation.

Talents Managed for Tomorrow’s Growth

Given its multinational operations, the management of talent and human capital continued to be strategic business drivers. International talents, who fill more than 20% of senior management positions in the Group, enabled a healthy cross-fertilisation of ideas. In this regard, the Group, with its multinational operations, has capitalised on online systems for staff management. Both its hospitality businesses have implemented effective platforms for such information to be easily retrieved via the World Wide Web.

The Group benefits from international expertise and perspective through its International Advisory Panel (IAP). The IAP comprises 11 industry leaders and chief executives of global companies. We truly value their guidance and counsel on the Group’s business strategy, growth plans for overseas expansion, and initiatives related to the Group’s real estate financial products and hospitality businesses.

Committed to Corporate Governance

2002 was a year in which investors were shocked by high-profile accounting scandals and corporate governance lapses. CapitaLand’s Board has from the beginning, been highly independent. Our Board, comprising nine non-executive directors and one executive director, has been actively engaged in company affairs, with the non-executives heading and leading all

the board committees including audit, budget and finance, investment and risk assessment.

Management has placed high priority on fair and full disclosure. Besides hosting dozens of meetings with investors in Singapore, senior management has met with investors in other Asian cities, the US and Europe. We also brought the media to take a look at our operations in Australia and China, so that our business philosophy, strategy and activities will be better reflected in their coverage.

Contributing to Causes

CapitaLand’s philosophy on community relations has been to give back to society in a meaningful way, and not just through cash donations. In 2002, the Group contributed time, funds and efforts to several children’s charities. This includes building a resting cabin at National University Hospital for parents and caregivers of cancer-stricken children and supporting events for children with disabilities. The Group also participated in fund-raising activities at home and abroad, supporting the Community Chest of Singapore, Singapore Red Cross Society, Cambodian Red Cross, Veterans International for Landmine Victims, Wild Aid and the SOS Children’s Villages.

Looking Ahead

We will continue to strengthen our key profit drivers for the coming year. Given our healthy cash flow, we are in a better position to consider the purchase of new parcels for development. We will capitalise on pro-market government policy changes, such as Central Provident Fund rules, and maintain our course of deploying capital for residential development in China.

While mindful of a continuing difficult market condition, we will keep up the initiatives that we have instituted to improve the yields of our commercial properties. We also anticipate growing our trading income from commercial properties as we actively seek to increase asset turnover. CapitaLand Financial will step up its focused attention on origination, structuring, distribution and management of property funds and real estate-related financial products in Singapore and abroad.

While the global slowdown is likely to linger, our hospitality divisions, Raffles Holdings and The Ascott Group, will pursue accretive opportunities. In the coming years, The Ascott Group

will reap benefits from its overseas acquisitions, such as the recent agreement for the Citadines purchase which adds the European market to its portfolio. Raffles Holdings expects to generate further benefits from its Swissôtel operations. Our property services division, PREMAS International, will grow both organically, especially by securing additional contracts for higher value-added services, and through strategic alliances to strengthen regional expansion.

We expect to see higher yields and continued profit contribution from China and Australia. Most of our China activity will be in Shanghai with several property launches in the pipeline for 2003. We have started the process of looking at other cities, beginning with Beijing. In Beijing, we are already a successful operator of a hotel and two serviced residences. Recently, we purchased a site in Chaoyang district near the Olympic Village for a residential project to be launched by end 2003. In Shanghai, beyond successfully building and marketing residential projects, we look forward to the targeted completion of Raffles City Shanghai by the end of the year. We expect contribution from this office and retail complex which is centrally located and adjacent to the historic People’s Square. In Australia, we expect positive growth from Australand, which is the one of the leading builders of homes in that country.

While the overall operations, barring unforeseen circumstances, are moving at a good clip to contribute to the bottomline, the Group will keep extracting cost savings benefits in 2003 as it did last year. It will continue to harness technology to streamline its work processes, improve productivity and lower operations cost.

On behalf of the Board, we wish to express our deep appreciation to Vernon Loucks and Hsieh Fu Hua for their invaluable services as Board members. Mr Loucks completed his term as a director, and we are glad to welcome him as a member of our International Advisory Panel. We congratulate Mr Hsieh on his appointment as the CEO of the Singapore Exchange Limited, an appointment which requires him to resign from our Board.

We also wish to thank all our shareholders, customers, tenants and business partners for their support, confidence and trust. Most of all, we want to thank our staff for their valued contributions. We join you in looking forward to a successful 2003.

PHILIP YEO
Chairman

25 February 2003

LIEW MUN LEONG
President and CEO

“China is a testament to the success of our multi-local strategy.”

“We will continue to strengthen our key profit drivers for the coming year.”

Board of Directors



From left
1st Row
Philip Yeo
Hsuan Owyang
Peter Seah
Lim Chin Beng

2nd Row
Jackson Tai
Sir Alan Cockshaw
Sum Soon Lim
Hsieh Fu Hua (until 9 Feb 2003)

From left
3rd Row
Lucien Wong
Vernon Loucks (until 15 Dec 2002)
Richard Hale (wef 10 Feb 2003)
Liew Mun Leong

Directors' Profile

PHILIP YEO
Chairman

Mr Philip Yeo, a Non-Executive Independent Director, joined the CapitaLand Board on 15 September 1999 and was elected Chairman on the same day. He was last re-elected as Director at CapitaLand's Annual General Meeting on 31 May 2000. In addition, Mr Yeo is also Chairman of CapitaLand's Investment Committee.

Mr Yeo was appointed Chairman of the Agency for Science, Technology & Research (A*STAR, formerly National Science & Technology Board) and Co-Chairman of the Singapore Economic Development Board (EDB) since 1 February 2001. He was the Chairman of the EDB from January 1986 to January 2001. He served in the Ministry of Defence from 1970 where he held several appointments eventually becoming the Permanent Secretary in 1979. He set up the National Computer Board and became its first Chairman from 1981 to 1987.

Besides CapitaLand, Mr Yeo's current directorships in other listed companies include United Overseas Bank, Industrial & Commercial Bank and InfoSys Technologies Limited.

Mr Yeo graduated in 1970 in Applied Science (Industrial Engineering) from the University of Toronto, Canada, under a Colombo Plan Scholarship. He also holds a Master of Science (Systems Engineering), 1974 from the University of Singapore and a Master in Business Administration, 1976 from Harvard University, USA, as a Fulbright scholar. In 1997, he was honoured with a Doctor of Engineering by his alma mater, University of Toronto.

HSUAN OWYANG
Deputy Chairman

Mr Hsuan Owyang, a Non-Executive Independent Director, joined the CapitaLand Board on 20 November 2000 and was elected Deputy Chairman on the same day. He was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2002.

In addition, Mr Owyang is also serving as the Chairman of CapitaLand's Budget and Finance Committee and the Deputy Chairman of CapitaLand's Investment Committee, and he sits on CapitaLand's Executive Resource and Compensation Committee and Nominating Committee. Mr Owyang is also the Chairman of CapitaMall Trust Management Limited.

Mr Owyang is concurrently Chairman, Board of Governors, The Institute of Policy Studies and Chairman, N.M. Rothschild & Sons (Singapore) Limited. He served on the Board of Singapore's Housing Development Board (HDB) since 1977 and was

appointed Chairman of the HDB in 1983 until his retirement in October 1998. Mr Owyang has extensive banking experience and had worked on Wall Street for 12 years holding the position of an investment advisor. He was also the Director and General Manager of Overseas Union Bank which he was associated with for more than 18 years before he took up appointment in Post Office Savings Bank as its Executive Deputy Chairman until 1988.

Mr Owyang is the Chairman of Ayala International Holdings Limited. He is a Director of MobileOne Limited and former Chairman of Transpac Industrial Holdings Limited, both companies listed on the SGX-ST.

Mr Owyang is a graduate of the University of Dubuque, USA with a BSc in Business Administration. He also holds a Master in Business Administration from Harvard University, USA.

PETER SEAH
Director

Mr Peter Seah, a Non-Executive Director, joined the CapitaLand Board on 18 December 2001 and is also serving as Chairman of CapitaLand's Executive Resource and Compensation Committee and Nominating Committee. He was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2002.

Mr Peter Seah assumed his current position as the President & Chief Executive Officer of Singapore Technologies Pte Ltd on 1 December 2001. Prior to this, Mr Seah was with Overseas Union Bank (OUB) since 1977 and has held several senior positions in OUB through the years becoming its President & Chief Executive Officer in 1991. Mr Seah retired as Vice Chairman and Chief Executive Officer from OUB on 30 September 2001.

Currently, Mr Seah is Chairman of SembCorp Industries Ltd and Singapore Technologies Engineering Ltd and is a director of various companies in the ST Group. He sits on the boards of Government of Singapore Investment Corporation Pte Ltd, Institute of Defence & Strategic Studies and the Defence Science and Technology Agency. He also serves as Vice President of Singapore Chinese Chamber of Commerce & Industry and Treasurer of Singapore Business Federation. He was formerly a Director of Overseas Union Enterprise Limited and Overseas Union Securities Ltd, both public companies listed on the SGX-ST.

Mr Seah graduated from the University of Singapore with an honours degree in business administration in 1968.

LIM CHIN BENG

Director

Mr Lim Chin Beng, a Non-Executive Independent Director, joined the CapitaLand Board on 23 February 1998 and was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2002. In addition, Mr Lim is also a Member of CapitaLand's Executive Resource and Compensation Committee and Nominating Committee.

Mr Lim's 30 years of experience in the aviation industry began with the Malaysian Airlines in the 1960s. In the 1970s, he helped start up Singapore Airlines and was its Managing Director from 1972 to 1982. Mr Lim retired as Deputy Chairman of Singapore Airlines in 1996. Between 1991 to 1997, Mr Lim was also Singapore's Ambassador to Japan.

Currently, Mr Lim is Chairman of The Ascott Group Limited, Singapore Technologies Aerospace Limited and Singapore Press Holdings Limited. He is also a Director of StarHub Limited and Pontiac Land Private Limited. He is a member of the Public Service Commission.

Mr Lim is a graduate from the University of Malaya with BA (Economics) (Honours). He also attended an Advanced Management Program at the Harvard Business School, USA in 1973.

JACKSON TAI

Director

Mr Jackson Tai, a Non-Executive Independent Director, joined the CapitaLand Board on 20 November 2000 and was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2001. In addition, Mr Tai is a Member of CapitaLand's Investment Committee, Executive Resource and Compensation Committee, Nominating Committee and Budget and Finance Committee.

Currently, Mr Tai is the Vice Chairman and Chief Executive Officer of DBS Group Holdings Ltd and DBS Bank, and also the Chairman of the DBS Group Holdings Ltd's Management Committee. Prior to joining DBS Bank, Mr Tai was a Managing Director of J P Morgan & Co's Investment Banking Division.

Besides CapitaLand, Mr Tai is a Director of Singapore Telecommunications Limited, a public company listed on the SGX-ST. He also sits on the Boards of Jones Lang LaSalle, DBS Group Holdings (Hong Kong) Ltd and Dao Heng Bank Group Limited.

Mr Tai graduated with a BSc degree from the Rensselaer Polytechnic Institute, USA. He also holds a Master of Business Administration from Harvard University, USA.

SIR ALAN COCKSHAW

Director

Sir Alan Cockshaw, a Non-Executive Independent Director, joined the CapitaLand Board on 1 July 1999 and was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2002. He is a Member of CapitaLand's Executive Resource and Compensation Committee and Nominating Committee and is also Chairman of CapitaLand UK Holdings Limited.

Based in the UK, his early career was spent in both the public and private sectors. In 1973, he joined Fairclough Civil Engineering and was appointed Chief Executive in 1978 and a Member of the main board of Fairclough Construction Group in 1981. In 1982, Fairclough acquired the Press Group and in so doing created the AMEC Group where Sir Alan became Group Chief Executive in 1984 and Chairman in 1988. He retired from AMEC in 1997. Sir Alan has also held a number of public positions on behalf of the UK Government and has recently completed a three-year term as Chairman of English Partnerships, the national regeneration agency, and the Commission for the New Towns, which merged in 1999. He is a Past President of the Institution of Civil Engineers.

Currently, Sir Alan is also Chairman of the Roxboro Group PLC, British Airways Regional Ltd., PCS International Ltd, Manchester Millennium Ltd, and Shawbridge Management Ltd.

Sir Alan holds an Honorary Degree of Doctor of Engineering and an Honorary Degree of Doctor of Science.

SUM SOON LIM

Director

Mr Sum Soon Lim, a Non-Executive Director, joined the CapitaLand Board on 23 October 1998 and was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2001. In addition, Mr Sum is the Chairman of CapitaLand's Risk Committee and Corporate Disclosure Committee. He is also a Member of CapitaLand's Audit Committee.

Mr Sum has worked for the Singapore Economic Development Board, DBS Bank, J P Morgan Inc, Overseas Union Bank and Nuri Holdings (S) Pte Ltd, a private investment holding company. Mr Sum is currently a Corporate Advisor to Singapore Technologies Pte Ltd and Temasek Holdings (Private) Limited.

Mr Sum's directorships include Chartered Semiconductor Manufacturing Ltd, Singapore Technologies Telemedia Pte Ltd, Singapore Health Services Pte Ltd, Vertex Venture Holdings Ltd and Green Dot Capital Pte Ltd. Mr Sum is also a Commissioner of PT Indonesian Satellite Corporation (Indosat) and a member of the Securities Industry Council. He formerly sat on the Board of ST Assembly Test Services Ltd, a public company listed on the SGX-ST.

Mr Sum is a graduate of the University of Nottingham, UK with a BSc (Hons) in Production Engineering.

LUCIEN WONG

Director

Mr Lucien Wong, a Non-Executive Independent Director, joined the CapitaLand Board on 20 November 2000 and was last re-elected as Director at CapitaLand's Annual General Meeting on 2 May 2001. In addition, Mr Wong is a Member of CapitaLand's Audit Committee, Corporate Disclosure Committee and Risk Committee.

Mr Wong is the Managing Partner of Allen & Gledhill. He has been in legal practice for more than 20 years, specialising in corporate and finance work and has been involved in several landmark corporate transactions in Singapore. Mr Wong also sat on a number of law review committees in Singapore which reviewed amendments to Singapore company and securities law.

Mr Wong is also a Director of Singapore Technologies Engineering Ltd, a public company listed on the SGX-ST.

Mr Wong is a graduate in LLB (Honours) from the University of Singapore.

RICHARD HALE

Director

Mr Richard Hale, a Non-Executive Independent Director, joined the CapitaLand Board on 10 February 2003, and was appointed as the Chairman of CapitaLand's Audit Committee and a Member of CapitaLand's Risk Committee on the same day.

Mr Hale also sits on the Board of The Ascott Group Limited (Ascott) and is the Chairman and Member of Ascott's Nominating Committee and Executive Resource and Compensation Committee, respectively.

Mr Hale started his career with The Hongkong and Shanghai Banking Corporation Ltd in October 1958 and served in London, Paris, Hong Kong, Germany, Malaysia, Japan and Singapore before retiring from the Bank as CEO Singapore and Director in March 1995. From July 1995 to September 1997, he acted as advisor on environmental matters for HSBC Holdings plc London based in Singapore. Mr Hale was Executive Chairman of SNP Corporation Ltd from 1 April 1999 to April 2000. He also served as Chairman of the Singapore International Chamber of Commerce for 1993 and 1994.

Mr Hale is a Governor of United World College of South East Asia, Singapore, and a Member of the Singapore Institute of Directors.

He also sits on the Boards of Sembcorp Industries Ltd, Marco Polo Developments Ltd and F J Benjamin Holdings Ltd, companies listed on the SGX-ST, and of Wildlife Reserves Singapore Pte Ltd and World-Wide Shipping Agency (Singapore) Pte Ltd.

Mr Hale is a Fellow of the Chartered Institute of Bankers, London.

LIEW MUN LEONG

President & CEO

Mr Liew Mun Leong joined the CapitaLand Board as Director on 1 January 1997. He was appointed the President & CEO since 20 November 2000 and was last re-elected as Director at CapitaLand's Annual General Meeting on 31 May 2000. He also serves on CapitaLand's Investment Committee, Nominating Committee, Corporate Disclosure Committee and Budget and Finance Committee.

Concurrently, Mr Liew is the Deputy Chairman of The Ascott Group Limited and Raffles Holdings Limited, subsidiaries of CapitaLand listed on the SGX-ST. He is the Deputy Chairman of CapitaMall Trust Management Limited, the manager of CapitaMall Trust, the first listed real estate investment trust in Singapore. He is also the Chairman of CapitaLand Residential Limited, CapitaLand Commercial Limited and PREMAS International Limited, and the Deputy Chairman of CapitaLand Financial Limited.

With more than 25 years of international experience in construction and real estate in Singapore and overseas, Mr Liew led a number of public sector infrastructural development projects in Singapore, including the successful development and construction of Changi Airport. For five years, he was CEO of Singapore Institute of Standards and Industrial Research (SISIR), a statutory board responsible for Singapore's national standards and industrial research and development to support the manufacturing industry in Singapore. Thereafter, he headed a major public listed construction company in Singapore with operations in 13 countries in the Asia Pacific. From 1997 to 1998, Mr Liew was also the President of International Organisation for Standardisation (ISO).

Mr Liew graduated from the University of Singapore with a BEngg degree and is a registered civil engineer.

Year in Brief



From left
Raffles the Plaza and Swissôtel The Stamford
The Waterina
Joint venture signing: Ascott and Mitsubishi Estate Co Ltd

January

- Official launch of Eureka Office Fund, the first Singapore-dollar denominated wholesale property fund.
- Relaunch of Raffles The Plaza and Swissôtel The Stamford with a world-record breaking ribbon-cutting ceremony, which had 3,238 participants cutting a ribbon measuring 5,776 metres.

February

- Announcement of joint venture between PREMAS International and Cushman & Wakefield to form Cushman & Wakefield PREMAS, the first truly integrated real estate services business in China.
- Placement of 36.365 million new ordinary shares at A\$1.65 per share, raised A\$60 million.

March

- Clinched contract, by Raffles International, to manage two deluxe hotels in Turkey in the cities of Izmir (353 rooms) and Bursa (174 rooms).
- Secured a 15-year headlease by Ascott, for the 80-unit St Marks property in London, for corporate leasing.
- Issue of S\$380 million principal amount of CapitaLand convertible bonds due 2007.

April

- Won Building and Construction Authority's Construction Excellence Awards 2002 for Capital Tower and Woodsvale.
- Launch of The Waterina, a freehold condominium along Guillemard Road. It was the second best-seller in Q2, in terms of units sold.
- Acquired majority stake in a 108,011 square-metre residential site in Changning district, Shanghai. About 2,000 units can be built on the site.
- Won three awards, by Raffles International, at the World Gourmet Summit.
- Divestment of 95% stake in PT Amethyst Wahyu for US\$25 million (S\$45.7 million) and 51% stake in PT Pakuwon Amethyst for US\$1.8 million (S\$3.3 million).
- Divestment of stake in Suzhou Taihu Chungten Real Estate Development Co., Ltd for RMB 26.4 million (S\$6.3 million).
- Joint venture formed between Ascott and Mitsubishi Estate Co Ltd, one of Japan's largest developers, to own, manage and develop serviced residences in Japan.

From left
Launch of Cushman & Wakefield PREMAS
AIG Tower design
CapitaMall Trust's first trading day



May

- Launch of The Shelford condominium with an "Education Matters" scheme, which offered a rebate to homebuyers with children studying in selected neighbouring schools.
- Divestment of Ascott's freehold site in York Road, London, for S\$11.6 million profit, in line with Ascott's strategy to focus on its core serviced residence business.
- Acquisition of majority stake in Plot 9-1 at Luwan, a choice 4,998 square-metre site in Shanghai, for the proposed development of a prime, Grade A 20-storey office tower by 2005.

June

- Sale of Ascott's stake in Somerset Grand Shanghai serviced residence and a plot of land in Shanghai as part of the restructuring of core assets for higher capital productivity.
- Divestment of Costa Sands, East Coast & Costa Sands, Pasir Ris, by Ascott, for S\$10.9 million.
- Raffles Hotel Singapore listed in the Superior Deluxe Category of the Official Hotels Guide 2002.

July

- Successful Initial Public Offering of CapitaMall Trust, Singapore's first listed real estate trust (REIT). The IPO was five times subscribed.
- Unveiling of design for landmark AIG Tower in Hong Kong, by AIG, CapitaLand and Lai Sun Development Company.
- Announcement of joint venture to form Beijing Cushman & Wakefield PREMAS.



August

- Divestment of Cuppage Terrace by Ascott for S\$19 million.
- Investment in hospitality management school by Raffles International.
- Strategic alliance signed between Raffles International and Hotel Okura Co.

September

- Launch of the freehold, 211-unit Belmond Green located along Balmoral Road.
- Launch of Casabella, a freehold development comprising apartments, townhouses and strata semi-detached units, all sharing common recreational facilities.
- Delisting of Hind Hotels International Limited from the Singapore Exchange, following the acquisition of all issued ordinary shares.
- Acquisition of a 62% stake in a prime residential site in Chaoyang district, Beijing. The site can accommodate 1,450 units.
- New management contract secured for the 116-unit Olympia Suites serviced residence in Makati City, the Philippines, making Ascott the largest serviced residence chain in Manila.
- Agreement made to divest CapitaLand's entire 65% stake in Premier Health Corporation (M) Sdn Bhd for approximately S\$5.7 million.



From left
Raffles City Shanghai
Citadines Paris Louvre
Summit Residences

- Topping-out ceremony for the US\$350 million Raffles City Shanghai, a prime Grade A office tower with a retail podium, located opposite the historic People’s Square in Shanghai.
- CapitaLand and Raffles Holdings won the SIAS “Most Transparent Company Awards” for the property and hotel categories respectively. Ascott was runner-up in the hotel category.

October

- First quarterly results briefing held by CapitaMall Trust Management Ltd, where a “5% increase in net distributable income” for CMT unitholders was announced.
- Successful launch of the 913-unit Summit Residences (Chrysanthemum Park Phase 3) where the 436 units released were almost fully sold.
- Meeting of the CapitaLand International Advisory Panel (IAP) to discuss the business strategies and plans of the Group.

November

- Exercised call option to buy issued shares of Robinson Point Pte Ltd at an expected purchase price of S\$193 million.

December

- Official launch of Glentrees, a 176-unit, 999-year leasehold condominium at Mount Sinai Lane. Its creative architectural design provided for generous gardens in each home.
- Completion of transaction to securitise the sales receivables from The Waterina condominium, raising approximately S\$198 million.
- Exercised call option to buy issued shares of 268 Orchard Road at an expected purchase price of S\$184 million.
- Entered into a conditional put and call option agreement to acquire prime suburban IMM Building.
- Agreement entered by Ascott to acquire a 50% interest in the pan-European serviced residence chain Citadines, making Ascott a major serviced residence provider across the Asia Pacific and Europe.
- Ascott was first runner-up in the 29th Singapore Annual Report Award Competition for the mainboard category. CapitaLand won a Commendation Award.

Corporate Office

Liew Mun Leong
President & CEO

Tham Kui Seng
Chief Corporate Officer

Lui Chong Chee
Chief Financial Officer

Anthony Seah
Chief, Synergistic Cost Management

in alphabetical order:

Steven Choo
Senior Vice President, Research & Corporate Development

Lai Choon Hung
Senior Vice President, Corporate Planning

Lam Wei Siong
Senior Vice President, Risk Assessment *(wef 15 Feb 2003)*

Lim Mei Yi
Company Secretary *(until 11 March 2003)*

Basskaran Nair
Senior Vice President, Communications

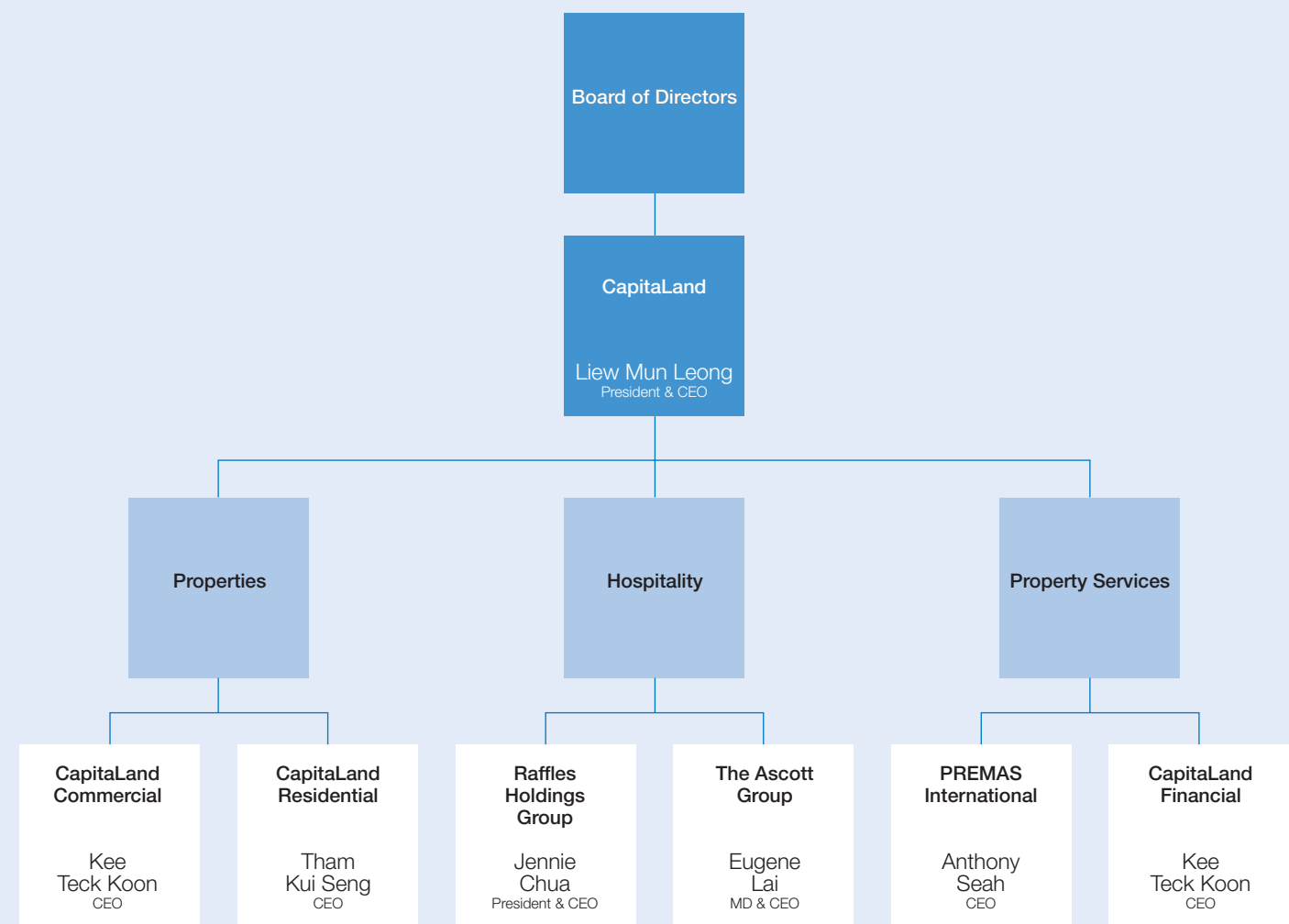
Nancy Ng
Senior Vice President,
Human Resource & Corporate Services

Tan Wah Nam
Company Secretary *(wef 12 March 2003)*

George Tanasijevich
Senior Vice President, Equity Markets

Wen Khai Meng
Deputy Chief Financial Officer
Risk Management *(until 14 Feb 2003)*

Group Structure



Council of CEOs

LIEW MUN LEONG
President and CEO - CapitaLand Limited
Mr Liew is President and Chief Executive Officer of CapitaLand and Deputy Chairman of The Ascott Group, Raffles Holdings and CapitaMall Trust. He has more than 25 years' experience in the construction and real estate industries. Mr Liew is also Chairman of Temasek Polytechnic and a past President of the International Organisation for Standardisation (ISO). Mr Liew graduated from the University of Singapore with a Bachelor of Engineering degree and is a registered civil engineer.

LUI CHONG CHEE
Chief Financial Officer - CapitaLand Limited
Mr Lui is Chief Financial Officer of CapitaLand, a Director of Raffles Holdings, and an Alternate Director of The Ascott Group. Prior to this, Mr Lui was Managing Director of Citicorp Investment Bank (Singapore) Limited. He has 15 years' experience in investment banking. Mr Lui holds an MBA in Finance and International Economics and a Bachelor of Science degree in Business Administration (magna cum laude) from New York University.

HIIEW YOON KHONG
Chief Executive Officer - CapitaLand Commercial Limited and CapitaLand Financial Limited (until 1 April 2003)
Mr Hiew was Chief Executive Officer of CapitaLand Commercial and CapitaLand Financial. He was previously Chief Financial Officer of CapitaLand. Before joining CapitaLand, he was Corporate Affairs Director of Goldtron Limited. He earlier worked in a management consultant firm and a merchant bank. He holds a Master of Arts degree in Economics from the University of Warwick and a Bachelor of Arts in Economics degree from the University of Portsmouth.

KEE TECK KOON
Managing Director & Chief Executive Officer - The Ascott Group Limited (until 1 April 2003)
Chief Executive Officer - CapitaLand Commercial Limited and CapitaLand Financial Limited (wef 2 April 2003)
Until his present position as Chief Executive Officer of CapitaLand Commercial and CapitaLand Financial, Mr Kee was Managing Director and Chief Executive Officer of The Ascott Group. He was previously the Executive Vice President of Pidemco Land and Chief Executive Officer of Somerset Holdings. He is also Vice Chairman of the Singapore Institute of Management. Mr Kee holds a Master of Arts in Engineering Science degree from Oxford University, UK.

THAM KUI SENG
Chief Executive Officer - CapitaLand Residential Limited
Mr Tham is the Chief Executive Officer of CapitaLand Residential Limited and Chief Corporate Officer of CapitaLand Limited. He is also Chairman of Australand Holdings Limited and Deputy Chairman of United Malayan Land Bhd. Prior to joining Pidemco Land, Mr Tham was the Chief Executive of TPL Printers (UK) Limited. Mr Tham holds a Bachelor of Arts degree in Engineering Science from Oxford University, UK.

EUGENE LAI
Managing Director and Chief Executive Officer of The Ascott Group Limited (wef 1 April 2003)
Mr Lai is the Managing Director and Chief Executive Officer of the Ascott Group, and a Director of Raffles Holdings. He was previously an MD of The Carlyle Group. Before that, Mr Lai was an investment banker and held various senior positions at Schroders and Salomon Smith Barney. Prior to this, Mr Lai was a lawyer. Mr Lai has a Bachelor's degree in Law (first class honours) from The London School of Economics and Political Science, London University, and a Master's degree in Law from Harvard University.

RICHARD C. HELFER
President and Chief Executive Officer - Raffles Holdings Limited (until 2 April 2003)
Mr Helfer was the President and Chief Executive Officer of Raffles Holdings and Chairman and CEO of Raffles International until 2 April 2003. He has 31 years of experience in the management and development of hotels and resorts, including 17 years with Westin Hotels. He holds a Bachelor of Arts (Honours) degree in Hotel and Restaurant Management from Michigan State University, USA.

MS JENNIE CHUA
President and Chief Executive Officer - Raffles Holdings Limited (wef 2 April 2003)
Ms Chua is the President and Chief Executive Officer of Raffles Holdings. She was formerly the President and Chief Operating Officer of Raffles International, the hotel management arm of Raffles Holdings, and concurrently Deputy Chief Executive Officer of Raffles Holdings. Ms Chua has been instrumental for the hotel's global operations under the Raffles International master brand. She holds a Bachelor of Science degree, Cornell University.

ANTHONY SEAH
Chief Executive Officer - PREMAS International Limited
Mr Seah is the Chief Executive Officer of PREMAS International and Chief of CapitaLand Limited's Synergistic Cost Management Division. He was previously Pidemco Land's Executive Vice President for residential investment, marketing and development. Prior to that, Mr Seah was Chief Executive Officer of L&M Properties and L&M International. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore and is a registered professional engineer in Singapore.

Commercial and Financial

Business Strategy

CapitaLand Commercial (CCL) continued to build lasting value and increase profitability for stakeholders through active and disciplined asset management of its property portfolio. Extending its vision to move beyond developing mere functional property space to create living communities, CCL continued to develop comprehensive asset enhancement and service excellence programmes in 2002. CCL's commitment to provide top quality customer service was translated into several tenant-beneficial and cost saving initiatives.

CapitaLand Financial (CFL), on the other hand, leveraged on the Group's real estate domain knowledge and financial skills to embark on the property-related financial product business and the provision of fee-based business. CFL is positioned as a new growth driver for the CapitaLand Group serving both CapitaLand and third parties.

Financial Summary

Turnover for 2002 was S\$451.3 million, a decline of 13% from 2001. This was due mainly to lower revenue from the Canary Riverside development in the UK, which was already substantially sold in 2001. The decline, however, was mitigated by higher revenue from Singapore due to full occupancy at Capital Tower, six months of contribution from Junction 8 and Funan The IT Mall prior to the listing of CapitaMall Trust (CMT), and increased management fee income from the Eureka Office Fund and CMT.

Contributions from overseas properties decreased from 31% in 2001 to 22% in 2002 while that for Singapore rose from 69% to

72%. Office properties continued to be the biggest contributor at 38%, followed by retail and industrial properties at 23% and 10% respectively. Overall, the performance is in step with the CapitaLand's strategy to 'right-size' its assets in Singapore and abroad while taking advantage of market conditions to sell and redirect resources to higher yielding asset portfolios.

Earnings before interest and tax (EBIT) in 2002 was S\$290.4 million, a fall of S\$69.9 million or 19% from 2001. The decline was attributable mainly to revaluation deficits of investment properties amounting to S\$46.4 million charged to the profit and loss account and lower monetisation gains of S\$76.6 million compared to S\$124.6 million made in 2001 from the divestment of 12 properties and investments. Portfolio gain in 2002 resulted mainly from the public listing of CMT, where the Group's stake was reduced from 87% to 33%, and the divestment of the Kebayoran site in Indonesia.

EBIT from operations on the other hand grew by 11% due to contributions from Junction 8 and Funan The IT Mall, full occupancy of Capital Tower, and higher fee income from CFL's financial and fund management activities.

Singapore-based commercial properties accounted for 85% of EBIT contributions. About 12% came from overseas while contributions from CFL, which commenced operations last year, amounted to 3% of total EBIT.

CAPITALAND COMMERCIAL OFFICE

Business Review

Despite the difficult environment, CCL's quality office portfolio outperformed the market as active asset management gave our properties an edge over those of the market. Occupancy for the portfolio was a healthy 91% at end 2002, outperforming the overall market's occupancy of 84%. Prime rents averaged S\$6.84 per square foot per month, exceeding the market's S\$5.00 per square foot per month.

Recognising the challenges of today's business environment, initiatives were carried out in 2002 to help tenants achieve cost savings. Bulk procurement of electricity was carried out in Capital Tower, resulting in tenants enjoying a 5% reduction over the Power Supply tariff rates. Tenants were also offered the use of hospitalitybex, a web-based portal for bulk discount purchase of stationery and other items. In addition, tenants could enjoy attractive discounts from CapitaLand's malls and Raffles International's F&B outlets as part of its customer rewards programme.

CCL's drive to transform quality office buildings into living communities saw the completion of upgrading works at Six Battery Road. This premier Grade A office building fronting the Singapore River now has a hotel-styled lobby, a lobby café for the convenience of tenants and visitors. The building is also equipped with concierge services where tenants can seek assistance in attending to visitors, book taxis and borrow umbrellas.

Capital Tower was awarded the 2002 BCA Construction Excellence Award in the commercial category. It is a testament to CCL's continuous pursuit of excellence.

Looking Ahead

Office portfolio occupancies and rentals which outperformed market benchmarks in 2002 will continue to support 2003 earnings as close to 80% of its leases are already locked in for 2003.

While the new supply of office space is projected to decline to 640,000 square feet in 2003, demand is expected to pick up in the second half of 2003 in tandem with the economic recovery.

The redevelopment of Pidemco Centre was undertaken in late 2002 to convert the site into a modern intelligent Grade A office building. To be renamed OneGeorge Street, the new building will be poised to receive tenants under anticipated better market conditions upon completion by end 2004.

RETAIL

Business Review

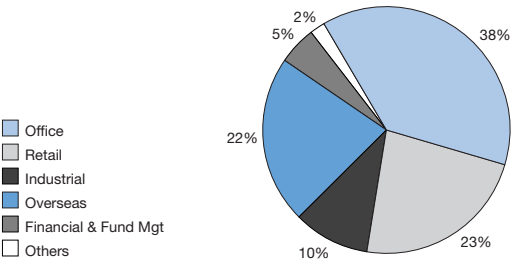
CCL is the largest retail manager in Singapore with a portfolio of seven retail malls totalling close to 1.9 million square feet in net lettable area. These comprise Plaza Singapura and Clarke Quay, which are owned by CCL; CMT's three shopping centres - Tampines Mall, Junction 8 and Funan The IT Mall; and Scotts Shopping Centre and Liang Court Shopping Centre, which are owned by The Ascott Group. Despite the challenging market conditions, CCL's average portfolio occupancy was 96% at 2002 year end, comparing favourably with market occupancies of 90%. The company's average portfolio rent increased slightly compared to the market's steady decline in rentals over the past two years.

CCL also manages several retail properties in Malaysia and China totalling some 1.8 million square feet of space. Of particular note is CCL's appointment as retail manager for Raffles City Shanghai, a prestigious Grade A commercial complex with a 45-storey office tower and a 7-storey retail podium. The company is actively involved in the retail development management and leasing of the retail podium which totals more than 300,000 square feet of net lettable space. This development will be a landmark in the heart of Shanghai's financial district when it is completed by end 2003.

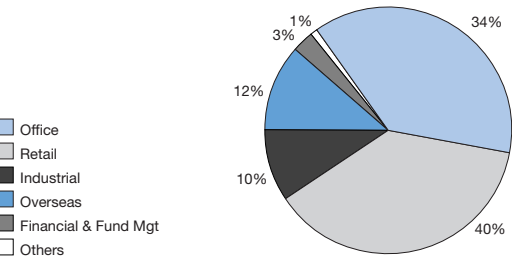
During the year, asset enhancement works were undertaken at Plaza Singapura to revamp the front plaza and create additional lettable space within the centre. Works are targeted to complete in 2003. This includes adding a shopping corridor link to the Dhoby Ghaut MRT station, an interchange connecting the new North-East line and the future Circle line to the existing MRT network. The new North-East line is expected to start operations in mid 2003. At the same time, the retail mix in the mall is also being enhanced to create a more vibrant and attractive shopping destination. At the end of 2002, Plaza Singapura reported a committed occupancy rate of 93%.

Similarly at Clarke Quay, a new retail concept is currently being formulated to rejuvenate and reposition the property to optimise its market potential. Bold and creative ideas are being explored to create Singapore's premier food, fashion and leisure precinct. The new retail concept, coupled with Clarke Quay's unique historical heritage, prime Singapore River frontage and proximity to the new Clarke Quay MRT station will make Clarke Quay an iconic development in South East Asia. Clarke Quay will also benefit from the expected increase in shopper traffic when its name-sake MRT station along the new North-East MRT line starts operating. As at end 2002, Clarke Quay reported a committed occupancy rate of 91%.

2002 Turnover
(Total S\$451m)



2002 EBIT
(Total S\$290m)



In July 2002, CCL monetised Tampines Mall, Junction 8 and Funan The IT Mall through the successful flotation of CMT. The company continues to manage the three properties as CMT's appointed property manager, and is pleased to have contributed to CMT's strong performance to-date, by achieving growth in both rental and other income. The CMT portfolio achieved close to 100% committed occupancy as at end 2002.

Another noteworthy development during the year was the restructuring of CCL's retail management operations. The new organisation model brings out a stronger Asset Management focus that integrates various service units within the division to systematically maximise asset value and long-term growth performance of the properties. Another important initiative was the setting up of Group Leasing and Group Marcoms teams to spearhead portfolio-wide strategies and provide general guidance and support to centre-management teams. This has led to greater co-ordination, focus and efficiency in overall portfolio operations.

Looking Ahead

Business conditions in the retail industry are widely expected to remain clouded at least for the first half of 2003. Notwithstanding this, CCL is confident that the foregoing initiatives have put in place a solid platform for continuous growth.

Properties under CCL's management will continue to benefit from its ability to leverage on portfolio synergies and economies of scale in income-generating and cost-reducing opportunities. Examples include the cross-marketing and promotion of malls, and bulk purchasing of service contracts and energy supply at lower unit costs. In addition, benefits will also derive from CCL's Asset Management focus and constant endeavour towards industry best practices in retail management. On-going initiatives include the development of visual merchandising display guidelines for shops, tenant education in customer service and active research on industry trends.

Last but not least, CCL's market leadership and growing expertise in retail management, as demonstrated by its value-adding contributions to CMT and other properties under its management, have provided an excellent platform to exploit growth opportunities in its fee-based business. CCL will look towards expanding its retail management business both locally and overseas when suitable opportunities arise.

INDUSTRIAL

Business Review

CCL's industrial portfolio comprises mostly high-tech industrial buildings and some conventional factory and warehouse space. Occupancies averaged 82%, with rents at S\$2.16 per square foot per month in December 2002. In view of the economic slowdown, industrialists generally remained cautious resulting in sluggish demand for industrial space. As companies tended to consolidate or relocate to cheaper premises, occupancy of high-tech space declined to 77% from 87% as at end 2001. Rents likewise dipped by 19% to S\$2.10 per square foot per month.

The upgrading works at Technopark @ Chai Chee transformed it into Singapore's first broad-banded industrial park, boasting a green and open environment, complete with lush landscaping, water features, a tennis court, a jogging track and a gymnasium, to serve its hi-tech tenants.

The Technopark was also selected as a member of HOTSpots, a programme initiated by the Singapore Economic Development Board (EDB) to boost technopreneurship in Singapore. The acronym "HOT" stands for "Hub of Technopreneurs". Targeted at IT and e-commerce companies, HOTSpots is Singapore's first-ever technopreneurship belt linking technopreneur centres across the island. As a HOTSpots location, Technopark @ Chai Chee tenants are connected to a business network of over 400 technology-related companies, which provide them with opportunities to build partnerships, create networks and alliances.

Looking Ahead

Although demand for conventional factory and warehouse space will likely remain sluggish in 2003, demand for high-tech industrial space is expected to remain firm as they offer an attractive alternative to office tenants looking for cheaper premises for its back-end and data processing activities.

With the shift in Singapore's manufacturing landscape to high value-added industries, the company is also reviewing plans for its remaining conventional factory and warehouse space.

INTERNATIONAL

CCL's international portfolio performed well despite the challenging global economic environment. It achieved this by focusing on investment grade office properties in gateway cities and creating value through active asset and property management. Country offices were established in the selected gateway cities for greater market responsiveness and to exploit investment opportunities.

United Kingdom

Increased government spending and low interest rates continue to fuel the strong consumption in the UK. The residential market remains strong, whilst the office occupational market has weakened considerably. Nevertheless, investor interest in the London real estate market remains strong across main segments, relative to many other markets across Europe.

The fit-out of the remaining Canary Riverside penthouses has been completed and marketing is on-going. The health club and restaurants within the development are trading well. The Four Seasons Hotel Canary Wharf, however, continues to face a challenging environment due to the downturn in business travel. 25 Moorgate is targeted to complete in January 2003 and marketing of this prime office space is underway.

In addition to on-going investment activities, CapitaLand UK is developing its fund and financial services business, channelling funds into and out of London, and working in concert with CapitaLand's other offices on various projects in Asia.

Japan

The company's investment in Shinjuku Square Tower outperformed the market, achieving above 96% occupancy. In general, Japan's commercial and residential properties declined slightly in value amidst a weak economy. Despite this, the Japanese property sector shows much potential – supported by the low interest rate environment and fast-growing REIT market.

Moving forward, the government's effort to reduce the banks non-performing loans and stricter accounting policy would create more real estate investment opportunities in the market. CapitaLand remains committed to expand its portfolio here.

China

Occupancy of Pidemco Tower, Shanghai rose from 88% at the beginning of 2001 to 90% in 2002. Raffles City Shanghai, formerly known as Raffles Square, was successfully topped-out in September 2002, and is expected to be completed by end 2003. Marketing was stepped up in the fourth quarter of the year and there has been keen interest for both the retail and office space. Design of Plot 9-1 at Luwan, a prime office development in the Huaihai Road central business district, is progressing well. The building is expected to be completed by early 2005.

In Xiamen's new business district, sale of residential and office units in Huiteng Metropolis increased from 2001's 74% and 54% to 2002's 83% and 66% respectively.

With China's entry into the World Trade Organisation, the demand for prime office space is expected to be strong for the coming year. China is also expected to further open up its retail market in the coming years.

Hong Kong

Demolition of the former Furama Hotel in Central, Hong Kong, was completed. Construction on the site has commenced for the landmark AIG Tower, a 39-storey Grade A office building. Scheduled to be completed by mid 2005, the building will have a gross floor area of almost 450,000 square feet.

On the industrial front, Corporation Park, a 22-storey high-tech industrial building, has maintained an average occupancy of more than 85%. However, rentals have softened due to the overall weak demand in the industrial-office market.

Due to the overall weak sentiment and poor economic outlook, the Hong Kong property market is experiencing low demand. CapitaLand will remain cautious as it continues to look for good opportunities.

Malaysia

At Menara Citibank, a 50-storey Grade A building in Kuala Lumpur's Golden Triangle, occupancy rate held steady at 95% against the market average take-up rate of 85% for prime Grade A buildings. The rental rate also increased by 3.2%.

For the coming year, the building's occupancy growth is expected to remain stable though the overall office market take-up rate for 2003 will likely soften.

CAPITALAND FINANCIAL

Business Review

CapitaLand Financial (CFL) ended the year with transactions worth over S\$400 million.

During the year, CFL acted as financial advisor to CapitaLand for CMT's initial public offer (IPO), which marked the establishment of the first real estate investment trust (REIT) in Singapore. It also advised on the structure of the offering and placement to cornerstone investors, which include ING REI Investment (Asia), BV and PGGM from the Netherlands, BT Funds Management Limited from Australia and NTUC Fairprice Co-operative Ltd from Singapore.

Following the success of CMT's IPO, CFL acted as financial advisor for CapitaLand's proposed acquisition of IMM Building.

CapitaMall Trust Management Ltd (CMTML), a subsidiary of CFL, is the manager of CMT, while CapitaLand Retail Management Pte Ltd, a subsidiary of CCL, is the property manager of the properties. CMT, which owns a portfolio of 3 major shopping malls – Junction 8, Tampines Mall and Funan The IT Mall – in Singapore, benefits from CapitaLand's integrated real estate model that combines the expertise of asset management and retail property management to deliver good performance for investors.

In the area of financial products, CFL arranged and syndicated a financing deal for the development of a high-end condominium in Kuala Lumpur in collaboration with a third party developer. The mezzanine financing structure will result in an enhancement of returns for both the syndicate investors and developers compared to more conventional financing. CFL will earn fees from structuring and syndication of this product. CapitaLand will also be the project manager for the development.

Looking Ahead

CFL will continue to build on its real estate and capital capabilities to generate a continuing stream of fee income. It will orchestrate the launch of more real estate based financial products as well as property funds to cater to the investment appetite of both institutional and retail investors. Some of these funds will provide investment opportunities in real estate outside Singapore. Its close relationship with a network of institutional real estate fund managers in Europe and other countries positions it well to move these deals forward.

Residential

Business Strategy

In 2002, CapitaLand Residential (CRL) was focused on selling quality homes that fitted with the lifestyles concepts of homebuyers. CRL continued to build premium position in the market as it emphasised on product leadership and continuous innovation – including enhanced living environments.

Financial Summary

Turnover for 2002 was S\$1,964.9 million, a 7.0% increase over 2001 turnover of S\$1,839.4 million. EBIT was S\$290.0 million, which was a turnaround from a loss of S\$352.2 million in the previous year. Singapore achieved an EBIT of S\$48.2 million, reflecting a turnaround from a loss of S\$487.4 million in 2001. EBIT for China operation amounted to S\$65.7 million, recording a robust growth compared to the previous year. A healthy cash flow was also generated for 2002.

Business Review

The overall increase in residential sales in Singapore and in key gateway cities in China and Australia was due to an effective multi-local strategy. CapitaLand Residential was well-placed to meet the demand in these markets with its inventory of quality homes.

CapitaLand had strong sales in key markets including Singapore, Australia and China (Shanghai).

Sale in Key markets	No. of units/lots sold in 2002
Singapore	961
Australia	4,447
China (Shanghai)	891
Total units/lots	6,299

Singapore

CRL launched five projects during the year, with good success. The Waterina and The Shelford were ranked amongst the top sellers for the year. Though the overall residential property market was sluggish in its recovery, CapitaLand’s mid-end projects enjoyed strong sales. For instance, almost half of units released for The Waterina were snapped up in a single day preview.

Broadly, the successes could be attributed to innovative schemes that touched the right chords with homebuyers: CRL continued to break new grounds with an innovative “Education Matters” scheme. For The Shelford homebuyer, those with children in selected neighbouring schools enjoyed a rebate. In the case of Glentrees, the unique design, integrating terraces, lofts and apartments, was a great draw. Almost all of the units come with balcony terraces or roof gardens, similar to a landed property.

Temporary Occupation Permit was obtained for Palm Grove, Palm Haven, SunHaven and The Loft during the year.

Sale of new projects

Projects launched in 2002	Total no. of units	No. of units sold in 2002	% sold in 2002
The Waterina	398	353	89
The Shelford	215	192	89
Belmond Green	163*	81	50
Casabella	82	24	29
Glentrees	176	55	31

* Only 163 units were released for the 211-unit development

CRL continued to source for competitive financing packages and securitised the future sales proceeds for The Waterina condominium. This enabled the cash flows from the deferred payment scheme to be brought forward.

China

Sale of homes in China continued to remain robust. Half of Summit Residences (Chrysanthemum Park 3) was launched during the year, of which almost all units released were sold.

There were positive sentiments for home sales in Shanghai in 2002, particularly in niche markets, and in parallel to the continued strong economic growth in China. Shanghai saw a 13% increase in property prices and a 50% increase in transactions, in terms of sales value during the year.

There were several reasons for CapitaLand’s strong residential sales in China, with favourable profit margins. Demand for the high-mid segment was strong with a new ‘middle class’ and CapitaLand China had the opportunity to leverage on this demand. There was also greater affordability for quality projects, underpinned by pro-home ownership government policies and financial packages.

During the year, Manhattan Heights was completed. Construction for Summit Panorama was also 97% completed.

Projects	Total no. of units	No. of units sold in 2002	% sold as at end 2002
Parkville	1,001	29	100
Springdale Garden	805	74	100
Manhattan Heights	254	15	98
Summit Panorama	939	361	98
Summit Residences	436*	412	94

* Only 436 units were released for the 913-unit development.

In 2002, CapitaLand China acquired a 62% stake in a prime residential site in Chaoyang district, Beijing. About 1,450 units can be built on the 57,600 square metre condominium development site. Located near the future Beijing 2008 Olympics venue, the site is also within walking distance to the proposed Beitucheng Dong Road MRT station.

In Shanghai, CapitaLand China acquired a majority stake in a 108,011 square metre residential site in Changning district. About 2,000 units, some offering views of the Suzhou Creek, can be built on the site located at Tianshan Road. Residents will enjoy the convenience of nearby amenities and MRT station.

In Hong Kong, Block 15 of Hongkong Parkview saw an average occupancy of 87% for the year, compared to 97% in 2001. Average rental also fell slightly.

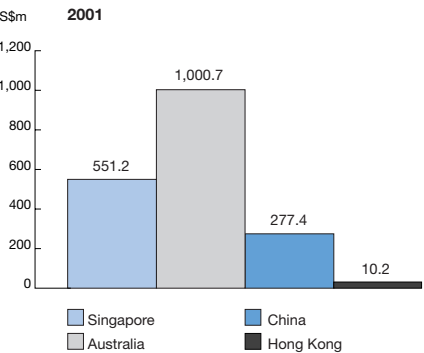
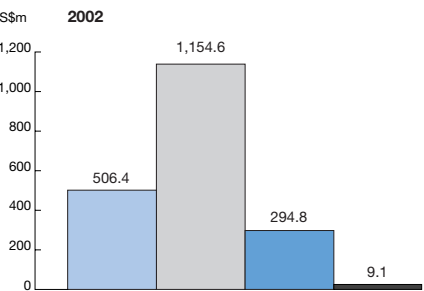
Australia

Australand Holdings reported an increase in net profit after tax by 11.1% to A\$90.4 million, on gross revenue of A\$1,157.9 million. This increase was largely attributable to increased margins achieved by the Land and Housing Division.

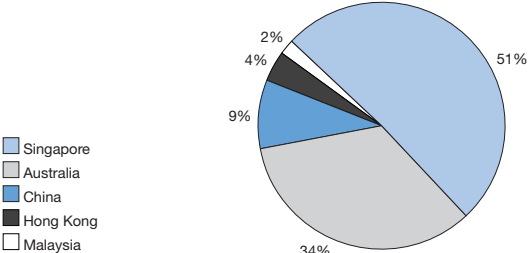
Sales by type of development

Type of development	Sales by unit/lots for 2002
Land lots	2,220
Houses	703
Apartments	1,524
Total	4,447

Revenue by Country (\$m)



Assets by Country (as at end 2002) (Total S\$4,773m)



The Group took steps to strengthen its balance sheet and facilitate better working capital management. In February, it raised A\$60 million through the placement of 36.365 million ordinary shares at A\$1.65 each.

This ordinary share placement led to a steady increase in trading volume, and to Australand being included in the S&P ASX 200 Index in December.

Australand was awarded the rights to develop the Commonwealth Games village in Melbourne in a joint venture and selected as preferred tenderer to develop the Interciti project in Sydney in a co-venture with Landcom.

Its Commercial & Industrial division has a deal pipeline of 250,000 square metres of industrial space and 53,000 square metres of commercial space.

Australand's first wholesale property trust performed strongly in its first full year of operation, achieving an annualised combined income return and capital growth on equity of 14.5%. The second wholesale trust was completed during the year, whilst a third was launched. The third trust comprised eight buildings with a value of A\$205 million when all buildings are completed in end 2003. The trust was over-subscribed when it closed in December 2002.

Malaysia

Associate company United Malayan Land turned in another profitable year recording higher pre-tax profits of RM17.95 million, an increase of 23.7% over the previous year, despite a marginal decline in revenue from RM150.5 million to RM135.4 million. Its two existing township developments, Bandar Seri Alam in Johor and Bandar Seri Putra in Klang Valley, continued to contribute towards earnings.

United Malayan Land's business strategy is to grow its revenue base and overall profitability from existing township developments and boutique projects in prime locations. The first of such boutique developments is a serviced apartment/residential development located within the Kuala Lumpur Golden Triangle. The development, known as Seri Bukit Ceylon, is expected to contribute to 2003 earnings.

CapitaLand's other residential development in Kuala Lumpur, Suasana Sentral, is almost fully sold.

Looking Ahead

Operating environment for Singapore residential market will be more challenging in 2003 as a result of continued global uncertainties. Earnings from residential projects in Singapore may be affected. Revenue will be underpinned by the strong sales for the five projects launched in 2002.

In China, strong turnover and EBIT growth is expected for 2003, with the overall environment remaining positive. Over 1,000 units will be launched, from new projects including the sites at Xuhui district and Changning district in Shanghai, and a site at Chaoyang district, Beijing.

In Australia, a combination of strong apartment pre-sales, high level of pre-commitment for commercial/industrial space and strong land and housing profit margins, should underpin Australand's profit generation capacity for 2003.

United Malayan Land, in Malaysia, expects sale of its property units to increase in 2003, underpinned by a stable domestic economy, ample liquidity and low interest rates.

Serviced Residences

THE ASCOTT GROUP

Business Strategy

In 2002, The Ascott Group made great strides towards achieving its vision of becoming a leading global serviced residence company.

Already a leading presence in the Asia Pacific, Ascott's acquisition of a 50% stake in the Citadines serviced residence chain, which was completed in the first quarter 2003, has significantly expanded its presence in continental Europe.

The acquisition has also increased Ascott's portfolio from 8,400 serviced residence units to 13,500, bringing the group substantially closer to its target of operating 15,000 serviced apartments in gateway cities worldwide by 2005.

With the Citadines acquisition, Ascott now has access to the key serviced residence markets of Europe, and a stronger platform for future growth and shareholder value creation.

Elsewhere in the gateway cities of Asia, Australasia and the UK, Ascott continued to solidify its market presence and grow its brand reputation. It also expanded its international marketing network, increased its key client accounts and focused on service delivery to achieve higher levels of customer satisfaction.

Financial Summary

Strong Serviced Residence Growth

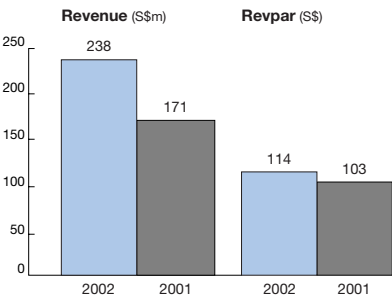
In 2002, despite the more challenging global business environment, Ascott chalked up its third year of profitability. It achieved group net profit of S\$28.3 million and group EBITDA of S\$99.0 million, underpinned by strong growth in its core serviced residence business.

Compared with the previous year, group net profit was 32% lower. But this was mainly because 2001 group profit had included S\$96.4 million one-off divestment gains from the sales of retail malls - Orchard Point, Junction 8 and Funan The IT Mall - and retail management contracts.

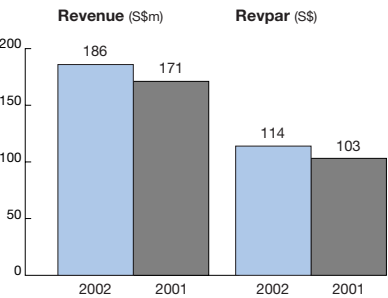
In 2002, Ascott's core serviced residence business saw robust growth. Serviced residence EBITDA surged 71% to S\$55.5 million, and turnover rose 13% to S\$156.6 million.

The serviced residence EBITDA increase was due to the improved occupancy and rental rates at its properties in China, Vietnam and New Zealand. There was also a gain of S\$9.4 million from the sales of The Ascott Mayfair to the Ascott-Dilmun joint venture, Somerset Grand Shanghai and a plot of land in Shanghai.

Revenue – All Properties



Revenue – Same Store Basis*



* Same store basis refers to computations based on units that were in operation for comparable periods in 2001 and 2002. This enables performance comparisons on the same store basis.

The higher serviced residence turnover was due to new contributions from the Oakford properties in Australia and China residences recently opened, offset by lower contributions from the Singapore residences.

In most cities where Ascott has stabilised operations, its residences continued to outperform the market in occupancy and rental rates. Its serviced residences achieved stronger performance in markets such as China and Vietnam, although the general global economic slowdown has weakened its Singapore and UK markets.

Strong Balance Sheet

The group's balance sheet is healthy, with debt-equity ratio at end 2002 reduced to 0.34 from 0.52 the year before.

Ascott's directors are recommending a total gross dividend of 8% per share, comprising a first and final gross dividend of 6% and bonus dividend of 2%. This represents a gross dividend yield of 5.1% based on Ascott's share price of 31.5 cents on 31 December 2002. Dividend after tax would be 1.25 cents per share.

Business Review

Growing Globally

Ascott's acquisition of Citadines at nine times 2001 EBITDA represents good value, given Citadines' established customer base and its properties' strong performance track record and prime locations in European gateway cities.

More importantly, Citadines is earnings accretive for Ascott, and the acquisition price has factored in the current market uncertainty.

Citadines' European markets enable Ascott to leverage its customer base to cross-sell across more continents and accelerate sales growth for its entire portfolio. For shareholders, these mean stronger earnings growth and improved shareholder value creation for the future.

Ascott has a call option to acquire the remaining 50% equity in Citadines by May 2004. The company may bring in investment partners to acquire the call option stake, in line with its strategy to achieve higher capital productivity.

In 2002, Ascott deepened its presence in many cities in North Asia, Southeast Asia, Australasia and the UK. It entered Japan through a joint venture with Mitsubishi Estate Co Ltd and opened the 64-unit Somerset Roppongi in Tokyo. The 79-unit Somerset Azabu East serviced residence will be opened in the first half of 2003.

In China, the official opening of Beijing's largest luxury serviced residence, the 272-unit The Ascott Beijing, set new industry benchmarks in services and facilities, and heightened Ascott's profile in the country.

In Shanghai, as part of the group's restructuring of core assets for higher capital productivity, Ascott divested Somerset Grand Shanghai, while retaining the property's management contract.

In the UK, the group divested 50% of The Ascott Mayfair into its Ascott-Dilmun joint venture in order to substantially expand its portfolio in the country without additional capital injection. In May, Ascott rebranded the joint venture apartments as Somerset residences, repositioning them for the wider international market. In Southeast Asia, the group secured more management contracts and stepped up yield enhancement activities for several core properties.

Where Success Resides

Ascott's business growth is powered by the development of its brands into global icons, and its delivery of superior customer experiences. In 2002, it continued to invest substantial resources in building these core competitive strengths.

The company launched the 18-month 'Where Success Resides' brand campaign to drive home to guests the message that its residences provide a living experience with nurturing communities and support services that help them succeed in a new city.

In line with its view that its staff are key to delivering the winning customer experiences, Ascott launched a six-month rally and extensive training in April to inspire and guide its employees to live and deliver the brand promise.

The campaign has started reaping success, garnering higher customer compliments in many cities Ascott operates. The number of Global 1000 companies that the group does business with doubled in 2002, compared to the previous year.

Building Higher Capital Productivity

Ascott is on target in its transformation into a pure-play serviced residence company. In 2002, its serviced residence business contributed 67% of group revenue, compared to 49% the year before.

During the year, it divested S\$214 million non-core property assets, and will continue to dispose the remaining S\$470 million non-core properties over the next few years.

Going forward, having largely achieved its growth targets, Ascott will focus on improving its capital productivity and yields. It will restructure its asset base and look into securitising or selling some of its serviced residence assets to funds, while retaining their management contracts.

This will increase the proportion of management fee income in the company's earnings, and enable it to realise capital gains from mature serviced residences whose values have appreciated under its professional management and branding initiatives.

Ascott will also step up yield enhancement activities for its core assets, such as the upgrading and repositioning of its properties. This includes upgrading The Ascott Singapore in 2003. Operationally, it will work to build an integrated international operation with improved margins, and consistency in standards across all its properties in the various countries.

It will also continue to develop its brands and deepen its customer relationships internationally, leveraging the strength of the Citadines brand and customer network with the rest of its operations.

As Ascott grows in a slower market, it will exercise rigorous cost management and drive efficiency gains through economies of scale, bulk procurement and the clustering of operations across multiple properties.

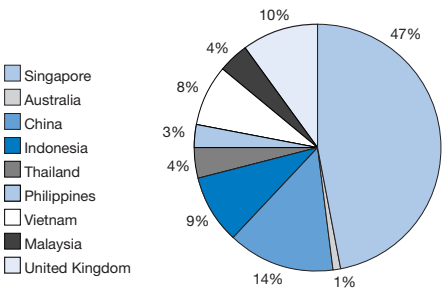
Looking Ahead

In 2003, Ascott expects group attributable profit to be comparable to 2002 group profit, assuming that economic conditions do not deteriorate.

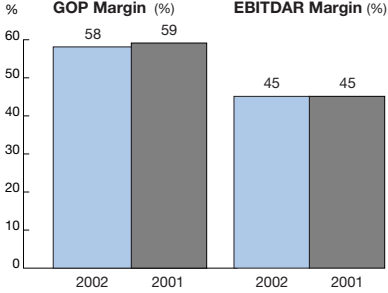
In the serviced residence sector, it expects continued double-digit revenue growth and improved GOP margins from on-going efforts to increase sales and operational efficiencies. In addition, there will be new contributions from the Citadines properties and new management contracts.

However, interest expense will rise with the new investment in Citadines. The non-core sector should see stable retail sector earnings and lower contributions from other non-core businesses being phased out.

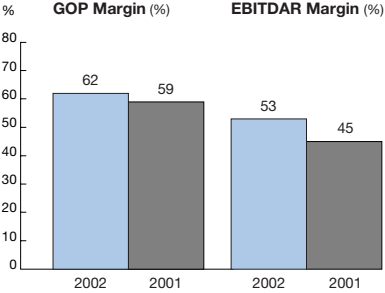
Capital Allocation by Country



GOP / EBITDAR Margin – All Properties



GOP / EBITDAR Margin – Same Store Basis*



* Same store basis refers to computations based on units that were in operation for comparable periods in 2001 and 2002. This enables performance comparisons on the same basis.

Hotels

Business Strategy

In 2002, Raffles Holdings focused on certain key tactical areas: Network & brand development; topline growth and cost management.

In the area of network & brand development, Raffles Holdings focused on repositioning or rebranding upwards its hotels to enhance the rate potential of property. In addition, it leveraged on alliances/partnerships for business generation; built on its strong pipeline of potential management contracts & acquisitions, and rationalised its portfolio.

With regards to topline growth, Raffles Holdings increased its key accounts, expanded consortia agreements, increased targeted market segments and drove capital expenditure programmes on the basis of operating cash flow generation and return on investment thresholds. A number of sales and marketing initiatives was successfully launched during the year to drive volume in a weak market.

It sought synergistic cost savings in many areas of its operations. The group harnessed state-of-the-art technology to enhance the workings of several of its departments. In addition, the group rationalised its global sales offices and regional/corporate office management infrastructure, as part of its integration of the Swissôtel group which it acquired in 2001.

Financial Summary

For the year ended 31 December 2002, Raffles Holdings achieved a turnover of S\$384.0 million, a 7.1% increase from the previous year's S\$358.6 million.

Raffles Holdings' profit after tax and minority interest of S\$45.0 million was lower than the S\$248.4 million achieved in 2001 because of the very large S\$258.3 million exceptional gain from the 55% Tincel divestment recognised in 2001.

On an operating basis without exceptional items, Raffles Holdings' profit after tax and minority interest grew S\$27.8 million to S\$17.9 million as a result of increased contributions from core Hotels & Resorts segment arising from better operating performance and consolidation of 12 months Swissôtel performance, as well as lower interest expense, depreciation and tax.

The overall better operating performance was achieved although only part of the funds from the Tincel Properties divestment had been reinvested to generate replacement income. The group will continue to source for investment opportunities which meet its financial and business objectives to reinvest the balance of the proceeds.

Business Review

There were numerous strategic sales and marketing initiatives aimed at impacting top line revenue. During the year, the group implemented seasonal packages and promotions with airline and credit card partners, targeted at the frequent business traveller, as well as leisure travellers. The group introduced incentive programs to encourage repeat business in the meetings and conference segment and signed preferred partnerships with agencies such as American Express International and Rosenbluth International. These initiatives have resulted in incremental room revenue of S\$49.1 million.

The group's business from online internet channels has more than doubled. This is due to the aggressive efforts on the e-commerce front. The group launched its new website www.raffles.com, with added features and functionality and increased its participation on 3rd party travel sites.

During the year, the group exceeded its target for full year savings from synergy, labour costs reductions and aggregated purchasing through e-procurement. It continued to drive hotel operating cost reductions and operating synergies through a series of targeted programmes. Initiatives to reduce general and administration, property and maintenance and utilities costs were implemented in the year. The Swissôtel and Raffles City hotels were successfully integrated.

The group continued to expand its portfolio during the year. A total of 2,266 rooms were added to the *Swissôtel* brand since its acquisition in June 2001, including the takeover of the management and re-flagging of Swissôtel The Stamford, the re-branding of Swissôtel Merchant Court in Singapore and the management contracts of two additional hotels in Turkey. Under the *Raffles* brand, 783 rooms were added with the takeover of the management and re-flagging of Raffles The Plaza, Singapore.

In August, Raffles Holdings signed a strategic alliance with Hotel Okura Co Ltd. Under this alliance, both parties agreed to actively explore business opportunities in the area of hotel development, acquisition of hotel management contracts, joint marketing and promotion activities and joint procurement, including e-procurement.

Being the creator of lifestyle, Raffles Holdings also expanded its Amrita Fitness, Spa and Wellness network by three to 14 locations this year. It opened its first Amrita Spa in the Americas at Swissôtel Quito in April 2002, followed by the RafflesAmrita Spa at the Raffles L'Ermitage Beverly Hills in July 2002. In October 2002, Raffles Holdings added the first Wellness facility under the Amrita Brand at Le Montreux Palace, Switzerland.

RevPar

Against the backdrop of a difficult lodging market, the group achieved an overall RevPAR of S\$144 in 2002 on an ARR of S\$217 and AOR of 66.4%. This was a RevPAR decline of 2.8% compared to 2001 and was mainly due to lower room rates.

Asia-Pacific

The group managed 10 hotels in the Asia-Pacific region, of which five were wholly or majority-owned. Raffles Holdings' hotels in the region, excluding Singapore hotels, achieved a RevPAR increase of 11.2% over 2001. This was achieved through an increase in occupancy, partly offset by a decrease in average rates.

In Singapore, operating conditions continued to be difficult with the slowdown in visitor arrivals from the major source markets of Japan (-4.3%), the United States (-4.7%), Hong Kong (-3.7%) and Taiwan (-5.8%). RevPAR of the group's portfolio of hotels in Singapore ended the year ahead of the forecast industry average.

Europe and The Mediterranean

The group managed 14 hotels in the region, of which six were wholly or majority-owned and two were leased properties. Overall, the group's hotels in the region achieved a RevPAR of S\$159 in 2002, a 5.2% increase over 2001.

The Americas

The group managed seven hotels in The Americas, of which one was wholly-owned. Overall, the group's hotels in the region achieved a RevPAR of S\$208 in 2002, a 3.4% decline over 2001

versus an industry decline of 4.7% for upscale hotels over the same period.

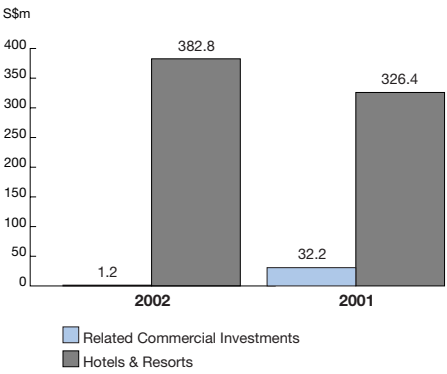
Looking Ahead

The global economic recovery is likely to be slower than expected, and hence will impact the hospitality industry. The current market expectations are that a full recovery in the lodging market is unlikely before 2004.

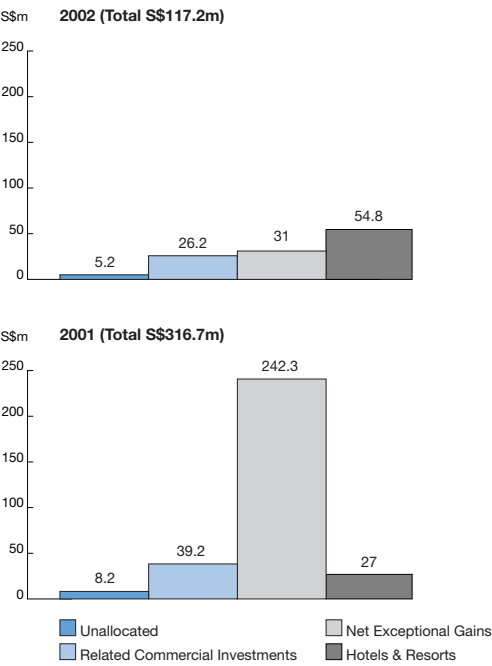
Nonetheless, the group will continue to push its topline initiatives and cost containment programmes in 2003. The group has introduced customer and market share retention strategies. These include initiatives to provide additional internet booking options for travellers and a sales programme for small and medium enterprises. The group will also roll out an incentive programme targeted at the conference market in Asia and Europe in 2003. This follows the success of the programme in the Americas. In addition, the group will increase its direct sales representation in India and China, which are emerging markets for its hotels in Asia-Pacific. In Food & Beverage, the group will drive revenue through catering initiatives, bar concepts and more aggressive marketing efforts in restaurants.

In the area of cost management initiatives, the group will continue to reduce costs and improve efficiency by exploring ways to restructure costs to increase flexibility, re-negotiate purchase arrangements with vendors and push for savings through aggregation of purchases through *hospitalitybex*, its e-procurement arm.

Turnover by Business Segments (\$m)



EBITDA By Business Segment (\$m)



Property Services

Business Strategy

PREMAS International strengthened its Total Real Estate Management value proposition both at home and abroad during the year. It expanded and leveraged its domain knowledge in Total Building Performance technology, creating lasting value for its customers and building a stratified technology service platform.

Financial Summary

Turnover in 2002 was S\$118.9 million, an increase of S\$3.4 million or 2.9% over the prior year's turnover of S\$115.5 million. This was largely due to additional contracts secured by and contributions from new business activities, such as indoor air quality, energy management and the customer contact centre.

Business Review

Facility Management

As one of the pillars of Total Real Estate Management, Facility Management continues to tap on its domain knowledge in technology and seek innovative, technologically advanced and effective solutions which enhance client satisfaction.

The division has moved into servicing multinational corporations and top local companies in the pharmaceutical, wafer fabrication and manufacturing industries. Clients have also benefited from the technological solutions and value-added services, such as energy management and procurement, indoor air quality, strategic bulk procurement, an electronic parking system, environment, health and safety audits, and corporate facility services. Significant energy saving opportunities have already been identified through audits of Tampines Mall, Funan The IT Mall, Six Battery Road, Temasek Tower, Junction 8, PSB Corp Science Park and National University Hospital.

Township Management

Currently PREMAs manages the Aljunied, Hong Kah, Marine Parade and Jurong Townships and half of the West Coast-Ayer Rajah Township, totalling more than 270,000 units and more than 1 million residents. In the Island-wide Cleanest Estate Competition 2002, PREMAs achieved nine awards in the "Residential Precincts" category, and three awards in the "Top Ten Food Centres" category.

Consulting Services

The spectrum is completed with the consulting arm, consisting of landscaping, interior design, carpark, leasing, valuation and distressed asset management.

Technology and Value-added Services

Total Building Performance

PREMAS's investment in research, development and deployment has reached a significant milestone. Technological solutions and products are being carefully developed, tested and adapted to meet the demands of building users in tropical climates. PREMAs will soon introduce to the market some of its new high-tech capabilities, ranging from energy-efficient technological products to novel process technologies to aid the delivery of high value-added Facility Management solutions.

PREMAS has sharpened its focus on building technological excellence through synergistic partnerships. Some of the partnerships were with the BCA-NUS Centre for Total Building Performance in Singapore; School of the Built Environment, the University of Nottingham (UK), which is regarded as a world-class building research institute; and Oy Halton from Finland, a leading European ventilation solutions company.

Centre of Technical Excellence

The Centre of Technical Excellence & Reliability continues to be the backbone of Engineering Services in tackling complex technical issues related to property services. A case study database has been set-up to capture all experiences for future reference. Engineering best practices have been put in place and will be reviewed regularly for continuous improvement and enhancement of on-the-job training (OJT). OJT training courses for various Engineering Systems have been enhanced to include effective monitoring and supervision.

Training College

To bring best practices to the industry and forge better understanding between building owners and facility managers, PREMAs signed a Memorandum of Understanding (MOU) with the International Facility Management Association (IFMA) and Temasek Polytechnic in September 2002. Among the initiatives of this tripartite MOU is to formalise and standardise for the first time a professional certification. The Certified Facility Manager (CFM) is the first in Singapore and will be rolled out across the Asia Pacific region.

During the year, the Training College organised more than 50 workshops and seminars for the industry. Various disciplines – including Good Manufacturing Practices, Design and Validation of GMP Biotechnology, New Singapore Electricity Market and Domestic Housekeeping - were covered to benefit different target audiences. About 1,200 participants from the statutory board, local enterprises and multinational corporations benefited from these courses.

PREMAS Training College has also set up an Industry Advisory Panel, comprising business and corporate leaders from national institutions, educators, training partners, and representatives from PREMAs International. The objective is to provide links to various sectors of the real estate industry and formulate training policies in response both to changing trends and to the Government's call for workers to embrace life-long learning and continuously upgrade their skills.

Contact Centre

The fully equipped, 24x7 Contact Centre which handled more than half a million calls in 2002, offers a full spectrum of third party call centre services, with a special focus on Customer Relationship Management. It obtained a high service level of above 90% and abandon rate of 2% for all services handled. This far exceeds the industry's average of 80% and 5% respectively.

PREMAS Contact Centre emerged the runner-up in the "Under 50 seats" category of the Call Centre Council of Singapore's "Call Centre of the Year Awards 2002". This prestigious award is the highest accolade for the call centre industry in Singapore.

Regionalisation

PREMAS International has enhanced its institutional framework for aggressive overseas expansion. In 2002, it partnered the Asia Pacific division of well-known US-based real estate consultancy, Cushman & Wakefield, to form Cushman & Wakefield PREMAs. This joint venture is targeted initially at the dynamic Chinese market. Teaming up in this way breaks new ground in China, by offering local and multinational companies a full range of consulting, brokerage and asset services.

China

During 2002, Cushman & Wakefield PREMAs (CWP) managed to clinch several projects across China, including the Tianjin Exchange, Beijing Financial & Information Centre, Park Avenue in Beijing, Hainan Boao Canal Village, Manhattan Heights and Beverly Gardens in Shanghai. Having sharpened its competencies in Project Management and Corporate Real Estate Facility Management, CWP will intensify its strategic thrust in Tianjin and establish its presence in other coastal cities.

In addition to receiving the ISO 9001 certification in May this year, the company was awarded both the "Shanghai Model Estate" for its efforts at Springdale, a condominium project in Shanghai, and the "Most Reliable Agency Unit" in Pudong.

LandArt (Shanghai) Co Ltd, a wholly-owned PREMAs subsidiary which offers full landscape design consulting services, was established in June. It has since gained a foothold in the booming Chinese property market through collaboration with top property development companies in China.

Indonesia

P.T. PREMAs reinforced its position as a total solutions provider by introducing not only facility management and agency services but also higher-end, value-added services such as energy management and audit. Besides Jakarta, the company has facility management contracts in Bandung, Surabaya and Makassar. It has also introduced its energy management and audit services to commercial building owners and hotels.

Malaysia

PREMAS has been retained as an asset management consultant for a prime Grade A office building in Central Kuala Lumpur. Currently PREMAs also manages a high-end freehold condominium in KL Sentral.

Looking ahead

PREMAS' strategic thrust is to operate on a progressively higher plane of technology, through research and development in collaboration with external "upstream" partners. At the same time, PREMAs will always aim to bundle its technology products with its integrated Facility Management services and to provide an exemplary customer service.

In addition to the technology platform which PREMAs is bringing to the industrial and manufacturing sectors, the company is also intensifying its focus on overseas growth, with Thailand being the next stop.

Portfolio Details

as at 31 December 2002

RESIDENTIAL ASSETS

Name	Location	Year	*	Holding Company	Effective Stake	Total No. of Units	Tenure
SINGAPORE							
Private Condominiums							
Belmond Green	Balmoral Road	2002	S	CRL Realty Pte Ltd	100%	211	Freehold
Casabella	Duchess Avenue	2002	S	CRL Realty Pte Ltd	100%	82	Freehold
Glentrees	Mount Sinai Lane	2002	S	Leonie Court Pte Ltd	100%	176	999 yrs
The Levelz	Farrer Road	2001	S	CRL Realty Pte Ltd	100%	126	Freehold
Palm Grove	off Upper Serangoon Road	2002	C	Leonie Court Pte Ltd	100%	111	999 yrs
Palm Haven	off Upper Serangoon Road	2002	C	CRL Realty Pte Ltd	100%	48	999 yrs
SunHaven	Upper Changi Road East	2002	C	CRL Realty Pte Ltd	100%	295	Freehold
SunGlade	Upper Serangoon Road	2001	S	CRL Realty Pte Ltd	100%	475	99 yrs
Tanamera Crest	off Upper Changi Road	2001	S	CRL Realty Pte Ltd	100%	288	99 yrs
The Loft	Nassim Hill	2002	C	Loft Condominium Pte Ltd	100%	77	99 yrs
The Shelford	Shelford Road	2002	S	Leonie Court Pte Ltd	100%	215	Freehold
The Waterina	Guillemard Road	2002	S	CRL Realty Pte Ltd	100%	398	Freehold

Name	Location	Year	*	Holding Company	Effective Stake	Total Potential GFA (sqm)	Tenure
Future Projects							
Site at Amber Close	Amber Close	1999	A	CRL Realty Pte Ltd	23.9%	62,151	Freehold
Site at Jalan Rumbia	off Oxley Rise	1999	A	Leonie Court Pte Ltd	100%	30,078	Freehold
Site at Lloyd Road	near Orchard Road	1999	A	CRL Realty Pte Ltd	100%	13,229	Freehold
Site at Martin Road	off River Valley Road	1999	A	CRL Realty Pte Ltd	50%	83,198	Freehold
Site at Meyer Road	Meyer Road	1999	A	CRL Realty Pte Ltd	100%	52,488	Freehold
Site at Nassim Hill	near Orchard Road	1999	A	CRL Realty Pte Ltd	100%	15,942	Freehold
Site at Penang Road	Penang Road	1996	A	Winpeak Investment Pte Ltd	25%	40,692	Freehold
Site at Scotts Road	Scotts Road	1997	A	Leonie Court Pte Ltd	100%	18,035	Freehold
Site at St Martin's Drive	off Tanglin Road	2000	A	Leonie Court Pte Ltd	100%	8,842	Freehold
Sites at Tong Watt Road	off River Valley Road	2000	A	Leonie Court Pte Ltd	100%	25,967	999 yrs
Site at Yio Chu Kang Road	Yio Chu Kang Road	2000	A	CRL Realty Pte Ltd	100%	19,330	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion

Name	Location	Year	*	Holding Company	Effective Stake	Total Saleable Area (sqm)	Total No. of Units	Tenure
CHINA								
Chrysanthemum Park	Pudong District, Shanghai	2001	C	Shanghai Pudong Xinxiang Real Estate Devt Co Ltd	66.5%	146,619	1,109	70 yrs
Summit Panorama (Chrysanthemum Park Phase 2)	Pudong District, Shanghai	2000	S	Shanghai Pudong Xinxiang Real Estate Devt Co Ltd	66.5%	155,989	939	70 yrs
Summit Residences (Chrysanthemum Park Phase 3)	Pudong District, Shanghai	2002	S	Shanghai Pudong Xinxiang Real Estate Devt Co Ltd	66.5%	129,000	913	70 yrs
Parkville	Luwan District, Shanghai	1999	C	Shanghai Xin Rui Property Devt Co Ltd	70%	125,738	1,001	70 yrs
Manhattan Heights	Jing'an District, Shanghai	2002	C	Shanghai Xin Li Property Devt Co Ltd	100%	36,175	254	70 yrs
Springdale Garden	Xuhui District, Shanghai	2000	C	Shanghai Xin Wei Property Devt Co Ltd	52%	132,488	805	70 yrs
Site at Nan Dan Dong Road	Xuhui District, Shanghai	2002	A	Shanghai Xin Xu Property Development Co., Ltd	99%	115,277	729	70 yrs
Site at Tian Shan Road	Changning District, Shanghai	2002	A	Shanghai Ning Xin Real Estate Development Co., Ltd	77.6%	270,000	2,000 (estimated)	70 yrs
Site at Xiao Guan Bei Li	Chaoyang District, Beijing	2002	A	Beijing Ruihua Property Development Co., Ltd	62%	209,000	1,450 (estimated)	70 yrs
HONG KONG								
Hong Kong Parkview Blk 15	Repulse Bay	1999	A	Central Hill Limited	75%	9,726	40	75 yrs + 75 yrs
MALAYSIA								
Suasana Sentral	Kuala Lumpur Sentral	2002	C	OneSentral Park Sdn Bhd	49%	66,984	400	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion

COMMERCIAL ASSETS

Name	Location	Year	*	Holding Company	Effective Stake	Total NLA (sqm)	Tenure	Total Book Value as at 31 Dec 02 (S\$'000)
SINGAPORE Office								
20 Orchard Road (SMA House)	Dhoby Ghaut Road	1989	A	CapitaLand SMA Pte Ltd	100%	1,795	99 yrs	4,800
268 Orchard Road (securitised)	Orchard Road	1989	A	RE Properties Pte Ltd #	100%	12,320	Freehold	148,000
Bugis Village	Junction of Rochor Road/Victoria Street	1989	A	Rochor Square Pte Ltd	100%	10,649	99 yrs	52,500
Caltex House	Raffles Place	2000	A	Savu Properties Limited	55%	24,665	99 yrs	^
Capital Tower	Robinson Road	2000	C	Capital Tower Pte Ltd	100%	68,997	99 yrs	810,000
Capitol Centre	North Bridge Road	1989	A	Capitol Square Pte Ltd	100%	4,545	30 yrs	248
Site at Church Street, China Square	Close to Raffles Place	2000	S	China Square Holdings Pte Ltd	36.8%	27,722	999 yrs	^
Hitachi Tower	Raffles Place	2000	A	Savu Investments Pte Limited	50%	26,025	999 yrs	^
One George Street (Pidemco Centre site)	Close to Raffles Place	2002	S	George Street Pte Ltd	50%	5,590 (site area)	99 yrs	^
PWC Building	Close to Raffles Place	2000	C	DBS China Square Ltd	30%	33,029	99 yrs	^
Site and building leased to Raffles Hospital	North Bridge Road	1997	A	CapitaLand-Raffles Properties Pte Ltd	50%	28,605	99 yrs	^
Robinson Point (securitised)	Close to Raffles Place	1997	C	Robinson Point Pte Ltd #	100%	12,368	Freehold	143,000
Selegie Complex	Selegie Road	1995	A	CapitaLand Selegie Pte Ltd	100%	13,186	99 yrs	55,000
Singapore Exchange	Raffles Place	1992	C	D.L. Properties Ltd	35.4%	23,162	99 yrs	^
Six Battery Road (securitised)	Raffles Place	1989	A	Clover Properties Pte Ltd #	100%	45,875	999 yrs	688,000
Springleaf Tower (9 floors)	Anson Road	1999	A	Brimitty Pte Ltd	100%	8,745	99 yrs	92,000
Starhub Centre	Cuppage Road	1998	C	Cuppage Centre Pte Ltd	100%	25,885	99 yrs	273,000
Temasek Tower	Shenton Way	1995	A	Temasek Tower Ltd	90.04%	62,189	99 yrs	^
The Adelphi	Coleman Street	1988	A	Adelphi Property Pte Ltd	50%	19,515	999 yrs	^
Carpark								
Golden Shoe Carpark	Market Street	1989	A	Golden Square Pte Ltd	100%	3,450	99 yrs	70,000
Market Street Carpark	Market Street	1989	A	CapitaLand Market Street Pte Ltd	100%	1,385	99 yrs	35,500
Mixed Development								
Bugis Junction	Victoria Street	1990	A	Bugis City Holdings Pte Ltd	20%	63,529	99 yrs	^
Retail								
Clarke Quay	River Valley Road	1993	C	Clarke Quay Pte Ltd	100%	22,345	99 yrs	170,000
Funan The IT Mall	North Bridge Road	1984	C	CapitaMall Trust	33.4%	23,272	99 yrs	^
Junction 8	Bishan	1993	C	CapitaMall Trust	33.4%	23,084	99 yrs	^
Plaza Singapura	Orchard Road	1974	C	Plaza Singapura Pte Ltd	100%	44,043	Freehold	673,000
Tampines Mall	Tampines Central	1995	C	CapitaMall Trust	33.4%	29,231	99 yrs	^
Thomson Plaza #03-24	Upper Thomson Road	1979	C	Thomson Plaza Pte Ltd	100%	2,382	99 yrs	10,000
Industrial								
750 Technopark@Chai Chee	Bedok Town	1982	A	Wan Tien Realty Pte Ltd	100%	106,898	60 yrs	225,000
Clementi Complex	West Coast Road	1989	A	Clementi Complex Pte Ltd	100%	31,741	99 yrs	38,000
Corporation Place	Jurong	1993	C	Corporation Place Ltd	75%	58,305	60 yrs	^
Kallang Avenue Industrial Centre	Junction of Kallang Road and Kallang Avenue	1989	A	KAIC Pte Ltd	100%	10,271	99 yrs	29,000
Kallang Bahru Complex	Junction of Kallang Bahru and Kallang Avenue	1989	A	KBC Pte Ltd	100%	15,784	99 yrs	45,000
Ubi Techpark	Ubi Avenue 1	2002	C	Ubi Development Pte Ltd	50%	161,026	60 yrs	^

* A: Year of Acquisition S: Start of Construction C: Completion

These holding companies are treated as quasi-subsidiaries

^ Total book value of non wholly-owned Singapore commercial properties: S\$5.15 billion

Name	Location	Year	*	Holding Company	Effective Stake	Total NLA (sqm)	Tenure	Total Book Value as at 31 Dec 02 (S\$'000)
CHINA Office								
Pidemco Tower	Huangpu District, Shanghai	1998	C	Shanghai Huteng Real Estate Co Ltd	75%	41,661	50 yrs	^^
Plot 9-1 at Luwan	Luwan District, Shanghai	2002	A	Shanghai Xin Mao Property Development Co Ltd	95%	33,587	50 yrs	^^
Mixed Development								
Huiteng Metropolis	Huicheng Commercial City, Xiamen	1998	C	Xiamen Huiteng Properties Co Ltd	50%	64,689	50 yrs	^^
Raffles City Shanghai	Huangpu District, Shanghai	1997	S	Shanghai Hua Qing Real Estate Devt Co Ltd	47.5%	110,700 (GFA)	50 yrs	^^
Site at Pudong Nan Road (Chrysanthemum Park Phase 4)	Pudong District, Shanghai	1997	A	Shanghai Pudong Xinxiang Real Estate Devt Co Ltd	66.5%	17,400 (site area)	70 yrs	^^
HONG KONG Office								
38th Floor Tower One, Lippo Centre	Central	1997	A	Dahlia Properties Pte Ltd	100%	1,384	75 yrs + 75 yrs	19,844
Unit 1806-9 Tower Two, Lippo Centre	Central	1997	A	Star Assets Property Ltd	100%	615	75 yrs + 75 yrs	7,554
AIG Tower	Central	2002	S	Bayshore Development Group Ltd	35%	41,707	999 yrs	^^
Industrial								
Corporation Park	Sha Tin	1996	C	Sea Dragon Ltd	30%	38,000	54 yrs	^^
JAPAN Office								
Shinjuku Square Tower (19th to 29th Floors)	Shinjuku Ward, Tokyo	2001	A	Shinjuku Square Tower Tokutei Mokuteki Kaisha	50%	11,097	Freehold	^^
MALAYSIA Office								
Menara Citibank	Jalan Ampang, Kuala Lumpur	1994	A	Inverfin Sdn Bhd	30%	69,222	Freehold	^^
UNITED KINGDOM Office								
Redevelopment site at 19-31 Moorgate	Moorgate, London	2001	S	CapitaLand UK Holdings Limited	50%	7,705	150 yrs	^^
Mixed Development								
Canary Riverside	Canary Wharf, London	2000	C	Canary Riverside Development Pte Ltd	62.5%	Comm: 6,604 sqm Res: 322 units Hotel: 142 rooms	999 yrs	^^

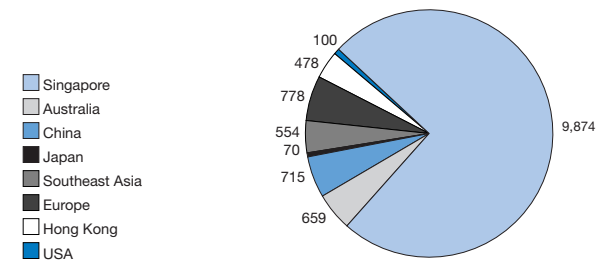
* A: Year of Acquisition S: Start of Construction C: Completion

^^ Total book value of non wholly-owned overseas commercial properties: S\$1.88 billion

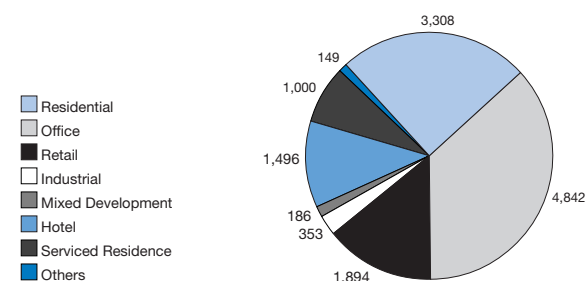
Portfolio Analysis

The Group's property portfolio as at 31 December 2002 comprised residential development properties, investment properties, serviced residences and hotels owned by subsidiaries, associated and joint venture companies.

Property Value by Region (\$m)

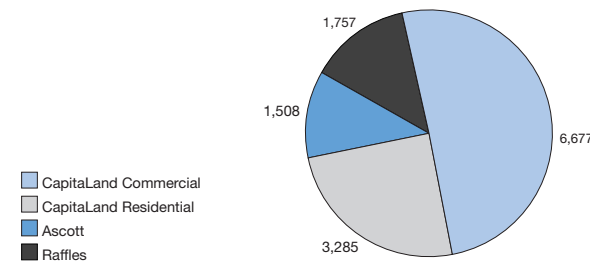


Property Value by Sector (\$m)



In the following analysis, the values attributable to the CapitaLand Group are used. Investment properties are stated at their market values while residential development properties are stated at book costs (net of any provisions made). Properties treated as fixed assets are stated at book cost.

Property Value by SBU (\$m)



Performance Review

The Group achieved a profit after tax and minority interests ("PATMI") of S\$290.2 million for 2002. This was a turnaround from the loss position of S\$281.4 million recorded for 2001. The turnaround was mainly a result of higher contributions from overseas residential and serviced residences operations, as well as lower depreciation expense, lower tax expense and substantially lower interest expense. In addition, it was not necessary to make provisions of the same magnitude made in 2001 when total provisions of S\$691.6 million were taken.

However, the market environment remained difficult and challenging in 2002. The market values of investment properties, especially those of Singapore office properties declined further in 2002. The Group commissioned independent external valuations for the year-end revaluation exercise. Total revaluation deficits amounted to S\$362.9 million. As there was insufficient revaluation reserve to cushion the decline in values of investment properties in Singapore and certain other countries, an amount of S\$59.0 million was charged to the profit and loss account.

The Group continued its strategy to monetise its assets. Portfolio gains in 2002 totalled S\$170.0 million compared to S\$431.8 million achieved in 2001. The portfolio gains in 2002 were mainly contributed by the listing of the CapitaMall Trust ("CMT") and the sale of two sites in Indonesia.

At the time of the merger in November 2000, the Group's net borrowings were S\$8.2 billion and gearing was 0.92. The Group is pleased to announce that it has successfully executed its strategy

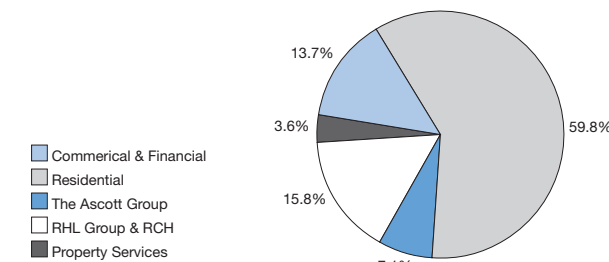
to lower its debt level in the past two years. This was achieved through a variety of means, including securitisations, outright divestments of non-core assets, realisation of capital values and the listing of CMT, the first real estate investment trust ("REIT") in Singapore. Cash inflows from these transactions over the last two years amounted to about S\$2.3 billion. Consequently at 2002 year-end, the net debt has fallen to S\$5.7 billion and gearing has improved to 0.73. As a result of the reduced borrowings, interest expense was also substantially lower. For 2002, the interest expense charged to the profit and loss account was S\$283.2 million vs S\$408.2 million for 2001, a substantial reduction of S\$125.0 million or 30.6%.

Turnover

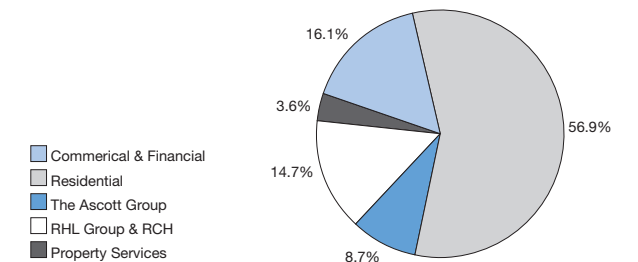
The Group's turnover in 2002 was S\$3,264.0 million, 1.0% higher than S\$3,233.2 million generated in 2001. The full year contribution from Swissôtel, higher residential revenue from China and improved performance from serviced residences offset the loss of revenue from assets divested and lower turnover from the Canary Riverside project in United Kingdom and Ascott's residential projects in Australia as the remaining units for these projects were substantially sold in 2001.

While the Commercial SBU and The Ascott Group recorded lower turnover in 2002 compared to 2001 due mainly to assets divested, the other three SBUs improved their turnover performance. Approximately 59.8% of the Group turnover was contributed by the Residential SBU while the Hotels SBU contributed 15.8% and the Commercial SBU contributed 13.7%.

2002 Turnover by SBU (Total S\$3.3b)

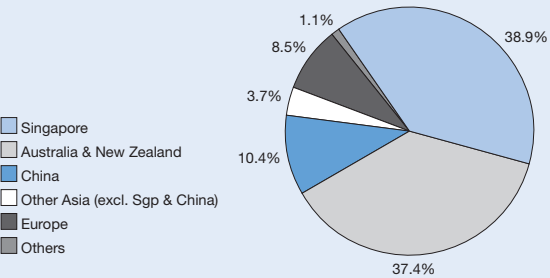


2001 Turnover by SBU (Total S\$3.2b)

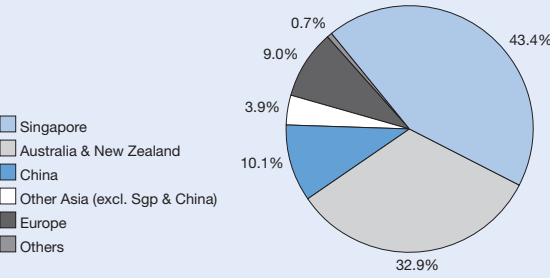


In terms of geographical analysis, although Singapore was still the Group's largest market with contribution of 38.9% to Group turnover, this has been reduced over the years as the Group expanded overseas. The major overseas contributors to Group's turnover were from Australia and New Zealand (37.4%), China (10.4%) and Europe (8.5%). Australia's turnover came from our listed residential subsidiary, Australand Holdings Limited, as well as from Ascott's Oakford chain of serviced apartments and Raffles' Merchant Court Hotel in Sydney. Contribution from China came from very robust residential sales in Shanghai while Europe's turnover was mainly contributed by Raffles' Swissôtel hotel chain and Commercial SBU's Canary Riverside development.

2002 Turnover by Geographical Location
(Total S\$3.3b)



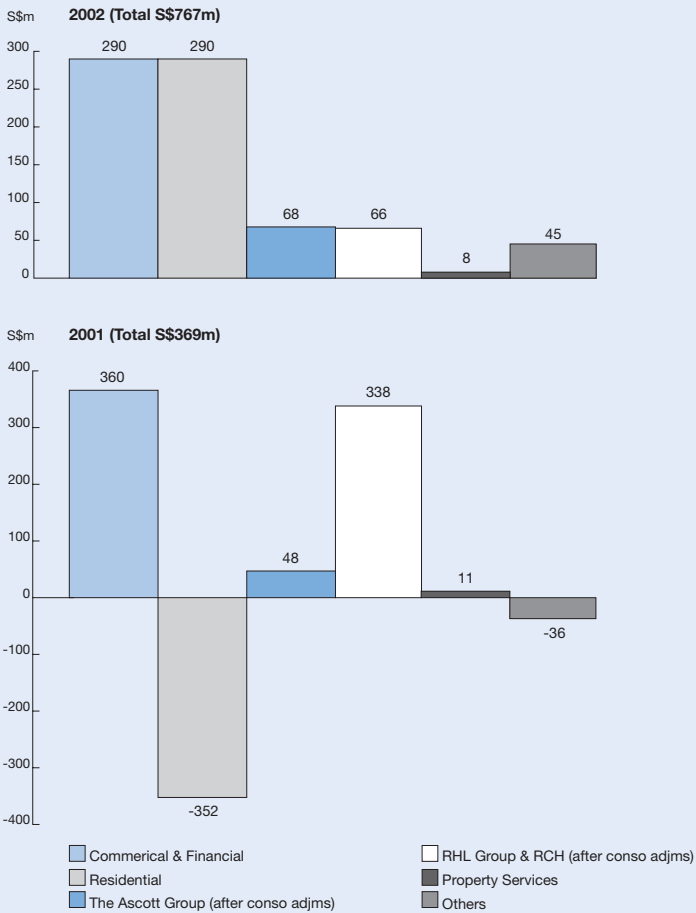
2001 Turnover by Geographical Location
(Total S\$3.2b)



Analysis of Results

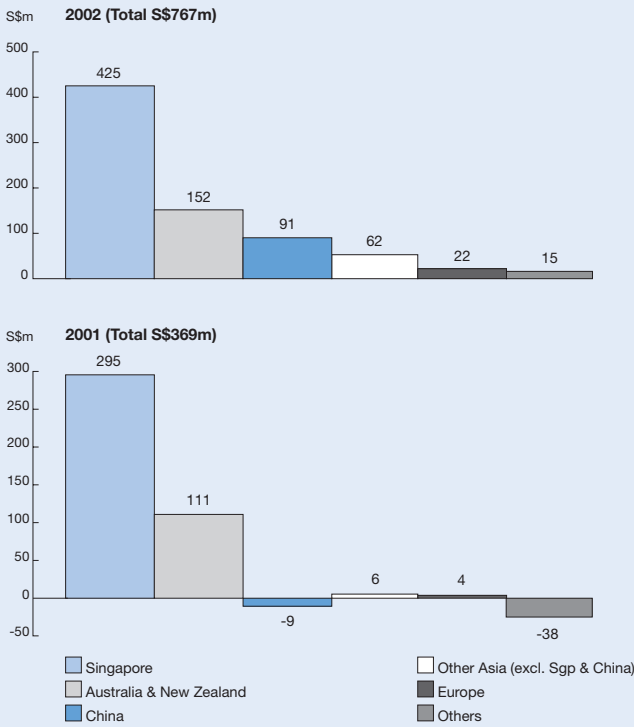
Group earnings before interest and tax ("EBIT") for 2002 was S\$767.0 million, an increase of 108.0% over 2001. The key contributors to the improved EBIT were the Residential SBU and The Ascott Group. Residential SBU achieved EBIT of S\$290.0 million, a turnaround from the loss of S\$352.2 million recorded in 2001. This was largely due to no further significant provisions made for Singapore residential projects and landbank compared to S\$500.3 million provisions made in 2001. In addition, China residential operations contributed S\$65.7 million in EBIT, a robust growth compared to 2001. The Ascott Group, despite phasing out its non-core retail and residential businesses, also recorded higher EBIT of S\$67.9 million compared to S\$48.4 million in 2001 due mainly to improved performance from its overseas serviced residences. Commercial SBU recorded lower EBIT of S\$290.4 million vs S\$360.0 million in 2001 due to lower portfolio gains of S\$76.6 million compared to S\$124.6 million the previous year and revaluation deficit of S\$46.4 million charged to 2002's profit and loss account. The Hotels and Property Services SBUs also recorded lower EBIT. The Hotels SBU's EBIT was S\$65.5 million vs S\$338.1 million the previous year as 2001 EBIT included a significant gain from the partial divestment of Tincel Properties while lower EBIT in Property Services SBU was due to lower margins and start-up costs relating to new business activities.

EBIT by SBU



In terms of geographical analysis, the Group EBIT came mainly from Singapore (55.4%), Australia/New Zealand (19.8%) and China (11.9%). Comparing year-on-year, EBIT from all geographical regions improved over 2001. For Singapore operations, the improvement was largely because it was not necessary to make provisions of the same magnitude taken in 2001. For operations in Australia and New Zealand, the improvement came from higher contributions from Australand and serviced residences. The turnaround in China was largely due to improved contribution from residential projects in China. The higher EBIT in "Other Asia" region was largely contributed by divestment gains from the sale of two sites in Indonesia while Europe's higher EBIT was largely due to full year contribution from the Swissôtel chain of hotels.

EBIT by Geographical Location



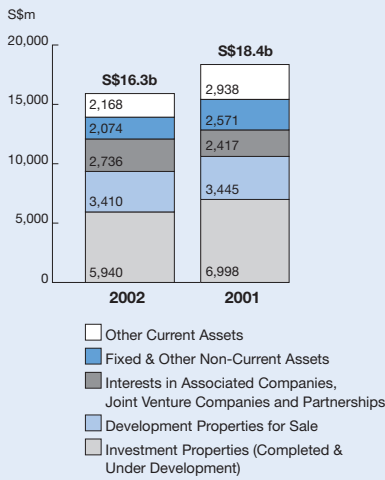
Dividends

As the Group has made a turnaround this year and in fact recorded a commendable profit of S\$290.2 million in a difficult year, the Directors are pleased to propose a first and final dividend of 5 cents per share (2001: 3 cents). The net cash outflow after deducting tax of 22% is about S\$98.2 million. The Group will also endeavour to utilise fully the Section 44 credit, subject to availability of retained earnings and cashflows requirements of the Group, before the expiry of the 5-year transition period given under the new one-tier corporate tax system.

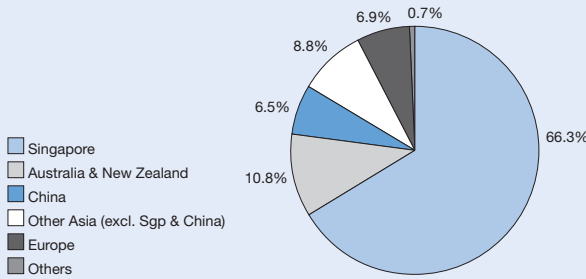
Assets

Total Group assets fell 11.1% from S\$18.4 billion in 2001 to S\$16.3 billion in 2002. The decrease of S\$2.1 billion was mainly due to divestments of interests in properties and investments such as the reduction of equity interests in CMT through a public offering, the decline in value of investment properties and provisions made for impairment in asset values.

Total Assets by Category



2002 Total Assets by Geographical Location
(Total S\$16.3b)



Shareholders' Equity

There was no change in the issued and paid-up ordinary share capital of the Company.

The Group revaluation reserve decreased substantially from S\$340.5 million in 2001 to S\$41.2 million at 2002 year-end. This was mainly due to net revaluation deficits of S\$321.5 million for decline in values of investment properties. In addition, revaluation reserve of S\$129.4 million which had been realised as a result of divestments was transferred to the profit and loss account. These reductions were partially mitigated by a revaluation surplus on an investment property which had been reclassified from property, plant and equipment.

TREASURY HIGHLIGHTS

Bank Facilities and Available Funds

	2002	2001
Total bank facilities (S\$'m)	6,293	7,032
Amount utilised for loans (S\$'m)	3,694	5,007
Available and unutilised (S\$'m)	2,599	2,025
Cash and fixed deposits balances (S\$'m)	1,087	1,923
Total unutilised facilities and funds available for use (S\$'m)	3,686	3,948

Debt Securities Capacity

Total debt securities (S\$'m)	5,692	6,546
Debt securities issue (net of debt securities purchase) (S\$'m)	3,083	3,805
Unused debt securities capacity (S\$'m)	2,609	2,741

Interest Cover Ratio

Net profit before interest and tax (S\$'m)	723	317
Net interest expense (S\$'m)	239	356
Interest cover ratio (times)	3.03	0.89

Interest Service Ratio

Operating cash surplus before interest and tax (S\$'m)	1,470	1,557
Net interest paid (S\$'m)	319	471
Interest service ratio (times)	4.61	3.31

Secured Debt Ratio

Total secured debt (S\$'m)	2,562	3,078
Percentage of secured debt	38%	35%

Debt Equity Ratio

Total debt (S\$'m)	6,777	8,812
Cash and fixed deposits balances (S\$'m)	1,087	1,923
Net debt (S\$'m)	5,690	6,889
Total equity (S\$'m)	7,847	7,886
Debt equity ratio (net of cash and fixed deposits balances) (times)	0.73	0.87

Accumulated losses reduced significantly from S\$373.6 million in 2001 to S\$140.9 million in 2002, largely due to the profit of S\$290.2 million recorded for the year.

Arising from the above and movements in other reserves, the shareholders' funds as at 2002 year-end remained relatively unchanged at S\$6.0 billion. In tandem, net tangible assets backing per share remained at S\$2.37.

Management and Sources of Funding

The Group aims to maintain a prudent financial structure. This includes, among others, close monitoring the Group's cashflow situation, debt maturity profile and overall liquidity position. To ensure prudent liquidity management, the Group constantly maintains available banking facilities of not less than 25% of its net debt level.

The Group has succeeded in reducing its total debt for the year. The significant decline in net debt is largely due to the Group's successful asset divestment strategy.

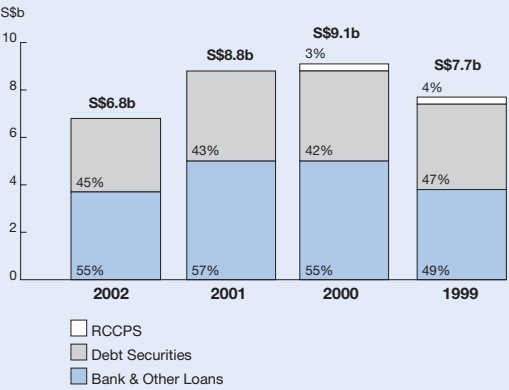
The Group's total debt is S\$2.03 billion lower compared to previous year. The Group's cash and fixed deposits balances have declined by 43% to S\$1.09 billion. A substantial amount of the cash reserves were utilised to repay borrowings or finance other investment outlay during the year. As such, the Group's net debt position stood at S\$5.7 billion on 31 December 2002, down substantially from S\$8.2 billion at the time of merger. As a result, gearing is now at a comfortable level of 0.73 from 0.92 at time of merger. The significantly lower debt also translates to substantial reduction in interest expense for the Group. Interest expense for financial year ended 2002 was S\$283 million, compared to S\$408 million for the previous year.

Sources of Funding

The Group obtains financing from both financial institutions and the capital markets. In view of the tightening of credit lines as a result of mergers amongst banks, the Group endeavours to raise its funding requirement via the capital markets whenever possible. This is to ensure that the funding capacity from financial institutions are appropriately utilised for project financing or where capital market type of funding is not suitable or available.

As at year end, 45% of the Group's total debt was funded from the capital markets. The balance 55% is funded by financial institutions. For year ended 31 December 2002, bank lines for the Group totalled S\$6.3 billion of which S\$2.6 billion are unutilised as at year end.

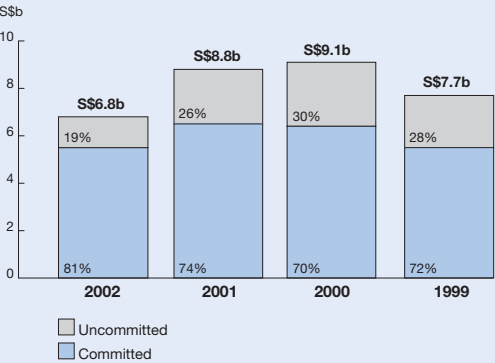
Sources of Funding



Commitment of Funding

As at 31 December 2002, about 81% of its loan portfolio raised are on committed basis. The Group also finances part of its loan portfolio using cheaper short term funds. Whenever possible, the Group endeavours to raise committed funding from both the capital markets and financial institutions so as to maintain a prudent asset/ liability match.

Commitment of Funding



Maturity Profile

	S\$ billion	% of Debt
Due within 1 year	3.22	48
Between 1 & 2 years	0.88	13
Between 2 & 3 years	0.96	14
Between 3 & 4 years	0.59	9
Between 4 & 5 years	0.43	6
More than 5 years	0.69	10

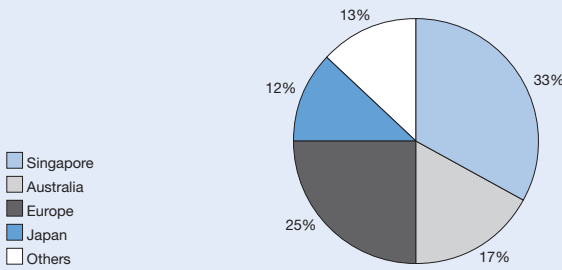
As at 31 December 2002, the Group has S\$1.09 billion in cash balances and fixed deposits. In addition, the Group has sufficient lines of credit available to meet its short-term debt obligations. As part of its financial management, the Group actively monitors its debt maturity profile and its refinancing decisions taking into consideration its divestment and investment plans.

Note: 2001 Comparative figures have been restated/reclassified to conform with 2002's presentation

Available Lines by Nationality of Banks

The Group continues to maintain an extensive and active relationship with a network of more than 40 banks of various nationalities.

Available Lines by Nationality of Banks

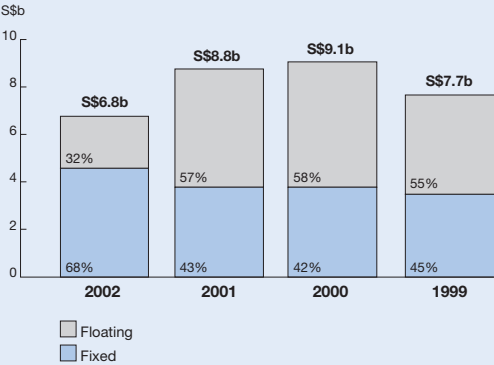


Interest Rate Profile

As part of its financing strategy, the Group manages its interest costs by maintaining a prudent mix of fixed and floating rate borrowings. On a portfolio basis as at 31 December 2002, the fixed rate borrowings constituted 68% of total borrowings and the balance 32% were on floating rate basis. The higher percentage in fixed rate funding offers protection against interest rates hikes and also allows the Group to achieve a lower interest costs in view of the low interest rate environment during the year. In managing the interest rate profile, the Group also takes into account the investment holding period and the divestment plans.

The Group’s average rate of cost of borrowing has generally decline as the continuing low interest rate environment allows the Group to refinance some of its loans at more attractive interest rates.

Analysis of Fixed and Floating Rate Loans



Gearing

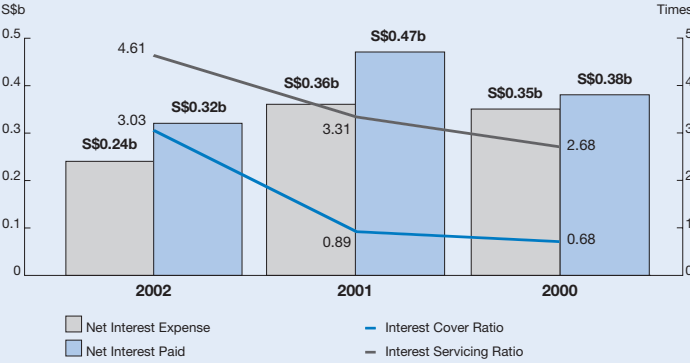
	2002	2001
Debt Equity ratio (net of cash and fixed deposit balances)	0.73	0.87

Gearing improved significantly in 2002, with the Group's net debt to equity ratio standing at 0.73 as at 31 December 2002 compared to 0.87 a year ago. This was mainly due to debt repayment using proceeds from assets monetized and deconsolidation of debt relating to CapitaMall Trust assets.

Interest Cover Ratio (“ICR”) and Interest Service Ratio (“ISR”)

The ICR and the ISR was 3.03 and 4.61 respectively. The ICR has improved significantly as a result of higher net profits generated during the year as compared to previous year. The ISR has also improved from previous year level of 3.31 to 4.61. The improvement in ISR was attributed to lower interest cost incurred during the year.

Interest Cover and Interest Servicing Ratio



Note: 2001 comparative figures have been restated/reclassified to conform with 2002’s presentation

Economic Value Added Statements

	Note	2002 S\$million	2001* S\$million
Net Operating Profit Before Tax		408.4	(61.2)
Adjusted for:			
Share of associated companies, joint venture companies and partnerships’ profits		75.5	21.8
Interest expense	1	432.1	566.7
Others		(1.4)	(162.7)
Adjusted Profit Before Interest and Tax		914.6	364.6
Cash operating taxes	2	(178.3)	(255.0)
Net Operating Profit After Tax (NOPAT)		736.3	109.6
Average capital employed	3	16,009.7	16,957.7
Weighted average cost of capital (%)	4	8.50	8.52
Capital Charge (CC)		1,360.8	1,444.8
Economic Value Added (EVA) [NOPAT – CC]		(624.5)	(1,335.2)
Minority share of EVA		(127.2)	(117.6)
Group EVA attributable to ordinary shareholders		(497.3)	(1,217.6)
Excluding net divestment gains and provisions as per EVA framework		136.4	(448.7)
Group EVA attributable to ordinary shareholders (excluding net divestment gains and provisions)		(633.7)	(768.9)

Note 1: Interest expense is adjusted for interest expense capitalised in previous years now released to the profit and loss account.

Note 2: The reported current tax is adjusted for the statutory tax impact of interest expense.

Note 3: Monthly average share capital plus interest bearing liabilities, timing provision, goodwill amortised, and present value of operating leases.

Major Capital Components:

	S\$million
Borrowings	7,682.9
Equity	7,918.3
Others	408.5
Total	16,009.7

Note 4: The Weighted Average Cost of Capital is calculated in accordance with Singapore Technologies (ST) Group EVA Policy as follows:

- i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 7.0% (2001: 7.0%);
- ii) Risk-free rate of 3.94% (2001: 4.12%) based on yield-to-maturity of Singapore Government 10-year Bonds;
- iii) Ungeared beta of 0.70 to 0.85 (2001: 0.70 to 0.85) based on ST risk categorisation of CapitaLand’s strategic business units;
- iv) Cost of debt at 4.30% (2001: 4.58%) using 5-year Sing\$ swap offered rate + 75 basis points.

* 2001 comparatives have been changed from the previous year due to the adoption of the requirements of new and revised accounting standards as well as changes in accounting policies during the year. In addition, certain comparatives have been reclassified to conform with current year’s presentation. The 2001 comparatives have also been changed due to restatement of certain EVA adjustments.

Value Added Statements

	2002 S\$ million	2001* S\$ million
Value Added From:		
Revenue earned	3,264.0	3,233.2
Less bought in materials and services	(2,170.6)	(2,697.5)
Gross Value Added	1,093.4	535.7
Share of associated companies, joint venture companies and partnerships' profits	75.5	21.8
Exchange gains (net)	6.6	10.0
Other operating income/(expense)	172.7	504.4
	254.8	536.2
Total Value Added	1,348.2	1,071.9
Distribution:		
To employees in wages, salaries and benefits	428.3	406.7
To government in taxes & levies	101.5	131.9
To providers of capital in:		
– Net interest on borrowings	311.3	455.5
– Dividends to shareholders	58.9	38.0
	900.0	1,032.1
Balance Retained in the Business:		
Depreciation and amortisation	107.4	163.0
Retained profits/(losses) net of dividend to shareholders	231.3	(319.5)
Minority interests	107.1	138.7
	445.8	(17.8)
Non-production Cost and Income:		
Bad debts and provision of doubtful debts	2.4	57.6
Total Distribution	1,348.2	1,071.9
Productivity Analysis		
Value added per employee (S\$'000) #	106	50
Value added per dollar of employment costs (S\$)	2.55	1.31
Value added per dollar investment in fixed assets (S\$)	0.43	0.18

Based on Dec 2002 headcount of 10,333 (2001 restated : 10,699).

* 2001 comparatives have been changed from the previous year due to the adoption of the requirements of new and revised accounting standards as well as changes in accounting policies during the year. In addition, certain comparatives have been reclassified to conform with current year's presentation.

5-Year Financial Summary

A. Profit and Loss Accounts (S\$ million)	1998	1999	2000	2001	2002
Turnover by Activity					
Commercial properties' rental and related income	408.3	416.1	463.6	809.2	687.2
Residential properties sales and related income	1,754.3	1,860.1	1,863.9	1,690.1	1,769.3
Serviced residences operations	29.7	63.1	91.4	138.9	156.6
Hotels operations	323.8	336.6	398.1	498.7	548.1
Property, project and other management services	110.1	103.9	117.8	116.3	118.9
Other income	29.0	36.3	65.9	39.5	35.5
Inter-segment elimination	(24.9)	(31.2)	(79.0)	(59.5)	(51.6)
Total	2,630.3	2,784.9	2,921.7	3,233.2	3,264.0
Earnings Before Interest and Tax (EBIT) by Activity					
Commercial properties' rental and related income	324.3	281.2	288.1	601.9	415.4
Residential properties sales and related income	(425.0)	291.2	296.8	(355.4)	290.6
Serviced residences operations	4.3	6.3	31.9	15.7	27.3
Hotels operations	(50.7)	12.1	(132.2)	142.4	29.7
Property, project and other management services	22.5	18.5	22.3	11.4	9.0
Other income	(20.8)	0.7	(194.5)	(47.2)	(4.9)
Inter-segment elimination	(10.4)	3.0	(1.9)	–	–
Total	(155.8)	613.0	310.5	368.8	767.1
Net Profit/(Loss) attributable to Shareholders	(724.7)	212.8	(287.0)	(281.4)	290.2
B. Balance Sheets (S\$ million)					
Investment Properties (completed and under development)	7,212.0	8,267.2	9,118.6	6,997.9	5,939.9
Development Properties for Sale	2,829.9	3,536.3	4,281.2	3,445.1	3,409.5
Associated & Joint Venture Companies and Partnerships	991.8	1,428.7	1,581.7	2,416.7	2,735.7
Fixed and Other Assets	2,709.4	4,400.1	4,604.1	5,509.2	4,242.5
Total Assets	13,743.1	17,632.3	19,585.6	18,368.9	16,327.6
Shareholders' Funds	5,467.1	6,784.0	7,042.4	6,005.9	5,989.2
Total Borrowings	6,119.8	7,686.9	9,059.8	8,811.5	6,777.2
Minority Interests and Other Liabilities	2,156.2	3,161.4	3,483.4	3,551.5	3,561.2
Total Equities & Liabilities	13,743.1	17,632.3	19,585.6	18,368.9	16,327.6
C. Financial Ratios					
Earnings per share after tax (cents)	(37.1)	9.5	(11.5)	(11.2)	11.5
Return on Shareholders' Funds (%)	(12.0)	3.5	(4.2)	(4.3)	4.8
Return on Total Assets (%)	(4.7)	3.3	1.0	1.4	3.9
Dividend					
Gross ordinary dividend rate (%)	1.7	2.7	2.0	3.0	5.0
Dividend cover (times)	NM	3.9	NM	NM	3.0
Net Tangible Assets per share (S\$)	2.56	2.71	2.80	2.37	2.37
Debt Equity Ratio (net of cash) (times)	0.95	0.77	0.92	0.87	0.73
Interest Cover (times)	NM	2.48	0.68	0.89	3.03

Note:

1. For new and/or revised accounting standards adopted in 2001, only 2000 comparative figures have been restated to conform with requirements arising from the said adoption. In addition, certain 2000 comparative figures have been reclassified to conform with 2001's presentation.

2. For changes in accounting policies and new and/or revised accounting standards adopted in 2002, only 2001 comparative figures have been restated. In addition, certain 2001 comparative figures have been reclassified to conform with 2002's presentation.

3. NM: Not Meaningful

Statutory Accounts

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Directors’ Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2002.

Directors

The directors in office at the date of this report are as follows:

- Philip Yeo Liat Kok
- Hsuan Owyang
- Peter Seah Lim Huat
- Liew Mun Leong
- Sir Alan Cockshaw
- Richard Edward Hale (Appointed on 10 February 2003)
- Lim Chin Beng
- Sum Soon Lim
- Jackson Peter Tai
- Lucien Wong Yuen Kuai

Principal Activities

The principal activities of the Company during the financial year are those relating to investment holding and consultancy services as well as the corporate headquarters which gives direction, provides management support services and integrates the activities of its subsidiaries. The principal activities of the subsidiaries are set out in note 47 to the accompanying financial statements. There have been no significant changes in such activities during the financial year.

Acquisitions and Disposals of Interests in Subsidiaries

(a) Companies Incorporated:

Incorporated by the Company	Effective interest held by the Group
CapitaLand Financial Limited	100.0%
Incorporated by Subsidiaries	Effective interest held by the Group
48 Atchison Street Pty Limited	58.5%
Arcadia Grove Pty Limited	58.5%
Ascott Hospitality Management (UK) Limited (formerly known as Ascott Management Services (UK) Limited)	68.9%
Australand Apartments No 5 Pty Limited	58.5%
Australand Apartments No 6 Pty Limited	58.5%
Australand Apartments No 7 Pty Limited	58.5%
Australand Apartments No 9 Pty Limited	58.5%
Australand Industrial No 26 Pty Limited	58.5%
Australand Industrial No 27 Pty Limited	58.5%
Australand Industrial No 28 Pty Limited	58.5%
Australand Industrial No 29 Pty Limited	58.5%
Australand Industrial No 30 Pty Limited	58.5%
Australand Industrial No 31 Pty Limited	58.5%
Australand Industrial No 32 Pty Limited	58.5%
Australand Industrial No 33 Pty Limited	58.5%
Australand Industrial No 34 Pty Limited	58.5%
Australand Industrial No 35 Pty Limited	58.5%
Australand Industrial No 36 Pty Limited	58.5%
Australand Industrial No 37 Pty Limited	58.5%
Australand Industrial No 38 Pty Limited	58.5%
Australand Industrial No 39 Pty Limited	58.5%
Australand Industrial No 40 Pty Limited	58.5%
Australand Industrial No 41 Pty Limited	58.5%
Australand Industrial No 42 Pty Limited	58.5%
Australand Industrial No 43 Pty Limited	58.5%
Australand Industrial No 44 Pty Limited	58.5%

Incorporated by the Subsidiaries	Effective interest held by the Group
Australand Industrial No 45 Pty Limited	58.5%
Australand Industrial No 46 Pty Limited	58.5%
Australand Industrial No 47 Pty Limited	58.5%
Australand Industrial No 48 Pty Limited	58.5%
Australand Industrial No 49 Pty Limited	58.5%
Australand Industrial No 50 Pty Limited	58.5%
Australand Industrial No 51 Pty Limited	58.5%
Australand Industrial No 52 Pty Limited	58.5%
Australand Industrial No 53 Pty Limited	58.5%
Australand Industrial No 54 Pty Limited	58.5%
Australand Industrial No 55 Pty Limited	58.5%
Australand Industrial No 56 Pty Limited	58.5%
Australand Industrial No. 59 Pty Limited	58.5%
Australand Land and Housing No 2 Pty Limited	58.5%
Australand Land and Housing No 4 Pty Limited	58.5%
Australand Sabre Debentures Pty Limited	58.5%
Australand Sabre Deposits Pty Limited	58.5%
Australand W9 & 10 Construction Stage 3B Pty Limited	58.5%
Australand W9 & 10 Construction Stage 3C Pty Limited	58.5%
Australand W9 & 10 Construction Stage 4B Pty Limited	58.5%
Australand W9 & 10 Stage 3A Holdings Pty Limited	58.5%
Australand W9 & 10 Stage 3B Holdings Pty Limited	58.5%
Australand W9 & 10 Stage 3C Holdings Pty Limited	58.5%
Australand W9 & 10 Stage 3B Pty Limited	58.5%
Australand W9 & 10 Stage 3C Pty Limited	58.5%
AWPT No 3 Construction Finance Pty Limited	58.5%
AWPT No 3 Post Construction Finance Pty Limited	58.5%
Beijing Cushman & Wakefield PREMAS Asset Services Co., Ltd	51.0%
Bullecourt Developments Pty Limited	58.5%
Bullecourt Pty Limited	58.5%
Capfin MR1 Sdn. Bhd. (formerly known as Bond Light Options Sdn. Bhd.)	100.0%
CapitaLand (China) Investment Co., Ltd	100.0%
CapitaLand Financial Investments Pte. Ltd.	100.0%
CapitaLand Project Consulting (Shanghai) Co., Ltd	100.0% *
CapitaLand RECM Pte. Ltd.	100.0%
CFL Capital Management Sdn. Bhd.	100.0%
Daytron No. 2 Pty Limited	58.5%
EuroResidence 1 SARL	68.9%
EuroResidence 2 SAS	68.9%
Freshwater Holding No. 1 Pty Limited	58.5%
Freshwater Holding No. 2 Pty Limited	58.5%
Freshwater Holding No. 4 Pty Limited	58.5%
Interciti Pty Limited	58.5%
PREMAS Asia Pte Ltd	100.0%
Raffles Knowledge Pte. Ltd.	60.1%
RECM EOF Pte. Ltd.	100.0%
Shanghai Ning Xin Real Estate Development Co., Ltd	77.6% **
Shanghai Xin Xu Property Development Co., Ltd	99.0%

* Company incorporated but no capital contribution yet.

** Shareholding of Shanghai Ning Xin Real Estate Development Co., Ltd at incorporation was 97.0%. Subsequent dilution is presented in (f).

(b) Trusts Formed:

Formed by Subsidiaries	Effective interest held by the Group
Apartment Project (Non-MOF) No. 6 Unit Trust	58.5%
Arcadia Grove Unit Trust	58.5%
Australand Stage 3A Partner Trust	58.5%
Australand Stage 3A Trust	58.5%
Australand Stage 3B Partner Trust	58.5%
Australand Stage 3B Trust	58.5%
Australand Stage 3C Partner Trust	58.5%
Australand Stage 3C Trust	58.5%
Australand Wholesale Office Trust	58.5%
Australand Wholesale Property Trust No 8	58.5%
Australand Wholesale Property Trust No 9	58.5%
Como Car Park Unit Trust	58.5%
Como Commercial No. 1 Unit Trust	58.5%
Como Commercial No. 2 Unit Trust	58.5%
Como Residential No. 1 Unit Trust	58.5%
Como Residential No. 2 Unit Trust	58.5%
Daytron No. 2 Unit Trust	58.5%
Duntroon Street Unit Trust	58.5%
Eastern Creek No 1 Unit Trust	58.5%
Eastern Creek No 2 Unit Trust	58.5%
Eastern Creek No 3 Unit Trust	58.5%
Eastern Creek No 4 Unit Trust	58.5%
Eastern Creek No 5 Unit Trust	58.5%
Eastern Creek No 6 Unit Trust	58.5%
Eastern Creek No 7 Unit Trust	58.5%
Eastern Creek No 8 Unit Trust	58.5%
Eastern Creek No 9 Unit Trust	58.5%
Eastern Creek No 10 Unit Trust	58.5%
Eastern Creek No 11 Unit Trust	58.5%
Eastern Creek No 12 Unit Trust	58.5%
Eastern Creek No 13 Unit Trust	58.5%
Eastern Creek No 14 Unit Trust	58.5%
Eastern Creek No 15 Unit Trust	58.5%
Freshwater Carpark Trust No. 1	58.5%
Freshwater Carpark Trust No. 2	58.5%
Freshwater Holding Trust No. 1	58.5%
Freshwater Holding Trust No. 2	58.5%
Freshwater Holding Trust No. 3	58.5%
Freshwater Holding Trust No. 4	58.5%
Freshwater Office Trust No. 1	58.5%
Freshwater Office Trust No. 2	58.5%
Freshwater Residential Trust	58.5%
Freshwater Stage 4 No. 2 Unit Trust	58.5%
Freshwater Stage 4 Unit Trust	58.5%
Glebe Unit Trust	58.5%
Greystanes Holding No. 1 Unit Trust	58.5%
Greystanes Holding No. 2 Unit Trust	58.5%
Greystanes No. 4 Unit Trust	58.5%
Greystanes No. 5 Unit Trust	58.5%
Land and Housing No. 1 Unit Trust	58.5%
Land and Housing No. 2 Unit Trust	58.5%
Land and Housing No. 3 Unit Trust	58.5%
Land and Housing No. 4 Unit Trust	58.5%
Mascot No. 2 Unit Trust	58.5%
Rhodes No. 1 Unit Trust	58.5%
Rhodes No. 2 Unit Trust	58.5%

Formed by Subsidiaries	Effective interest held by the Group
Rhodes No. 5 Unit Trust	58.5%
Rhodes No. 6 Unit Trust	58.5%
Rhodes No. 7 Unit Trust	58.5%
Stanton Road Holding Trust	58.5%
Stanton Road No. 3 Unit Trust	58.5%
Wolli Creek Unit Trust	58.5%

(c) Companies Acquired:

Companies acquired by Subsidiaries	Consideration \$'000	Group's share of net tangible assets acquired \$'000	Group's effective interest %
Beijing Ruihua Property Development Co., Ltd	3,458	3,458	62.0
Bloomfield Holdings B.V.	105	88	68.9

(d) Additional Interest Acquired:

Companies in which additional interests were acquired by Subsidiaries	Consideration \$'000	Group's share of net tangible assets acquired \$'000	Group's effective interest Before %	Group's effective interest After %
Imperial Realty Limited (formerly known as Hind Hotels International Limited)	12,264	12,264	89.7	100.0
LandArt (Shanghai) Co., Ltd (formerly known as ESMACO Property Services (Shanghai) Co., Ltd)	292	292	51.0	100.0
Shanghai Xin Li Property Development Co., Ltd	1,292	1,484	95.0	100.0
Zhongten Investment & Development Pte Ltd	*	931	80.0	100.0

In addition, the Group acquired additional equity interests in MCH Holdings (Shanghai) Pte Ltd and its subsidiary, Shanghai Xin Mao Property Development Co., Ltd (formerly known as Shanghai Merchant Court Hotel Co., Ltd) bringing the total shareholdings held by the Group to 100% and 95% respectively. Prior to the acquisition, the companies were 48.1% and 33.7% respectively held by the Group. The purchase consideration paid was \$15.9 million and the additional Group share of net tangible assets acquired was \$10.7 million.

* Less than \$1,000.

(e) Companies Disposed:

Companies disposed of by Subsidiaries	Consideration \$'000	Group's share of net tangible assets/ (liabilities) disposed of \$'000	Group's effective interest held previously %
Hua Li Holdings Pte Ltd and subsidiary	19,862	17,987	41.3
LC Ventura (Tampines) Pte Ltd	17,862	15,213	41.3
PT Amethyst Wahyu	34,700 ∞	1,450	95.0
PT Pakuwon Amethyst	3,305	(13,595)	51.0
Shanghai Yong Liang Real Estate Development Co., Ltd	20,286	18,611	49.6
Suzhou Taihu Chungten Real Estate Development Co., Ltd	6,294	1,464	41.6

∞ The balance consideration of US\$5 million for the divestment of PT Amethyst Wahyu is to be received in 2003.

(f) Dilution of Interest:

Companies in which interests were diluted	Consideration \$'000	Group's share of net tangible assets diluted	Group's effective interest	
		\$'000	Before %	After %
CapitaMall Trust (formerly known as SingMall Property Trust)	358,476	358,667	86.8	33.3
Cushman & Wakefield PREMAS Asset Services (Shanghai) Co., Ltd (formerly know as PREMAS Property Consultants (Shanghai) Co., Ltd)	300	300	100.0	51.0
Greenpark Investments (Guernsey) Limited	9,703	3,928	68.9	34.5
Shanghai Ning Xin Real Estate Development Co., Ltd	8,245	8,245	97.0	77.6

Australand Holdings Limited (“Australand”), a 63.2% owned subsidiary, issued 1,592,000 ordinary shares by virtue of the exercise of options granted under the Share Option Scheme of Australand. 37,354,631 ordinary shares were further issued through a capital raising exercise and Share Purchase Plan. Arising therefrom, the Group's effective interest in Australand was reduced to 58.5%.

Australand Group also diluted its interests in Australand Industrial No. 16 Pty Limited, Australand Industrial No. 18 Pty Limited, Stanton Road No. 1 Unit Trust, Australand Wholesale Property Trust No. 3, Australand Wholesale Property Trust No. 5, Australand Wholesale Property Trust No. 6, Greystanes No. 1 Unit Trust, Greystanes No. 2 Unit Trust, Trust Project No. 9 Unit Trust and Trust Project No. 11 Unit Trust. Arising therefrom, these companies had been reclassified as investments or joint venture companies.

(g) Companies Liquidated/Deregistered:

Companies liquidated/deregistered by Subsidiaries	Group's effective interest held previously
AHL Administration (Qld) Pty Limited	58.5
AHL Administration (Vic) Pty Limited	58.5
AHL Saint John's Wood Pty Limited	58.5
Bechcorp Pty Limited	58.5
Blue Star Logistics Pty Limited	58.5
Branister Pty Limited	58.5
Castle Star Developments Limited	100.0
Claical Pty Limited	58.5
Crazesun Pty Limited	58.5
Devoba Pty Limited	58.5
Flagstaff Developments Pty Limited	58.5
Hartley Road Smeaton Grange Pty Limited	58.5
Lauriston Developments Pty Limited	58.5
Lavish Strata Sdn. Bhd.	60.0
LCR Gardens Limited	35.1
L'Entrée AG	49.2
Mimosa Developments Pty Limited	58.5
Navdate Pty Limited	58.5
Neswick Pty Limited	58.5
Newjem Pty Limited	58.5
Northern Gateway Building Nominees Pty Limited	58.5
PT Enctech Indotama	75.0
Ridaview Pty Limited	58.5
Rinzeal Pty Limited	58.5
Saranbay Pty Limited	58.5
Sauter Enctech Ltd	90.0
Somerset Estates Pty Ltd	58.5
Swissôtel Data AG	60.1
Swissôtel Management Brussels S.A.	60.1
Swissôtel Management Europe AG	60.1
Swissôtel Properties Inc.	59.7
Tallebudgera Garden Pty Limited	58.5
Turana Developments Pty Limited	58.5
Vanden Pty Limited	58.5
Zhongten Investment & Development Pte Ltd	100.0

(h) Trusts Terminated:

Trusts terminated by Subsidiaries	Group's effective interest held previously
Apartment Project No. 2 Unit Trust	58.5
Apartment Project No. 3 Unit Trust	58.5
Apartment Project No. 4 Unit Trust	58.5
Apartment Project No. 7 Unit Trust	58.5
Apartment Project No. 8 Unit Trust	58.5
Apartment Project No. 9 Unit Trust	58.5
Apartment Project No. 10 Unit Trust	58.5
Berwick Development Unit Trust	58.5
Capital Cities Housing Trust	58.5
Kellyville Development Unit Trust	58.5
Macleay Street Unit Trust	58.5
No. 40–46 Atchison Street Unit Trust	58.5
Saint John's Wood Unit Trust	58.5
Stephen Road No. 2 Unit Trust	58.5
The Northern Gateway Building Trust	58.5
Trust Project No. 6 Unit Trust	58.5
Trust Project No. 7 Unit Trust	58.5
Trust Project No. 8 Unit Trust	58.5
Trust Project No. 10 Unit Trust	58.5
Trust Project No. 12 Unit Trust	58.5
Woodville Road Property Trust	58.5

Financial Results

The results of the Group and of the Company for the financial year are as follows:

	The Group \$'000	The Company \$'000
Profit after taxation	397,261	42,599
Minority interests	(107,093)	–
Profit attributable to shareholders	290,168	42,599
(Accumulated losses)/Unappropriated profits brought forward, as previously reported	(378,797)	269,776
Effect of adopting SAS 12	8,766	–
Effect of changes in accounting policies	(3,524)	–
(Accumulated losses)/Unappropriated profits brought forward, as restated	(373,555)	269,776
(Loss)/Profit available for appropriation	(83,387)	312,375
Appropriations:		
First and final dividend paid of 3% less tax at 22% in respect of year 2001	(58,906)	(58,906)
Transfer from capital reserve	3,457	–
Dilution of interest in subsidiary	(2,088)	–
(Accumulated losses)/Unappropriated profits carried forward	(140,924)	253,469

Movements in Reserves and Provisions

Movements in reserves during the year are as set out in the Statements of Changes in Equity for the Group and the Company.

Movements in provisions (including allowance, impairment, depreciation and amortisation) are as set out in the accompanying financial statements.

Issues of Shares and Debentures
(a) Issue of Shares

(i) **By the Company**
During the financial year, the Company did not issue any shares.

(ii) **By Subsidiaries**
The following subsidiaries issued the following shares:

Name of Subsidiaries	Description of shares issued	Purpose of Issue
48 Atchison Street Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Arcadia Grove Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Ascott Hospitality Management (UK) Limited (formerly known as Ascott Management Services (UK) Limited)	1 ordinary share of £1 issued at par for cash fully paid	Incorporation of company
Ascott Group (Jersey) Limited	990 ordinary shares of £1 each issued at par for cash fully paid	To provide additional working capital
Australand Apartments No 5 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Apartments No 6 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Apartments No 7 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Apartments No 9 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Holdings Limited	1,502,000 ordinary shares issued at A\$1 per share for cash fully paid #	Exercise of options granted under the company's share option plan
	90,000 ordinary shares issued at A\$1.10 per share for cash fully paid #	Exercise of options granted under the company's share option plan
	36,365,000 ordinary shares issued at A\$1.65 per share for cash fully paid #	To provide additional working capital
	989,631 ordinary shares issued at A\$1.62 per share for cash fully paid #	To provide additional working capital
Australand Industrial No 26 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 27 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 28 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 29 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 30 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 31 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 32 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 33 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 34 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company

Name of Subsidiaries	Description of shares issued	Purpose of Issue
Australand Industrial No 35 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 36 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 37 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 38 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 39 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 40 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 41 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 42 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 43 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 44 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 45 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 46 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 47 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 48 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 49 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 50 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 51 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 52 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 53 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 54 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 55 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No 56 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Industrial No. 59 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Land and Housing No 2 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Land and Housing No 4 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Sabre Debentures Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand Sabre Deposits Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand W9 & 10 Construction Stage 3B Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid #	Incorporation of company
Australand W9 & 10 Construction Stage 3C Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid #	Incorporation of company

Name of Subsidiaries	Description of shares issued	Purpose of Issue
Australand W9 & 10 Construction Stage 4B Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Australand W9 & 10 Stage 3A Holdings Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Australand W9 & 10 Stage 3B Holdings Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Australand W9 & 10 Stage 3C Holdings Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Australand W9 & 10 Stage 3B Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Australand W9 & 10 Stage 3C Pty Limited	100 ordinary shares issued at A\$1 per share for cash fully paid [#]	Incorporation of company
AWPT No 3 Construction Finance Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
AWPT No 3 Post Construction Finance Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Beijing Cushman & Wakefield PREMAS Asset Services Co., Ltd	45,000 ordinary shares of US\$1 each issued at par for cash fully paid	Incorporation of company and to provide initial working capital
Beijing Ruihua Property Development Co., Ltd	Capital contribution of US\$5.4million	To provide additional working capital
Bullecourt Developments Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Bullecourt Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Capfin MR1 Sdn. Bhd. (formerly known as Bond Light Options Sdn. Bhd.)	2 ordinary shares of RM1 each issued at par for cash fully paid	Incorporation of company
CapitaLand (China) Investment Co., Ltd	Capital contribution of US\$5.5 million	Incorporation of company and to provide initial working capital
CapitaLand Financial Investments Pte. Ltd	2 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company
	1,499,998 ordinary shares of \$1 each issued at par by way of capitalisation of shareholder's loan	To provide additional working capital
CapitaLand Financial Limited	2 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company
	999,998 ordinary shares of \$1 each issued at par for cash fully paid	To provide additional working capital
CapitaLand RECM Pte. Ltd.	2 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company
CFL Capital Management Sdn. Bhd.	2 ordinary shares of RM1 each issued at par for cash fully paid	Incorporation of company
CRL Realty Pte Ltd	750,000 non-cumulative redeemable preference “A” shares of \$1 each issued at a premium of \$99 per share fully paid by way of capitalisation of shareholders’ loan	To provide additional working capital
Daytron No. 2 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company

Name of Subsidiaries	Description of shares issued	Purpose of Issue
EuroResidence 1 SARL	37,000 ordinary shares of €1 each issued at par for cash fully paid	Incorporation of company
EuroResidence 2 SAS	37,000 ordinary shares of €1 each issued at par for cash fully paid	Incorporation of company
Freshwater Holding No. 1 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Freshwater Holding No. 2 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Freshwater Holding No. 4 Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
Interciti Pty Limited	1 ordinary share issued at A\$1 per share for cash fully paid [#]	Incorporation of company
PREMAS Asia Pte Ltd	100,000 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company and to provide initial working capital
Raffles Knowledge Pte. Ltd	2 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company
Raffles International Limited	6,000,000 ordinary shares of \$1 each issued at par by way of capitalisation of shareholder's loan	To provide additional working capital
RECM EOF Pte. Ltd.	2 ordinary shares of \$1 each issued at par for cash fully paid	Incorporation of company
Shanghai Ning Xin Real Estate Development Co., Ltd	Capital contribution of RMB138.3 million	Incorporation of company and to provide initial working capital
Shanghai Xin Xu Property Development Co., Ltd	Capital contribution of RMB99.0 million	Incorporation of company and to provide initial working capital
The Ascott Group Limited	234,000 ordinary shares of \$0.20 each issued at a premium of \$0.12 per share for cash fully paid	Exercise of options granted under the company's share option plan
	27,000 ordinary shares of \$0.20 each issued at a premium of \$0.17 per share for cash fully paid	Exercise of options granted under the company's share option plan

[#] With effect from 1 July 1998, par value shares have been abolished under the Australian Company Law Review Act 1998.

(b) Issue of Debentures
(i) By the Company

A total of \$40 million of debt securities were issued in 2 series under the different Medium Term Notes (“MTNs”) programmes. The debt securities were issued for tenure of 1 year, interest period of 6 months and carry interest rates of 2.20% and 2.25% per annum.

The Company also issued \$380 million principal amount of Convertible Bonds due 2007 which carry an interest rate of 0.625% per annum. The Convertible Bonds are convertible by holders into new ordinary shares of \$1.00 each in the capital of the Company at the conversion price of \$2.3358 for each new ordinary share (subject to adjustment in certain events) at any time on or after 3 June 2002 and prior to the close of business (at the place the Convertible Bonds are deposited for conversion) on 3 April 2007. Unless previously redeemed by way of exercise of the option by the holder or the Company on 3 May 2005, converted, or purchased and cancelled, the final redemption date of the Convertible Bonds is 3 May 2007. The redemption price is equal to the principal amount of the convertible bonds being redeemed.

(ii) By Subsidiaries

CapitaLand Commercial Limited, a wholly-owned subsidiary of the Company, issued 2 series of \$75 million and \$10 million of debt securities under a \$500 million 10-year Dual Currency and \$250 million MTN programme, respectively. The debt securities were issued for tenures ranging from 1 month to 1 year and carry interest rates ranging from 0.75% to 2.15% for the SGD series.

Temasek Tower Limited, a subsidiary of the Group, issued \$12.8 million MTN in one series. The debt securities were issued for tenure of 2 years at 2.85%.

The Ascott Group Limited, a subsidiary of the Group, issued \$37.8 million Variable Rate Notes in 2 series under a \$350 million MTN programme. The debt securities were issued for 3 months’ tenures and carry interest rates ranging from 1.3% to 1.8% per annum.

Raffles Hotel (1886) Ltd, a subsidiary of Raffles Holdings Group, issued \$60 million of debt securities under a \$200 million programme. The debt securities were issued for tenures ranging from 1 month to 3 years and carry interest rates ranging from 1.0% to 3.2% per annum.

All the respective interest rates were agreed between the Company/subsidiaries and the arranger or remarketing agent at the time of the respective issues.

Unless previously redeemed or purchased and cancelled, all the abovementioned debt securities issued by the Company and subsidiaries are redeemable at their principal amounts on their respective maturity dates.

Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under the “Share Options” section of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors’ Interests in Shares and Debentures

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning of the financial year (or date of appointment, if later) or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares, debentures and share options in the Company and related corporations are as follows:

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
The Company	Ordinary shares of \$1 each fully paid	
Peter Seah Lim Huat	113,000	113,000
Jackson Peter Tai	–	50,000
	Options to subscribe for ordinary shares of \$1 each	
Philip Yeo Liat Kok		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	107,700	107,700
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	150,000	150,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	120,000
Hsuan Owyang		
– Exercisable between 5/8/2001 to 3/8/2005 at an exercise price of \$2.51 per share	100,000 *	100,000 *
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	220,000	220,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	150,000

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
The Company	Options to subscribe for ordinary shares of \$1 each	
Peter Seah Lim Huat		
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	90,000
Liew Mun Leong		
– Exercisable between 13/6/2001 to 11/6/2010 at an exercise price of \$2.54 per share	1,077,000	1,077,000
– Exercisable between 5/8/2001 to 3/8/2005 at an exercise price of \$2.51 per share	50,000 *	50,000 *
– Exercisable between 19/6/2002 to 18/6/2011 at an exercise price of \$2.50 per share	800,000	800,000
– Exercisable between 11/5/2003 to 10/5/2012 at an exercise price of \$1.71 per share	–	800,000
Sir Alan Cockshaw		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	204,630	204,630
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	220,000	220,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	100,000
Hsieh Fu Hua		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	107,700	107,700
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	120,000	120,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	80,000
Lim Chin Beng		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	140,010	140,010
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	120,000	120,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	90,000
Sum Soon Lim		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	107,700	107,700
– Exercisable between 5/8/2001 to 3/8/2005 at an exercise price of \$2.51 per share	80,000 *	80,000 *
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	150,000	150,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	100,000
Jackson Peter Tai		
– Exercisable between 5/8/2001 to 3/8/2005 at an exercise price of \$2.51 per share	50,000 *	50,000 *
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	170,000	170,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	100,000
Lucien Wong Yuen Kuai		
– Exercisable between 13/6/2001 to 11/6/2005 at an exercise price of \$2.54 per share	53,850	53,850
– Exercisable between 19/6/2002 to 18/6/2006 at an exercise price of \$2.50 per share	100,000	100,000
– Exercisable between 11/5/2003 to 10/5/2007 at an exercise price of \$1.71 per share	–	70,000
	Conditional award of performance shares to be delivered after 2004	
Liew Mun Leong (250,000 performance shares)	–	0 to 500,000 #

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
Related Corporations		
Chartered Semiconductor Manufacturing Ltd		
	Ordinary shares of \$0.26 each fully paid	
Philip Yeo Liat Kok	40,000	40,000
Sum Soon Lim	194,425	350,000
	Options to subscribe for ordinary shares of \$0.26 each	
Peter Seah Lim Huat		
– Exercisable between 22/2/2003 to 22/2/2007 at an exercise price of \$3.46 per share ^	–	23,443 ^
– Exercisable between 30/8/2003 to 30/8/2007 at an exercise price of \$1.86 per share ^	–	46,887 ^
Sum Soon Lim		
– Exercisable between 7/10/1999 to 7/10/2004 at an exercise price of \$0.94 per share ^	14,288	16,748 ^
– Exercisable between 7/10/1999 to 7/10/2004 at an exercise price of \$0.80 per share ^	35,720	41,870 ^
– Exercisable between 29/4/2000 to 29/10/2004 at an exercise price of \$2.86 per share ^	60,000	70,331 ^
– Exercisable between 29/10/2000 to 29/10/2004 at an exercise price of \$2.86 per share ^	20,000	23,443 ^
– Exercisable between 6/4/2001 to 6/4/2005 at an exercise price of \$14.24 per share ^	80,000	93,775 ^
– Exercisable between 3/10/2001 to 3/10/2005 at an exercise price of \$10.12 per share ^	80,000	93,775 ^
– Exercisable between 28/3/2002 to 28/3/2006 at an exercise price of \$4.05 per share ^	40,000	46,887 ^
– Exercisable between 15/8/2002 to 15/8/2006 at an exercise price of \$4.26 per share ^	40,000	46,887 ^
– Exercisable between 22/2/2003 to 22/2/2007 at an exercise price of \$3.46 per share ^	–	46,887 ^
– Exercisable between 30/8/2003 to 30/8/2007 at an exercise price of \$1.86 per share ^	–	46,887 ^
Raffles Holdings Limited		
	Ordinary shares of \$0.50 each fully paid	
Liew Mun Leong	50,000	50,000
Sir Alan Cockshaw	30,000	30,000
	Options to subscribe for ordinary shares of \$0.50 each	
Liew Mun Leong		
– Exercisable between 16/8/2002 to 15/8/2011 at an exercise price of \$0.50 per share	100,000	100,000
– Exercisable between 16/8/2003 to 15/8/2012 at an exercise price of \$0.50 per share	–	100,000
SembCorp Industries Ltd		
	Ordinary shares of \$0.25 each fully paid	
Philip Yeo Liat Kok	475	475
	Options to subscribe for ordinary shares of \$0.25 each	
Peter Seah Lim Huat		
– Exercisable between 27/6/2001 to 26/6/2005 at an exercise price of \$1.99 per share	140,000	140,000
– Exercisable between 20/4/2002 to 19/4/2006 at an exercise price of \$1.55 per share	140,000	140,000
– Exercisable between 8/5/2003 to 7/5/2007 at an exercise price of \$1.59 per share	–	70,000
– Exercisable between 18/10/2003 to 17/10/2007 at an exercise price of \$0.98 per share	–	70,000
Singapore Food Industries Limited		
	Ordinary shares of \$0.05 each fully paid	
Philip Yeo Liat Kok	50,000	50,000
Liew Mun Leong	30,000	30,000

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
Singapore Technologies Engineering Ltd		
	Ordinary shares of \$0.10 each fully paid	
Philip Yeo Liat Kok	4,000	4,000
	Options to subscribe for ordinary shares of \$0.10 each	
Peter Seah Lim Huat		
– Exercisable between 13/8/2003 to 12/8/2007 at an exercise price of \$1.92 per share	–	89,000
Lim Chin Beng		
– Exercisable between 20/2/2002 to 19/2/2006 at an exercise price of \$2.72 per share	35,000	35,000
– Exercisable between 8/2/2003 to 7/2/2007 at an exercise price of \$2.29 per share	–	27,000
Sum Soon Lim		
– Exercisable between 20/2/2002 to 19/2/2006 at an exercise price of \$2.72 per share	25,000	25,000
– Exercisable between 8/2/2003 to 7/2/2007 at an exercise price of \$2.29 per share	–	19,000
Lucien Wong Yuen Kuai		
– Exercisable between 20/2/2002 to 19/2/2006 at an exercise price of \$2.72 per share	75,000	75,000
– Exercisable between 8/2/2003 to 7/2/2007 at an exercise price of \$2.29 per share	–	59,000
Singapore Telecommunications Limited		
	Ordinary shares of \$0.15 each fully paid	
Philip Yeo Liat Kok	1,200	1,200
Peter Seah Lim Huat	3,310	3,360
Liew Mun Leong	5,470	5,580
Hsieh Fu Hua	3,110	3,220
Lim Chin Beng	1,490	1,490
Sum Soon Lim	3,510	3,510
Jackson Peter Tai	30,000	60,000
Lucien Wong Yuen Kuai	3,110	3,220
	Options to subscribe for ordinary shares of \$0.15 each	
Jackson Peter Tai		
– Exercisable between 9/9/2003 to 9/9/2007 at an exercise price of \$1.42 per share	–	60,000
SMRT Corporation Ltd		
	Ordinary shares of \$0.10 each fully paid	
Liew Mun Leong	4,000	4,000
	Options to subscribe for ordinary shares of \$0.10 each	
Peter Seah Lim Huat		
– Exercisable between 30/11/2003 to 29/11/2010 at an exercise price of \$0.22 per share	–	150,000
ST Assembly Test Services Ltd		
	Ordinary shares of \$0.25 each fully paid	
Philip Yeo Liat Kok	35,000	35,000
Liew Mun Leong	13,000	13,000
Sum Soon Lim	155,000	155,000
Lucien Wong Yuen Kuai	30,000	30,000

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
STT Communications Ltd		
Options to subscribe for ordinary shares of \$0.50 each		
Peter Seah Lim Huat		
– Exercisable between 29/6/2003 to 28/6/2012 at an exercise price of \$0.50 per share	–	8,000
Sum Soon Lim		
– Exercisable between 19/9/2001 to 18/9/2010 at an exercise price of \$1.42 per share	300,000	300,000
– Exercisable between 28/4/2002 to 27/4/2011 at an exercise price of \$0.92 per share	35,000	35,000
– Exercisable between 24/11/2002 to 23/11/2011 at an exercise price of \$0.50 per share	70,000	70,000
– Exercisable between 29/6/2003 to 28/6/2012 at an exercise price of \$0.50 per share	–	200,000
The Ascott Group Limited		
Options to subscribe for ordinary shares of \$0.20 each		
Peter Seah Lim Huat		
– Exercisable between 5/5/2003 to 4/5/2007 at an exercise price of \$0.353 per share	–	12,000
Liew Mun Leong		
– Exercisable between 21/12/2001 to 20/12/2010 at an exercise price of \$0.37 per share	150,000	150,000
– Exercisable between 30/6/2002 to 29/6/2011 at an exercise price of \$0.32 per share	120,000	120,000
– Exercisable between 5/5/2003 to 4/5/2012 at an exercise price of \$0.353 per share	–	120,000
Lim Chin Beng		
– Exercisable between 21/12/2001 to 20/12/2005 at an exercise price of \$0.37 per share	200,000	200,000
– Exercisable between 30/6/2002 to 29/6/2006 at an exercise price of \$0.32 per share	200,000	200,000
– Exercisable between 5/5/2003 to 4/5/2007 at an exercise price of \$0.353 per share	–	200,000
Vertex Technology Fund Ltd		
Ordinary shares of US\$1 each fully paid		
Sum Soon Lim	300	300
Vertex Technology Fund (II) Ltd		
Ordinary shares of US\$1 each fully paid		
Philip Yeo Liat Kok	50	50
Liew Mun Leong	100	100
Sum Soon Lim	500	500
Redeemable preference shares of US\$0.01 each fully paid		
Philip Yeo Liat Kok	50	50
Liew Mun Leong	100	100
Sum Soon Lim	500	500
Vertex Venture Holdings Ltd @		
Ordinary shares of \$0.20 each fully paid		
Liew Mun Leong	4,690	–

* *These were options in the former DBS Land Limited which were exchanged for options in CapitaLand Limited on 24 November 2000 in accordance with the terms of the merger between DBS Land Limited and CapitaLand Limited.*

The actual number of performance shares to be delivered will depend on the achievement of set targets over a three-year period from 2002 to 2004. For achievements that are below 80% of the targets, no performance shares will be given while for achievements that exceed targets by more than 100%, more performance shares than the original award could be delivered up to a maximum of 200% of the original award.

^ *The exercise prices and number of share options granted were adjusted for Chartered Semiconductor Manufacturing Ltd's rights issue in 2002.*

@ *Vertex Venture Holdings Ltd was delisted on 12 December 2002.*

There was no change in any of the abovementioned directors' interests in the Company and related corporations between the end of the financial year and 21 January 2003.

Dividends

Since the end of the previous financial year, the Company has paid a net final dividend of \$58,905,985 in respect of the previous financial year as proposed in the directors' report of that year. No interim dividend has been paid in respect of the financial year under review. The directors now recommend the payment of a final dividend of 5% less tax at 22% amounting to \$98,176,646.

Bad and Doubtful Debts

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

Current Assets

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ensure that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report which would render the values attributable to current assets in the consolidated financial statements misleading.

Charges and Contingent Liabilities

Since the end of the financial year:

(i) no charge on the assets of the Company or any corporation in the Group has arisen which secures the liabilities of any other person; and

(ii) no contingent liability of the Company or any corporation in the Group has arisen.

Ability to Meet Obligations

No contingent liability or other liability of the Company or any corporation in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group or of the Company misleading.

Unusual Items

In the opinion of the directors, except as disclosed in the accompanying financial statements, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during the financial year.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors’ Interests in Contracts

During the financial year, one of the directors of the Company received advisory fees from related corporations in his capacity as Corporate Advisor to these companies for provision of strategic, organisational and corporate finance advisory services. In addition, professional fees as disclosed in the accompanying notes to the financial statements, were paid by the Group to firms in which two other directors are members. Except as disclosed, no other director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

(a) CapitaLand Share Option Plan, Performance Share Plan and Restricted Stock Plan 2000

The Share Option Plan, Performance Share Plan and Restricted Stock Plan (collectively referred to as the “Share Plans”) of the Company were approved and adopted by its members at an Extraordinary General Meeting held on 16 November 2000.

The Executive Resource and Compensation Committee of the Company has been designated as the Committee responsible for the administration of the Share Plans. The Committee comprises the following members:

- Mr Peter Seah Lim Huat (Chairman)
- Mr Hsuan Owyang
- Sir Alan Cockshaw
- Mr Lim Chin Beng
- Mr Jackson Peter Tai

The Share Option Plan is the basic share incentive scheme which is more widely applied across the Group whereas the Performance Share Plan and Restricted Stock Plan apply only to key executives and the awards granted under these two Plans are only released or vested after achievement of pre-determined targets and/or after the satisfactory completion of time-based service conditions.

Under the Share Option Plan, options are granted to eligible participants exercisable during a certain period and at a certain price as set out below.

Under the Performance Share Plan, awards are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance target(s). Awards are released once the Committee is satisfied that the prescribed target(s) have been achieved. There are no vesting periods beyond the performance achievement periods.

Under the Restricted Stock Plan, awards granted vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards). No minimum vesting periods are prescribed under the Restricted Stock Plan and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the Performance Share Plan in that an extended vesting period is imposed beyond the performance target completion date.

The principal terms of the Share Plans are:

Plans Size and Duration

The total number of new shares over which options may be granted pursuant to the Share Option Plan, when added to the number of new shares issued and issuable in respect of all options granted thereunder and all awards granted under the Performance Share Plan and Restricted Stock Plan, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

The Share Plans shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on 16 November 2000, provided always that the Share Plans may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Share Plans, any outstanding options held by and/or awards made to participants prior to such expiry or termination will continue to remain valid.

Participants of the Share Plans

In respect of the Share Option Plan, the following persons shall be eligible to participate:

- Group Executives who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time;
- Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
- Executives of Parent Group (that is Singapore Technologies Group) and Executives of Associated Companies (over which the Company has operational control) who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

In respect of the Performance Share Plan and Restricted Stock Plan, the following persons shall be eligible to participate:

- Group Executives who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time (including those Parent Group Executives and Non-Executive Directors of the Parent Group who meet the foregoing age and rank criteria and whose services have been seconded to a company within the Group and who shall be regarded as Group Executives for the purposes of the Performance Share Plan and Restricted Stock Plan);
- Non-Executive Directors (other than Non-Executive Directors of Parent Group) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
- Executives of Associated Companies who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

Persons who are the Company’s controlling shareholders or their associates as defined in the SGX-ST Listing Manual are not eligible to participate in all the Share Plans.

Maximum Entitlements

The Share Plans provide that the number of options or awards to be granted be discretionary. However, under the Share Option Plan, the aggregate number of shares which may be offered by way of grant of options to Parent Group Executives and Non-Executive Directors of Parent Group shall not exceed 20% of the total number of shares available under the Share Option Plan.

Exercise Period

Under the Share Option Plan, options with subscription prices which are equal to, or higher than, the Market Price may be exercised one year after the date of grant, and in accordance with a vesting schedule and the conditions (if any) to be determined by the Committee on the date of grant of the respective options.

Options with subscription prices which represent a discount to the Market Price may be exercised two years after the date of grant, and in accordance with a vesting schedule and the conditions (if any) to be determined by the Committee on the date of grant of the respective options.

Subscription Price

The subscription price for each share in respect of which an option is exercisable shall be determined by the Committee, in its absolute discretion, to be either:

- a price which is equal to the volume-weighted average price for the Company shares on the SGX-ST over the three consecutive Trading Days immediately preceding the date of grant of that option (the “Market Price”), or such higher price as may be determined by the Committee in its absolute discretion; or
- a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price in respect of that option.

The subscription price shall, in no event, be less than the nominal value of the Company share.

• Grant of Options

Options under the Share Option Plan may be granted at any time during the period when the said Plan is in force, except that no options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's financial results. In the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, options may be granted on or after the fourth Market Day after the day on which such announcement is released.

(b) Share Options Granted

During the financial year, options were granted under the respective share option schemes of the Company and subsidiaries, The Ascott Group Limited, Raffles Holdings Limited and Australand Holdings Limited. The fair value of each option granted at the date of the grant is estimated using the Black-Scholes option-pricing model on the basis of the following assumptions on dividend yield, risk-free interest rate, expected volatility and expected lives:

CapitaLand Share Option Plan

Participants and Exercise period	Exercise price per share \$	Number of shares under option	Fair value of options* \$	Dividend yield %	Risk-free interest rate %	Volatility rate %	Expected lives (years)
A. Directors of the Company							
1 executive director 11/5/2003 to 10/5/2012	1.71	800,000	492,800	3.01	4.53	51.27	4.5
10 non-executive directors 11/5/2003 to 10/5/2007	1.71	950,000	585,200	3.01	4.53	51.27	4.5
Sub-Total A		1,750,000	1,078,000				
B. Group Executives							
2,045 participants 11/5/2003 to 10/5/2012	1.71	19,597,600	12,072,122	3.01	4.53	51.27	4.5
Sub-Total B		19,597,600	12,072,122				
C. Parent Group Executives and Others							
128 participants 11/5/2003 to 10/5/2012	1.71	745,000	458,920	3.01	4.53	51.27	4.5
33 participants 11/5/2003 to 10/5/2007	1.71	855,000	526,680	3.01	4.53	51.27	4.5
Sub-Total C		1,600,000	985,600				
Total		22,947,600	14,135,722				

* Fair value of each option granted is \$0.616.

The Ascott Group Share Option Plan

Participants and Exercise period	Exercise price per share \$	Number of shares under option	Fair value of options* \$	Dividend yield %	Risk-free interest rate %	Volatility rate %	Expected lives (years)
A. Group Executives							
402 participants 4/5/2003 to 3/5/2012	0.353	13,943,000	1,742,875	2.17	4.53	41.4	4.5
B. Non-Executive Directors							
7 participants 4/5/2003 to 3/5/2007	0.353	750,000	93,750	2.17	4.53	41.4	4.5
C. Parent Group Executives							
191 participants 4/5/2003 to 3/5/2012	0.353	2,085,000	260,625	2.17	4.53	41.4	4.5
Total		16,778,000	2,097,250				

* Fair value of each option granted is \$0.125.

Raffles Holdings Share Option Plan

Participants and Exercise period	Exercise price per share \$	Number of shares under option	Fair value of options* \$	Dividend yield %	Risk-free interest rate %	Volatility rate %	Expected lives (years)
A. Non-Executive Directors							
6 participants 16/8/2003 to 15/8/2007	0.50	430,000	24,080	8.60	3.94	33.25	3.5
B. Group Executives							
576 participants 16/8/2003 to 15/8/2012	0.50	11,693,800	654,853	8.60	3.94	33.25	3.5
C. Parent Group Executives							
84 participants 16/8/2003 to 15/8/2012	0.50	811,000	45,416	8.60	3.94	33.25	3.5
D. Associated Company Executives							
1,045 participants 16/8/2003 to 15/8/2007	0.50	1,450,000	81,200	8.60	3.94	33.25	3.5
Total		14,384,800	805,549				

* Fair value of each option granted is \$0.056.

Australand Share Option Plan

Participants and Exercise period	Exercise price per share A\$	Number of shares under option	Fair value of options A\$	Dividend yield %	Risk-free interest rate %	Volatility rate %	Expected lives (years)
A. Directors							
1 executive director 13/3/2003 to 13/3/2011	1.61	400,000	76,000	7.5	6.00	23.0	4.5
4 non-executive directors 13/3/2003 to 13/3/2011	1.61	200,000	38,000	7.5	6.00	23.0	4.5
B. Employees							
101 participants 13/3/2003 to 13/3/2011	1.61	3,637,000	691,030	7.5	6.00	23.0	4.5
Total		4,237,000	805,030				

* Fair value of each option granted is A\$0.190.

In respect of the share option plans of CapitaLand Limited, The Ascott Group Limited and Raffles Holdings Limited, no participant received options which totalled 5% or more of the total number of shares available under the respective share option plans. In addition, no option has been granted with subscription prices set at a discount to the market price of the shares at the time of the grant. The options granted also do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share of any other company.

Save as disclosed above, there were no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries during the financial year.

(c) Share Options Exercised

During the financial year, 261,000 ordinary shares of \$0.20 each fully paid in the share capital of the The Ascott Group Limited were issued pursuant to the exercise of options granted under The Ascott Group’s Share Option Plan. In addition, 1,592,000 ordinary shares fully paid in the share capital of Australand Holdings Limited were issued pursuant to the exercise of options granted under Australand’s Share Option Plan.

Save as disclosed above, there were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

d) Unissued Shares under Option

At the end of the financial year, there were the following unissued ordinary shares of the Company and the following subsidiaries under option:

Option Category	Number of participants	Expiry date	Nominal value (per share) \$	Exercise price (per share) \$	Number of unissued shares under option
The Company					
Directors of the Company	6	11/6/2005	1.00	2.54	721,590
	4	3/8/2005	1.00	2.51	280,000
	8	18/6/2006	1.00	2.50	1,250,000
	9	10/5/2007	1.00	1.71	900,000
	1	11/6/2010	1.00	2.54	1,077,000
	1	18/6/2011	1.00	2.50	800,000
	1	10/5/2012	1.00	1.71	800,000
					5,828,590
Group Executives	10	25/3/2003	1.00	2.70	675,998
	22	7/4/2004	1.00	2.61	1,460,674
	26	12/4/2010	1.00	2.38	2,124,800
	385	11/6/2010	1.00	2.54	5,757,296
	245	3/8/2010	1.00	2.51	1,660,800
	1	23/11/2010	1.00	2.68	200,000
	1,272	18/6/2011	1.00	2.50	15,336,440
	1	2/7/2011	1.00	2.49	100,000
	1	31/12/2011	1.00	1.85	300,000
	1,035	10/5/2012	1.00	1.71	16,514,570
					44,130,578
Parent Group Executives and others	3	3/8/2005	1.00	2.51	200,000
	19	11/6/2005	1.00	2.54	1,120,080
	30	18/6/2006	1.00	2.50	920,000
	27	10/5/2007	1.00	1.71	720,000
	62	11/6/2010	1.00	2.54	547,116
	107	10/5/2012	1.00	1.71	661,000
					4,168,196
Total number of unissued shares under option					54,127,364

Option Category	Number of participants	Expiry date	Nominal value (per share) \$	Exercise price (per share) \$	Number of unissued shares under option
The Ascott Group Limited					
Non-Executive Directors	9	19/12/2005	0.20	0.37	1,050,000
	9	28/6/2006	0.20	0.32	1,050,000
	7	3/5/2007	0.20	0.353	750,000
Other Executives	324	19/12/2010	0.20	0.37	12,278,000
	502	28/6/2011	0.20	0.32	14,627,000
	539	4/5/2012	0.20	0.353	15,248,000
Total number of unissued shares under option					45,003,000

Raffles Holdings Limited					
Non-Executive Directors	6	15/8/2006	0.50	0.50	400,000
	6	15/8/2007	0.50	0.50	430,000
Group Executives	308	15/8/2011	0.50	0.50	6,134,700
	576	15/8/2012	0.50	0.50	11,541,800
Parent Group Executives	86	15/8/2011	0.50	0.50	979,500
	84	15/8/2012	0.50	0.50	811,000
Associated Company Executives	391	15/8/2006	0.50	0.50	990,800
	1,045	15/8/2007	0.50	0.50	1,299,700
Total number of unissued shares under option					22,587,500

Australand Holdings Limited					
Directors	5	13/3/2011	N.A. #	A\$1.61	600,000
Employees	10	11/8/2003	N.A. #	A\$1.10	525,000
	94	13/3/2011	N.A. #	A\$1.61	3,356,000
Total number of unissued shares under option					4,481,000

With effect from 1 July 1998, par value shares have been abolished under the Australian Company Law Review Act 1998.

Save as disclosed above, there were no unissued shares of the Company or its subsidiaries under option as at the end of the financial year.

(e) Awards under CapitaLand, Ascott and Raffles Performance Share Plans

During the financial year, the respective Executive Resource Compensation Committees (“ERCC”) of the abovementioned companies have granted awards, conditional on targets set for a performance period, currently prescribed to be a three-year performance period. The performance shares will only be released to the recipient at the end of the qualifying period. The final number of performance shares given will depend on the level of achievement of those targets over the three-year performance period. A specified number of performance shares shall be released by the ERCC to the recipient at the end of the performance period, provided the minimum level of targets achieved is not less than 80% of targets set.

Recipients who do not meet at least 80% of the targets set at the end of the performance period will not be given any performance shares. On the other hand, if targets set are exceeded by more than 100%, more performance shares than the original award could be delivered up to a maximum of 200% of the original award.

As at 31 December 2002, the conditional awards of performance shares granted were as follows:

	Number of performance shares conditionally awarded	Number of performance shares to be delivered after 2004
CapitaLand Limited		
Liew Mun Leong	250,000	0 to 500,000
27 executives	1,530,000	0 to 3,060,000
Total	1,780,000	0 to 3,560,000

The Ascott Group Limited		
Kee Teck Koon	900,000	0 to 1,800,000
3 executives	900,000	0 to 1,800,000
Total	1,800,000	0 to 3,600,000

Raffles Holdings Limited		
Richard Charles Helfer	800,000	0 to 1,600,000
4 executives	1,500,000	0 to 3,000,000
Total	2,300,000	0 to 4,600,000

Todate, no release of performance shares has been made as the three-year performance cycle of the first grant will end in 2004 and any release of performance shares will be in 2005.

The maximum number of performance shares which could be delivered, when aggregated with the number of new shares issued and issuable in respect of all options granted, is within the 15% limit of the issued share capital of the respective company on the day preceding the relevant date of grant.

(f) Awards under CapitaLand, Ascott and Raffles Restricted Share Plans

As at 31 December 2002, no award has been granted since the inception of the restricted share plans of the abovementioned companies.

g) **Proforma Financial Effect Under United States Financial Accounting Standard No. 123**

Strictly for information purposes only, the proforma consolidated profit attributable to shareholders and the earnings per share would have been as follows had the Group accounted for the fair value of the employees’ share options granted by the Company, The Ascott Group Limited, Australand Holdings Limited and Raffles Holdings Limited, under the United States Financial Accounting Standard No. 123:

	2002 \$'000	2001 \$'000 *
Profit/(Loss) attributable to shareholders		
As reported	290,168	(281,449)
Less :		
Amortisation of fair value of share options over the vesting periods of the respective companies	(9,102)	(7,641)
Proforma	281,066	(289,090)
Earnings per share (in cents)		
As reported	11.5	(11.2)
Proforma	11.2	(11.5)
Diluted earnings per share (in cents)		
As reported	11.5	(11.2)
Proforma	11.2	(11.5)

* Please refer to note 51.

These proforma amounts may not be representative of future disclosures since the estimated fair value of share options is determined in respect of grants made and accepted from financial year ended 31 December 2000 onwards. The estimated fair value of the share options is amortised over the vesting periods of the respective companies and additional options may be granted in future years.

Audit Committee

The Audit Committee members at the date of this report are Mr Richard Edward Hale (Chairman), Mr Sum Soon Lim and Mr Lucien Wong Yuen Kuai. Mr Hale was appointed a director on 10 February 2003 and he took over the chairman position of the Audit Committee from Mr Hsieh Fu Hua who had resigned as a director on 10 February 2003.

The Audit Committee performs the functions specified by Section 201B of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange.

The financial statements, accounting policies and system of internal controls are the responsibility of the Board of Directors acting through the Audit Committee. Areas of review by the Audit Committee include:

- the reliability of financial statements;
- impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- compliance with laws and regulations, particularly those of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange;
- the appropriateness of quarterly and full year announcements and reports;
- adequacy of internal controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors’ remuneration.
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditor;
- interested persons transactions; and
- the findings of internal investigation, if any.

The Audit Committee met four times during the year. Specific functions performed include reviewing the scope of the internal audit functions and the scope of work of the statutory auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company’s officers to the auditors. The consolidated financial statements of the Group and the financial statements of the Company were reviewed by the Audit Committee prior to their submission to the directors of the Company for adoption. The Audit Committee also met with the external and internal auditors, without the presence of management, to discuss issues of concern to them.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Singapore Exchange Listing Manual, reviewed the requirements for approval and disclosure of interested persons transactions, reviewed the procedures set up by the Group and the Company to identify and report and where necessary, seek approval for interested persons transactions and, with the assistance of the internal auditors, reviewed interested persons transactions.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



PHILIP YEO LIAT KOK
Director



LIEW MUN LEONG
Director

Singapore
25 February 2003

Statement by Directors

for the year ended 31 December 2002

We, being directors of the Company, do hereby state that in our opinion:

- (a) the financial statements set out on pages 74 to 159 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2002, and of the results of the business and changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors


PHILIP YEO LIAT KOK
Director


LIEW MUN LEONG
Director

Singapore
25 February 2003

Report of the Auditors

to the Members of CapitaLand Limited

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 December 2002 as set out on pages 74 to 159. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2002 and of the results and changes in equity of the Group and of the Company and of the cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, and also considered the financial statements of those subsidiaries which are not required by the laws of their countries of incorporation to be audited, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are stated in note 47 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of the subsidiaries incorporated in Singapore, did not include any comment made under Section 207(3) of the Act.


KPMG
Certified Public Accountants

Singapore
25 February 2003

Balance Sheets

as at 31 December 2002

	Note	The Group		The Company	
		2002 \$'000	2001 * \$'000	2002 \$'000	2001 * \$'000
Non-Current Assets					
Property, Plant and Equipment	3	1,808,013	2,285,416	2,339	3,019
Intangible Assets	4	32,109	50,985	–	–
Investment Properties	5	5,771,493	6,614,030	–	–
Properties Under Development	6	168,448	383,873	–	–
Interests in Subsidiaries	7	–	–	7,196,761	6,398,012
Interests in Associated Companies	8	1,630,690	1,369,669	–	–
Interests in Joint Venture Companies	9	1,049,423	1,012,745	–	–
Interests in Partnerships	10	55,618	34,257	–	–
Financial Assets	11	176,351	186,091	–	–
Deferred Tax Assets	37	29,587	24,912	–	–
Other Non-Current Assets	12	28,188	23,853	1,611	550
		10,749,920	11,985,831	7,200,711	6,401,581
Current Assets					
Development Properties for Sale	13	3,409,528	3,445,158	–	–
Consumable Stock		14,168	14,354	–	–
Trade and Other Receivables	14	897,195	920,740	576,119	1,427,118
Financial Assets	11	169,707	80,275	7,810	7,465
Cash and Cash Equivalents	19	1,087,055	1,922,557	342,085	253,285
		5,577,653	6,383,084	926,014	1,687,868
Less: Current Liabilities					
Bank Overdraft	19	3,410	13,194	–	884
Trade and Other Payables	20	1,168,640	1,346,083	57,786	59,879
Short Term Loans	27	1,232,869	2,133,549	282,660	470,108
Current Portion of Term Loans	28	713,798	959,673	43,963	150,000
Current Portion of Debt Securities	29	1,281,916	1,689,266	331,000	631,590
Provision for Taxation	37	143,325	142,390	–	–
		4,543,958	6,284,155	715,409	1,312,461
Net Current Assets		1,033,695	98,929	210,605	375,407
Less: Non-Current Liabilities					
Term Loans	28	1,744,327	1,900,583	232,690	270,055
Debt Securities	29	1,800,918	2,115,250	891,993	672,754
Deferred Tax Liabilities	37	110,554	93,020	7,426	238
Deferred Income	30	7,928	3,146	–	–
Other Non-Current Liabilities	25	272,888	96,210	1,316,550	885,358
		3,936,615	4,208,209	2,448,659	1,828,405
		7,847,000	7,876,551	4,962,657	4,948,583
Share Capital and Reserves					
Representing:					
Share Capital	32	2,517,350	2,517,350	2,517,350	2,517,350
Reserves	33	3,471,860	3,488,579	2,445,307	2,431,233
Share Capital and Reserves		5,989,210	6,005,929	4,962,657	4,948,583
Minority Interests	34	1,857,790	1,870,622	–	–
		7,847,000	7,876,551	4,962,657	4,948,583

* Please refer to note 51.

The accompanying notes form an integral part of these financial statements.

Profit and Loss Accounts

for the year ended 31 December 2002

	Note	The Group		The Company	
		2002 \$'000	2001 * \$'000	2002 \$'000	2001 \$'000
Revenue	35	3,264,008	3,233,172	126,750	101,436
Cost of sales		(2,279,317)	(2,766,825)	(19)	(1,594)
Gross profit		984,691	466,347	126,731	99,842
Other operating income	36(a)	268,129	727,199	82,443	155,587
Administrative expenses		(472,383)	(633,757)	(27,175)	(27,502)
Other operating expenses		(88,850)	(212,836)	(12,179)	(27,911)
Profit from operations		691,587	346,953	169,820	200,016
Finance costs	36(f)	(283,223)	(408,194)	(108,598)	(140,803)
Share of results of:					
– associated companies		56,276	23,586	–	–
– joint venture companies		19,227	(2,971)	–	–
– partnerships		(6)	1,208	–	–
		75,497	21,823	–	–
Profit/(Loss) before taxation	36	483,861	(39,418)	61,222	59,213
Taxation	37	(86,600)	(103,335)	(18,623)	(20,181)
Profit/(Loss) after taxation		397,261	(142,753)	42,599	39,032
Minority interests		(107,093)	(138,696)	–	–
Net profit/(loss) attributable to shareholders		290,168	(281,449)	42,599	39,032
Basic earnings per share (cents)	38	11.5	(11.2)		
Fully diluted earnings per share (cents)	38	11.5	(11.2)		

* Please refer to note 51.

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2002

	Note	The Group 2002 \$'000	2001 * \$'000	The Company 2002 \$'000	2001 \$'000
Share Capital					
At 1 January and 31 December		2,517,350	2,517,350	2,517,350	2,517,350
Share Premium					
At 1 January		3,429,376	3,453,684	2,161,144	2,161,144
Redemption premium and translation differences on US\$ 2% RCCPS		–	(24,308)	–	–
At 31 December		3,429,376	3,429,376	2,161,144	2,161,144
Capital Reserve					
At 1 January		94,173	65,421	–	–
Transfer (to)/from revenue reserves		(3,457)	23,118	–	–
Convertible bonds		30,381	–	30,381	–
Others		(4)	5,634	–	–
At 31 December		121,093	94,173	30,381	–
Capital Redemption Reserve					
At 1 January		3,867	2,823	313	–
Disposal of interests in subsidiaries		–	(857)	–	–
Transfer from revenue reserves for redemption of redeemable preference shares by subsidiaries and joint venture companies		–	1,588	–	–
Transfer from revenue reserves on redemption of US\$ 2% RCCPS		–	313	–	313
At 31 December		3,867	3,867	313	313
Revaluation Reserve					
At 1 January, as previously reported		339,913	1,069,745	–	–
Effect of change in accounting policy	39	590	204	–	–
At 1 January, as restated		340,503	1,069,949	–	–
Net deficit on revaluation of investment properties/properties under development		(258,508)	(381,243)	–	–
Realised revaluation reserve transferred to profit and loss account		(129,408)	(304,923)	–	–
Revaluation surplus on an investment property reclassified from property, plant and equipment held by an associated company		110,939	–	–	–
Share of associated and joint venture companies' revaluation deficit		(63,025)	(43,280)	–	–
Net deficit on revaluation of investment properties/ properties under development charged to profit and loss account	36(c)	40,732	–	–	–
At 31 December		41,233	340,503	–	–

	Note	The Group 2002 \$'000	2001 * \$'000	The Company 2002 \$'000	2001 \$'000
Foreign Currency Translation Reserve					
At 1 January		(12,313)	(24,708)	–	1,239
Exchange differences arising on					
– consolidation of foreign subsidiaries, associated and joint venture companies		(1,708)	(5,986)	–	–
– translation of foreign currency loans used to finance investments in foreign subsidiaries		6,841	18,381	–	(1,239)
– dilution/disposal of subsidiaries and associated companies		6,893	–	–	–
At 31 December		(287)	(12,313)	–	–
Reserve on Consolidation					
At 1 January		6,528	3,648	–	–
Transfer to profit and loss account on realisation of goodwill previously charged to reserves		10,974	2,880	–	–
At 31 December		17,502	6,528	–	–
(Accumulated Loss)/ Unappropriated Profit					
At 1 January, as previously reported		(378,797)	(40,720)	269,776	269,069
Effects of adopting SAS 12	39	8,766	10,174	–	–
Effects of changes in accounting policies	39	(3,524)	1,471	–	–
At 1 January, as restated		(373,555)	(29,075)	269,776	269,069
Net profit/(loss) for the year, as restated	39	290,168	(281,449)	42,599	39,032
Dividends	40	(58,906)	(38,012)	(58,906)	(38,012)
Dilution of interest in subsidiary		(2,088)	–	–	–
Transfer from/(to) capital reserve		3,457	(23,118)	–	–
Transfer to capital redemption reserve		–	(1,901)	–	(313)
At 31 December		(140,924)	(373,555)	253,469	269,776
Total capital and reserves					
		5,989,210	6,005,929	4,962,657	4,948,583

* Please refer to note 51.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2002

	2002 \$'000	2001 * \$'000
Operating activities		
Profit/(Loss) before taxation	483,861	(39,418)
Adjustments for:		
Amortisation of:		
– intangible assets	1,345	1,714
– leasehold investment property	125	124
Allowance/(Write back) for:		
– intangible assets	(9,619)	15,941
– foreseeable losses on development properties for sale	(4,907)	445,183
– loan to investee companies	–	15,443
– non-current portion of financial assets	9,759	82,773
– loan to associated companies	(497)	4,738
Depreciation of property, plant and equipment	105,922	161,110
(Write back)/Impairment of property, plant and equipment	(8,281)	40,863
Impairment of property under development	–	8,150
Write down in value of investment properties	58,758	34,620
Interest expense	283,223	408,194
Interest income	(44,551)	(52,272)
Loss on disposal/Write off of property, plant and equipment	1,704	10,854
Gain on disposal of investment properties	(7,110)	(29,701)
Gain on disposal of subsidiaries and associated companies	(170,254)	(559,180)
Non-current employee benefits	2,551	650
Share of results of associated companies, joint venture companies and partnerships	(75,497)	(21,823)
Accretion of deferred income	(4,678)	(10,807)
	137,993	556,574
Operating profit before working capital changes	621,854	517,156
(Increase)/Decrease in working capital:		
Inventories, trade and other receivables	38,163	188,133
Development properties for sale	93,158	447,267
Trade and other payables	(56,754)	379,011
Amount due from related corporations	(510)	(24,481)
Financial assets	(89,432)	(83,744)
Changes in working capital	(15,375)	906,186
Cash generated from operations	606,479	1,423,342
Income tax paid	(109,555)	(82,370)
Customer deposits received	14,651	63,997
Proceeds from sales of future receivables	169,604	–
Net cash generated from operating activities carried forward	681,179	1,404,969

	Note	2002 \$'000	2001 * \$'000
Net cash generated from operating activities brought forward		681,179	1,404,969
Investing activities			
Proceeds from disposal of property, plant and equipment		19,950	9,685
Purchase of property, plant and equipment		(88,776)	(143,007)
Decrease/(Increase) in associated companies, joint venture companies and partnerships		80,057	(374,344)
Acquisition of investment properties and property under development		(81,794)	(152,858)
Decrease/(Increase) in amounts owing by investee companies		23	(8,052)
Dividends received from associated companies, joint venture companies and partnerships		41,033	33,861
Proceeds from disposal of investment properties		20,149	220,262
Proceeds from disposal of financial assets		14,291	236,645
Disposal/(Acquisition) of subsidiary companies (net)	41	409,886	825,321
Interest income received		19,084	83,270
Net cash generated from investing activities		433,903	730,783
Financing activities			
Interest expense paid		(338,390)	(531,325)
Proceeds/(Repayment) of loans from related corporations (net)		3,825	(6,418)
Proceeds/(Repayment) of loans from minority shareholders (net)		20,133	(181,695)
Contribution from minority shareholders		61,568	–
Redemption of RCCPS		–	(342,747)
Repayment of term loans (net)		(844,345)	(7,087)
(Repayment)/Proceeds from debt securities (net)		(682,732)	54,093
Dividends paid to minority shareholders		(113,979)	(53,709)
Dividends paid to shareholders		(58,906)	(38,012)
Net cash used in financing activities		(1,952,826)	(1,106,900)
Net (Decrease)/Increase in Cash and Cash Equivalents		(837,744)	1,028,852
Cash and Cash Equivalents at beginning of year		1,909,363	868,116
Effect of Exchange Rate Changes on Balances Held in Foreign Currency		12,026	12,395
Cash and Cash Equivalents at end of year	19	1,083,645	1,909,363

* Please refer to note 51.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2002

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 25 February 2003.

1. Domicile and Activities

CapitaLand Limited (the “Company”) is incorporated in the Republic of Singapore with its registered office at 168, Robinson Road, #30-01, Capital Tower, Singapore 068912.

The principal activities of the Company during the financial year are those relating to investment holding and consultancy services as well as the corporate headquarters which gives direction, provides management support services and integrates the activities of its subsidiaries.

The principal activities of the subsidiaries are set out in note 47 to the accompanying financial statements.

The consolidated financial statements for the year ended 31 December 2002 relates to the Company and its subsidiaries (referred to as the “Group”) and the Group’s interests in associated companies, joint venture companies and partnerships.

2. Summary of Significant Accounting Policies

(a) Statement of compliance

The financial statements have been prepared in accordance with Singapore Statements of Accounting Standard (“SAS”) (including Interpretations of Statements of Accounting Standard) issued by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Singapore Companies Act, Chapter 50.

(b) Basis of preparation

The financial statements, which are expressed in Singapore dollars, are prepared on the historical cost basis except that investment properties are stated at valuation and certain investments in securities are stated at market value.

The financial statement have been prepared in compliance with the same accounting policies and methods of computation adopted in the financial statement of the last financial year, except where new/revised accounting standards and changes in accounting policies became effective for 2002 as detailed in note 39.

(c) Basis of consolidation

- (i) A subsidiary is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. All significant inter-company transactions are eliminated on consolidation.
- (ii) For acquisition of subsidiaries which meet the criteria for merger relief under Section 69B of the Companies Act, Chapter 50 and Singapore Statement of Accounting Standard No 22 (2000) “Business Combinations”, the assets, liabilities and results are accounted for under the pooling of interests method. In the year of the merger, the prior year comparative figures of the Group are restated as if the companies acquired have always been members of the Group.

For acquisition of subsidiaries which are accounted for under the purchase method, fair values are assigned to the assets, principally investment properties, land and buildings, owned by the subsidiaries at the date of acquisition as determined by the directors based on independent professional valuations. Any excess or deficiency of the purchase consideration over the fair values assigned to the net assets acquired is accounted for as goodwill or negative goodwill under Note 2(e) “Intangible Assets” below.

- (iii) On disposal of a subsidiary, any attributable amount of purchased goodwill or negative goodwill not previously amortised or credited through the profit and loss account or which has previously been dealt with as a movement in Group reserves for a subsidiary acquired prior to 1 January 2001 is included in the calculation of the profit or loss on disposal.
- (iv) The results of subsidiaries acquired and disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal respectively.
- (v) Assets, liabilities and the results of foreign subsidiaries are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Translation differences arising therefrom are taken directly to foreign currency translation reserve.
- (vi) Exchange differences arising from the translation of inter-company balances which represent an extension of interests of the holding company in the subsidiaries are taken directly to the foreign currency translation reserve in the consolidated financial statements.
- (vii) Where necessary, accounting policies for subsidiaries have been changed to be consistent with the policies adopted by the Group.

(d) Property, plant and equipment

(i) Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is provided on the straight-line basis so as to write off the costs over their estimated useful lives as follows:

Hospitality leasehold land and buildings	–	lower of remaining business operation licence tenure or land lease
Other leasehold land and buildings	–	period of land lease
Freehold buildings	–	20 to 50 years
Hospitality plant, machinery, improvement, furniture, fittings and equipment	–	1 to 15 years
Other plant, machinery and improvements	–	3 to 10 years
Other furniture, fittings and equipment	–	2 to 5 years
Motor vehicles	–	5 years

Assets under construction is stated at cost. Expenditure relating to assets under construction (including interest expenses) are capitalised when incurred. Depreciation will commence when the development is completed.

With effect from 2002, hospitality leasehold land and buildings are depreciated over the period of land lease or business operation licence and are not subject to a maximum of 50 years. The financial impact arising from this change in accounting estimate is a reduction in depreciation expense by approximately \$24 million for the current year.

(e) Intangible assets

(i) Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. In respect of associated and joint venture companies, the carrying amount of goodwill is included in the carrying amount of the investment in the associated or joint venture companies. Goodwill is amortised and charged to the profit and loss account on a straight-line basis from the date of initial recognition over its estimated useful life of not more than 20 years.

(ii) Negative goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the identifiable net assets acquired over the cost of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the profit and loss account.

In respect of associated and joint venture companies, the carrying amount of negative goodwill is included in the carrying amount of the investment in the associated or joint venture companies. The carrying amount of other negative goodwill is deducted from the carrying amount of intangible assets.

(f) Investment properties and Investment properties under development

(i) Investment properties

Investment properties, which are not held with the intention of sale in the ordinary course of business, are stated at valuation on an open market basis. Valuation is made by the directors on an annual basis based on internal valuation or independent professional valuation. Independent professional valuation is made at least once every 3 years.

The net surplus or deficit on revaluation is taken to revaluation reserve except when the total of the reserve is not sufficient to cover a deficit on an aggregate basis within the same geographical segment, in which case the amount by which the deficit exceeds the amount in the revaluation reserve is charged to the profit and loss account.

Surplus on revaluation is released to the profit and loss account upon the sale of investment properties.

The value of investment properties with remaining lease period of 20 years or less are amortised over their remaining leasehold lives.

(ii) Major retrofitting or redevelopment

Investment properties under or awaiting major retrofitting or redevelopment are stated at valuation immediately prior to the commencement of retrofitting or redevelopment. Major retrofitting or redevelopment expenditure is stated at cost less impairment losses.

Upon completion of major retrofitting or redevelopment, the carrying amounts are stated at valuation on the basis stated in 2(f)(i) above.

An impairment loss is recognised in the same way as a revaluation decrease.

(iii) Properties under development

Properties under development are stated at specifically identified cost less impairment losses. Cost of property under development includes borrowing costs and other related expenditure which are capitalised as and when activities that are necessary to get the asset ready for its intended use are in progress. An impairment loss is recognised in the same way as a revaluation decrease.

Upon completion of the development, the amount is reclassified to investment properties. This will be stated at valuation on the basis stated in 2(f)(i) above.

(g) Subsidiaries

Investments in subsidiaries in the Company's balance sheet are stated at cost less impairment losses.

(h) Associated and joint venture companies

(i) An associated company is a company in which the Group has significant influence, but not control in the financial and operating policy decisions.

(ii) A joint venture company is an enterprise over whose activities the Group has joint control established by contractual agreement.

(iii) In the Company's balance sheet, investments in associated and joint venture companies are stated at cost less impairment losses. The results of the associated and joint venture companies are included in the Company's profit and loss account to the extent of dividends received and receivable, provided the Company's right to receive the dividend is established before the balance sheet date.

(iv) Investments in associated and joint venture companies are accounted for in the consolidated financial statements under the equity method from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

(v) The difference between the cost of acquisition and the Group's share of the fair value of the net assets of associated and joint venture companies at the date of acquisition is accounted for as goodwill or negative goodwill under Note 2(e) "Intangible Assets".

(vi) The Group's share of the post-acquisition results of the associated and joint venture companies is included in the consolidated profit and loss account using the most recent available audited financial statements. Where the audited financial statements are not available, the Group's share is based on the unaudited financial statements. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the following year.

The Group's share of the post-acquisition retained profits and reserves of the associated and joint venture companies is included in the consolidated balance sheet under interests in associated and joint venture companies respectively.

(vii) On disposal of an associated or joint venture company, any attributable amount of purchased goodwill not previously amortised or credited through the profit and loss account in respect of an acquisition prior to 1 January 2001 is included in the calculation of the profit and loss on disposal.

(i) Joint venture operations

A joint venture operation is a contractual agreement whereby the Group and other parties undertake economic activities which are subject to a joint contract. The proportionate consolidation accounting method is used for joint venture operations whereby the Group's share of each of the assets, liabilities, income and expense is combined on a line-by-line basis with similar items in the Group financial statements.

(j) Partnerships

(i) A partnership is one where the Group has an interest and a share in the profits or loss and the net assets of the partnership.

(ii) In the Company's balance sheet, investments in partnerships are stated at cost less impairment losses.

(iii) Investments in partnerships are accounted for in the consolidated financial statements under the equity method.

(iv) The Group's share of the post-acquisition results of the partnership is included in the consolidated profit and loss account using the most recent available audited financial statements. Where the audited financial statements are not available, the Group's share is based on the unaudited financial statements. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the following year.

The Group's share of the post-acquisition retained profits and reserves of the partnership is included in the consolidated balance sheet under interests in partnerships.

(k) Financial assets

(i) Debt and equity securities held for the long term are stated at cost less allowance for diminution in value which are other than temporary as determined by the directors for each debt and equity security individually. Any such allowances are recognised as an expense in the profit and loss account.

(ii) Debt and equity securities held for the short term are classified as current assets, and are stated at the lower of cost and market value determined on a portfolio basis. Cost is determined on the weighted average basis. Any increases or decreases in carrying amount are included in the profit and loss account.

(iii) Profits or losses on disposal of financial assets are determined as the difference between the net disposal proceeds and the carrying amount of the financial assets and are accounted for in the profit and loss account as they arise.

(l) Development properties for sale

Development properties for sale are stated at the lower of cost plus, where appropriate, a portion of the attributable profit, and estimated net realisable value, net of progress billings. Cost of development properties include interest and other related expenditure which are capitalised as and when activities that are necessary to get the assets ready for their intended use are in progress. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

(m) Consumable stock

Consumable stock comprises principally food and beverages, maintenance supplies and spare parts. They are stated at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the stock to its present location and condition. Allowance is made where necessary for obsolete, slow-moving and defective stock.

(n) Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of land and buildings or investment property carried at revalued amount is recognised in the same way as a revaluation decrease. All other impairment losses are recognised in the profit and loss account.

(i) Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversal of impairment loss An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss in respect of land and buildings or investment property carried at revalued amount is recognised in the same way as a revaluation increase. All other reversals of impairment are recognised in the profit and loss account. An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.	Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend. Deferred tax liabilities are not provided on undistributed earnings of foreign subsidiaries to the extent the earnings are intended to remain indefinitely invested in those entities.
(o) Employee benefits (i) Short term employee benefits All short term employee benefits, including accumulated compensated absences, are recognised in the profit and loss account in the period in which the employees render their services to the Company. (ii) Defined contribution plans Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the profit and loss account as incurred. (iii) Long service leave Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of balance sheet date are accrued in respect of all employees at present values of future amounts expected to be paid based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on relevant government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. (iv) Equity compensation benefits The stock option programme allows Group employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received. (v) Performance shares Under the Performance Share Plan, the Company's shares can be awarded to certain employees and directors of the Group. An initial estimate would be made for the cost of compensation based on the number of shares expected to be awarded at the end of the performance period, valued at market price at the date of grant of the award. The cost is charged to the profit and loss account on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the plan over the service period to which the performance criteria relate. At each reporting date, the compensation cost is re-measured based on the latest estimate of the number of shares that will be awarded considering the performance criteria and the market price of the shares at the reporting date. Any increase or decrease in compensation costs over the previous estimate is recorded in that reporting period. The final measure of compensation cost is based in the number of shares ultimately awarded and the market price at the date the performance criteria are met.	(r) Revenue recognition Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows: (i) Rental income Rental income is recognised on an accrual basis. (ii) Development properties for sale The Group recognises income on property development projects using the percentage of completion method. Profit is brought into the financial statements only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of the construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. (iii) Technical consultancy and management fee Technical consultancy and management fee is recognised in the profit and loss account as and when services are rendered. (iv) Dividends Dividend income is recognised in the profit and loss account when the shareholder's right to receive payment is established. (v) Interest income Interest income is recognised on an accrual basis. (vi) Club memberships Entrance fees from club memberships are recognised in the profit and loss account when the amounts are due to be received. 50% of the entrance fees is set aside and included in deferred income. Deferred income is amortised over the remaining membership period.
(p) Provisions A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. (q) Deferred tax Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.	(s) Borrowing costs (i) Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. (ii) The interest on borrowings capitalised is arrived at by reference to the actual rate of interest on borrowings for development purposes and, with regard to that part of the development cost financed out of general funds, at the average rate of interest. (t) Foreign currency translation (i) Unhedged foreign currency assets and liabilities Monetary assets and liabilities in foreign currencies are translated into reporting currencies at rates of exchange closely approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account. (ii) Hedged foreign currency assets and liabilities Where translation differences arise on translation of a foreign currency liability accounted for as a hedge of the foreign entity, this is included in the foreign currency translation reserve. On disposal of the investment in the foreign entity, translation differences are taken to the profit and loss account. (u) Operating leases Rental payable under operating leases are accounted for in the profit and loss account on a straight-line basis over the periods of the respective leases.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

(w) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segments), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments and the Group's internal reporting structure. The primary format, business segments, is based on the Group's principal activities.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-generating assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

3. Property, Plant and Equipment

	Freehold land \$'000	Freehold buildings \$'000	Leasehold land \$'000	Leasehold hotel buildings \$'000	Other leasehold buildings \$'000	Assets under construction \$'000	Plant, machinery and improve- ments \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Total \$'000
The Group										
At cost/valuation										
At 1 January 2002, as previously reported	251,550	594,142	310,825	207,762	824,672	24,743	198,824	9,090	518,147	2,939,755
Effect of change in accounting policy (note 39)	–	–	15,658	17,858	–	–	8,718	–	–	42,234
At 1 January 2002, as restated	251,550	594,142	326,483	225,620	824,672	24,743	207,542	9,090	518,147	2,981,989
Translation difference	15,294	19,791	(3,645)	4,994	(16,521)	239	1,137	(58)	7,215	28,446
Additions	–	22,661	4,140	1,171	5,080	12,288	7,853	666	34,917	88,776
Assets of subsidiaries (disposed)/acquired	(322)	–	–	–	(156,995)	–	1,282	(84)	(3,722)	(159,841)
Carrying value adjustment (note 3(c))	–	(10,325)	–	–	–	–	–	–	–	(10,325)
Disposals	–	(260)	–	(60)	(20,877)	(653)	(5,873)	(905)	(30,164)	(58,792)
Written off	–	–	–	–	–	–	(437)	–	(388)	(825)
Reclassification	32,690	(22,355)	3,515	(480)	(1,406)	(17,719)	1,065	241	4,449	–
Transfer to investment properties and properties under development	–	–	(50,566)	–	(303,046)	–	(4)	–	–	(353,616)
At 31 December 2002	299,212	603,654	279,927	231,245	330,907	18,898	212,565	8,950	530,454	2,515,812

	Freehold land \$'000	Freehold buildings \$'000	Leasehold land \$'000	Leasehold hotel buildings \$'000	Other leasehold buildings \$'000	Assets under construction \$'000	Plant, machinery and improve- ments \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Total \$'000
The Group										
Depreciation and impairment losses										
At 1 January 2002, as previously reported	–	39,896	48,544	59,608	121,600	–	109,586	5,604	302,092	686,930
Effect of change in accounting policy (note 39)	–	–	1,795	2,045	–	–	5,803	–	–	9,643
At 1 January 2002, as restated	–	39,896	50,339	61,653	121,600	–	115,389	5,604	302,092	696,573
Translation difference	–	1,149	(318)	691	(5,009)	–	611	(73)	3,363	414
Depreciation for the year	–	10,148	1,859	4,111	14,358	–	19,526	1,376	54,544	105,922
Impairment loss/(reversal of impairment loss)	–	–	(9,784)	1,503	–	–	–	–	–	(8,281)
Assets of subsidiaries (disposed)/acquired	–	–	–	–	(10,662)	–	362	(56)	(2,184)	(12,540)
Disposals	–	(260)	–	(4)	(7,044)	–	(3,704)	(760)	(25,455)	(37,227)
Written off	–	–	–	–	–	–	(393)	–	(343)	(736)
Reclassification	–	(894)	492	–	(492)	–	(350)	18	1,226	–
Transfer to investment properties and properties under development	–	–	(25,252)	–	(11,072)	–	(2)	–	–	(36,326)
At 31 December 2002	–	50,039	17,336	67,954	101,679	–	131,439	6,109	333,243	707,799

Depreciation charge for 2001	–	12,367	4,088	26,148	25,591	–	20,484	1,487	70,945	161,110
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Carrying amount At 31 December 2002	299,212	553,615	262,591	163,291	229,228	18,898	81,126	2,841	197,211	1,808,013
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At 31 December 2001	251,550	554,246	276,144	163,967	703,072	24,743	92,153	3,486	216,055	2,285,416
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- (a) At 31 December 2002, certain property, plant and equipment with carrying value totalling approximately \$507 million (2001: \$339 million) were mortgaged to banks to secure credit facilities for the Group (notes 27 and 28).
- (b) During the year, a leasehold building with net carrying value of \$289,167,000 was transferred to investment properties. Previously, the building was stated at valuation on the basis of open market valuation by an independent professional valuer. The valuation date was on 30 November 2000.
- (c) During the year, a freehold building previously stated at valuation was restated to the cost basis. Arising therefrom, the freehold building was adjusted downward by an amount of \$10,325,000. Previously, the building was stated on the basis of open market valuation by an independent professional valuer. The valuation date was on 9 August 2001.
- (d) Arising from (b) and (c) above, all property, plant and equipment were stated on the cost basis as at 31 December 2002.

The Company	Plant machinery and improvements \$'000	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost				
At 1 January 2002	3,206	7,036	526	10,768
Additions	233	495	–	728
Disposals	–	(3)	–	(3)
Written off	(282)	(2)	–	(284)
At 31 December 2002	3,157	7,526	526	11,209
Depreciation and impairment losses				
At 1 January 2002	1,720	5,881	148	7,749
Depreciation for the year	1,019	275	105	1,399
Disposals	–	(2)	–	(2)
Written off	(274)	(2)	–	(276)
At 31 December 2002	2,465	6,152	253	8,870
Depreciation charge for 2001	1,192	129	104	1,425
Carrying amount At 31 December 2002	692	1,374	273	2,339
At 31 December 2001	1,486	1,155	378	3,019

4. Intangible Assets

	Note	The Group 2002 \$'000	2001 \$'000
(a) Goodwill on consolidation, at cost			
At 1 January, as previously reported		52,787	–
Effect of adopting SAS 12 (2001)		15,853	–
At 1 January, as restated		68,640	–
Acquisition through business combinations		4,691	52,787
Adjustment of goodwill	4(b)	(32,139)	–
Effect of adopting SAS 12 (2001)		–	15,853
Translation difference		298	–
At 31 December		41,490	68,640
Less:			
Accumulated amortisation and impairment losses			
At 1 January, as previously reported		(17,193)	–
Effect of adopting SAS 12 (2001)		(462)	–
At 1 January, as restated		(17,655)	–
Amortisation charge for the year	36(c)	(1,345)	(1,252)
Effect of adopting SAS 12 (2001)	36(c)	–	(462)
Allowance for impairment loss reversed/(made) in respect of management contracts	36(c)	9,619	(15,941)
At 31 December		(9,381)	(17,655)
		32,109	50,985

(b) Adjustment of goodwill relates to subsequent changes in value of identifiable assets and liabilities in connection with a foreign subsidiary acquired by the Group in the previous year.

5. Investment Properties

	Note	The Group 2002 \$'000	2001 \$'000
(a) Freehold investment properties, at valuation		1,342,729	1,036,644
Leasehold investment properties, at valuation		4,428,516	5,577,013
Leasehold investment properties, at cost		2,021	2,021
Less:			
Accumulated amortisation			
At 1 January		(1,648)	(1,524)
Amortisation charge for the year	36(c)	(125)	(124)
At 31 December		(1,773)	(1,648)
		248	373
		5,771,493	6,614,030

(b) Investment properties are stated at directors' valuation based on independent professional valuations carried out by the following valuers, on the basis of open market valuations.

	Valuation Date
CB Richard Ellis (Pte) Ltd	– November 2002
CB Richard Ellis Pty Ltd	– December 2002
Jones Lang LaSalle Property Consultants Pte Ltd	– November/December 2002
Knight Frank Pte Ltd	– November/December 2002
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	– November/December 2002
FPD Savills Property Services (Shanghai) Co Ltd (China)	– November 2002
Cuervo Appraiser Inc. (Philippines)	– November 2002
BI Appraisals Ltd (Hong Kong)	– November 2002
HVS International Inc. (United Kingdom)	– November 2002
Insignia Hotels Limited (United Kingdom)	– November 2002
Vigers J.B. Sdn Bhd (Malaysia)	– November 2002

(c) At 31 December 2002, certain investment properties with carrying value totalling approximately \$1,835 million (2001: \$2,694 million) were mortgaged to banks to secure credit facilities for the Group (note 29).

(d) Investment properties of the Group are held mainly for use by tenants under operating leases.

6. Properties Under Development

	The Group	
	2002 \$'000	2001 \$'000
At cost		
Leasehold land and other related costs	141,018	292,006
Freehold land and other related costs	8,267	123,076
Development costs	30,797	110,556
Interest, property tax and other costs	41,046	39,436
	221,128	565,074
Less:		
Allowance for anticipated valuation deficiencies on completion		
At 1 January	(181,201)	(94,400)
Allowance reversed/(made)	964	(86,801)
Allowance of subsidiaries disposed	103,598	–
Transfer to investment properties	23,900	–
Translation difference	59	–
At 31 December	(52,680)	(181,201)
	168,448	383,873

- (a) During the financial year, interest capitalised as cost of properties under development amounted to \$Nil (2001: \$9.7 million). At 31 December 2002, certain properties under development with carrying value totalling \$Nil (2001: \$116 million) were mortgaged to banks to secure credit facilities for the Group (note 28).
- (b) Properties under development include the Group's 36.8% stake in the proposed 30 storey office building at 3 Church Street. At 31 December 2002, the Group's share of the net carrying value of the proposed development is approximately \$127 million, comprising \$118 million land and related costs, and \$59 million development costs less impairment loss of \$50 million. Samsung Corporation ("Samsung") is the main contractor for the partial design and build contract. The issuance of the Temporary Occupation Permit which was expected on 9 December 2002 was delayed due to building settlement. Remedial works by Samsung to arrest the settlement are on-going with an indicative completion date of March 2003.

The Group has received legal advice that Samsung would be liable for the building settlement, the remedial works and compensation to the developers. At this stage, the amount of compensation has not been determined and agreed and Samsung has not expressly denied or admitted liability for the building settlement. Accordingly, no allowance for impairment losses relating to the building settlement or a contingent asset in respect of the same event has been recognised in these financial statements.

7. Interests in Subsidiaries

	Note	The Company	
		2002 \$'000	2001 \$'000
(a) Unquoted shares, at cost			
Ordinary shares		2,473,163	2,472,163
Redeemable preference shares		3,401,549	3,401,549
		5,874,712	5,873,712
Less:			
Allowance for impairment loss			
At 1 January		(66,200)	(144,211)
Allowance utilised		–	80,011
Allowance made	36(c)	–	(2,000)
At 31 December		(66,200)	(66,200)
		5,808,512	5,807,512
Add:			
Amounts owing by subsidiaries			
Loan accounts			
– interest free	45	2,746	2,930
– interest bearing	45	1,424,734	614,608
		1,427,480	617,538
Less:			
Allowance for doubtful receivables			
At 1 January		(27,038)	(61,589)
Allowance utilised		–	57,322
Allowance reversed	36(c)	78	–
Allowance made	36(c)	(12,271)	(22,771)
At 31 December		(39,231)	(27,038)
		1,388,249	590,500
		7,196,761	6,398,012
Amounts owing by/(to) subsidiaries:			
Current accounts (mainly non-trade)			
– interest free	26	53	820,047
– interest bearing	26	537,370	581,439
		537,423	1,401,486
Current accounts (mainly non-trade)			
– interest free	26	(5,985)	(18)
– interest bearing	26	(24,821)	(15,095)
		(30,806)	(15,113)
Non-current loan accounts			
– interest free	26	(293,107)	(96,123)
– interest bearing	26	(996,137)	(762,588)
		(1,289,244)	(858,711)

- (b) The balances with subsidiaries are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the loan accounts to be repaid within the next 12 months. In respect of interest bearing loan and current accounts, interests are charged at rates ranging from 1.00% to 5.60% (2001: 1.09% to 6.72%) per annum.
- (c) Details of the subsidiaries are set out in note 47.

8. Interests in Associated Companies

	Note	The Group	
		2002 \$'000	2001 \$'000
(a) Unquoted shares, at cost		746,286	537,111
Quoted shares, at cost		296,456	49,820
Add:			
Goodwill on acquisition		(26,908)	(26,908)
		1,015,834	560,023
Share of post-acquisition revaluation reserve		190,909	228,557
Share of post-acquisition capital reserve		1,137	1,055
Share of post-acquisition losses		(152,142)	(195,174)
Translation difference		(31,084)	(26,432)
		1,024,654	568,029
Amounts owing by associated companies			
Loan accounts			
– interest free	45	343,614	332,993
– interest bearing	45	262,422	473,385
		606,036	806,378
Less:			
Allowance for doubtful receivables			
At 1 January		(4,738)	–
Allowance written back/(made)	36(c)	2,689	(4,738)
Allowance utilised		2,000	–
Translation difference		49	–
At 31 December		–	(4,738)
		606,036	801,640
		1,630,690	1,369,669
Market value of quoted shares		276,544	41,571
Amounts owing by/(to) associated companies:			
Current accounts			
– interest bearing (trade)		2,291	6,130
– interest free (non-trade)		55,776	5,015
– interest bearing (non-trade)		3	95,892
		58,070	107,037
Less:			
Allowance for doubtful receivables			
At 1 January		(429)	(487)
Allowance made	36(c)	(7,193)	–
Translation difference		138	58
At 31 December		(7,484)	(429)
	14	50,586	106,608
Current accounts			
– interest free (trade)		(5,373)	(13,567)
– interest bearing (trade)		(4,367)	(3,275)
– interest free (non-trade)		(4,647)	–
	20	(14,387)	(16,842)

(b) The balances with associated companies are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the loan accounts to be repaid within the next 12 months. In respect of interest bearing loan and current accounts, interests are charged at rates ranging from 1.00% to 8.00% (2001: 1.85% to 6.93%) per annum.

(c) Loan accounts include an amount of approximately \$167.2 million (2001: \$246.2 million) which is subordinated to the repayment of borrowings of certain associated companies.

(d) Details of the associated companies are set out in note 48.

9. Interests in Joint Venture Companies

	Note	The Group	
		2002 \$'000	2001 \$'000
(a) Joint venture companies			
(i) Capital contribution, at cost		14,360	14,360
Unquoted shares, at cost		452,674	490,197
Less:			
Goodwill on acquisition		(176)	(176)
		466,858	504,381
Share of post-acquisition losses		(51,002)	(61,781)
Share of post-acquisition revaluation reserve		(26,528)	5,616
Share of post-acquisition reserves due to subsidiaries acquired		(5,688)	(5,688)
Share of post-acquisition capital reserve		1,289	1,289
Translation difference		5,520	7,147
		390,449	450,964
Amounts owing by joint venture companies			
Loan accounts			
– interest free	45	103,997	69,480
– interest bearing	45	557,169	492,301
		661,166	561,781
Less:			
Allowance for doubtful receivables	36(c)	(2,192)	–
		658,974	561,781
		1,049,423	1,012,745

Amounts owing by/(to) joint venture companies:

Current accounts (non-trade)			
– interest free	14	22,606	28,804
– interest free	20	(9,913)	–

(ii) The balances with joint venture companies are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the loan accounts to be repaid within the next 12 months. In respect of interest bearing loan accounts, interests are charged at 1.85% to 11.75% (2001: 7% to 11.75%) per annum. Loan accounts include an amount of approximately \$Nil (2001: \$57.2 million) which is subordinated to the repayment of borrowings of certain joint venture companies.

(iii) Details of the joint venture companies are set out in note 49.

(iv) The Group's share of the joint venture companies' results and assets and liabilities are as follows:

	The Group	
	2002 \$'000	2001 \$'000
Balance Sheet		
Property, plant and equipment	123,849	161,480
Investment properties	596,796	550,654
Properties under development	528,432	325,870
	1,249,077	1,038,004
Current assets	508,437	600,974
Less:		
Current liabilities	(149,177)	(393,037)
Net current assets	359,260	207,937
	1,608,337	1,245,941
Less:		
Non-current liabilities	(546,221)	(204,392)
	1,062,116	1,041,549
Representing:		
Capital contribution	14,360	14,360
Share capital	452,674	490,197
Share of reserves	(76,585)	(53,593)
	390,449	450,964
Amounts owing to shareholders		
– loan accounts	658,974	561,781
– current accounts	12,693	28,804
	671,667	590,585
	1,062,116	1,041,549

Profit and Loss Account

Revenue	265,880	188,904
Expenses	(246,653)	(191,875)
Profit/(Loss) before taxation	19,227	(2,971)
Taxation	(1,848)	(6,338)
Profit/(Loss) after taxation	17,379	(9,309)

The Group's share of the capital commitments of the joint venture companies is \$151.8 million (2001: \$116.4 million).

(b) Joint Venture Operations

(i) Details of joint venture operations entered into by the Group are as follows:

- A joint venture arrangement with NSW Land and Housing Corporation to acquire and develop a site at Quakers Hill, NSW, Australia. Under the terms of Co-Venture Agreement, the Group is entitled to receive 50% of the profits.
- A joint venture arrangement with Morton Homestead Pty. Limited, the principal activity of which is property development. Under the terms of the Co-Venture Agreement, the Group is entitled to receive 50% of the profits.

(ii) Interest in joint venture operations included in the financial statements are shown under the classification below:

	The Group	
	2002 \$'000	2001 \$'000
Non-current assets		
Property, plant and equipment	14	18
Current assets		
Development properties for sale	11,853	4,276
Trade and other receivables	11,575	8,874
	23,428	13,150
Total assets	23,442	13,168
Less:		
Current liabilities		
Trade and other payables	9,859	2,832
Share of net assets employed in joint venture operations	13,583	10,336
Share of profits from joint venture operations	7,548	2,542

10. Interests in Partnerships

	The Group	
	2002 \$'000	2001 \$'000
(a) Capital contribution, at cost	55,498	34,295
Share of post-acquisition losses	(44)	(38)
Translation difference	(3)	–
Loan account – interest free	167	–
	55,618	34,257

(b) The Group's share of the partnerships' results and assets and liabilities are as follows:

	The Group	
	2002 \$'000	2001 \$'000
Balance Sheet		
Properties under development	51,070	31,727
Current assets	10,705	5,665
Less:		
Current liabilities	(6,157)	(3,135)
Net current assets	4,548	2,530
	55,618	34,257
Representing:		
Capital contribution	55,498	34,295
Share of reserves	(47)	(38)
	55,451	34,257
Amount owing to shareholders		
– loan accounts	167	–
	55,618	34,257

Profit and Loss Account

Revenue	88	1,247
Expenses	(94)	(39)
(Loss)/Profit before taxation	(6)	1,208
Taxation	–	(181)
(Loss)/Profit after taxation	(6)	1,027

(c) As at the balance sheet dates, the Group held an effective interest of 50% in Moorgate Investment Partnership, a limited partnership registered in the United Kingdom. The principal activity of the partnership is that of property investment and development.

11. Financial Assets

	Note	The Group	
		2002 \$'000	2001 \$'000
(a) Non-current financial assets			
Quoted shares, at cost less write-down		67,034	92,722
Unquoted shares, at cost		105,272	107,283
Quoted bonds, at cost		1,000	–
Other unquoted investments		13,361	15,507
		186,667	215,512
Less:			
Allowance for impairment losses			
At 1 January		(49,718)	(21,343)
Allowance made	36(c)	(9,759)	(82,773)
Allowance utilised		2,388	54,398
Allowance of subsidiaries disposed		1,000	–
Translation difference		17	–
At 31 December		(56,072)	(49,718)
		130,595	165,794
Amounts owing by investee companies			
Loan accounts			
– interest free		24,260	24,367
– interest bearing	45	44,253	44,169
		68,513	68,536
Less:			
Allowance for doubtful receivables			
At 1 January		(48,239)	(7,140)
Allowance of subsidiaries acquired		–	(24,205)
Allowance made	36(c)	–	(15,443)
Allowance utilised		106	–
Write back in allowance adjusted against goodwill	4(b)	26,485	–
Translation difference		(1,109)	(1,451)
At 31 December		(22,757)	(48,239)
		45,756	20,297
Total		176,351	186,091
Market value:			
Quoted shares		32,623	59,465
Quoted bonds		1,000	–

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(b) Current financial assets					
At cost:					
Quoted shares		5,170	5,170	–	–
Quoted bonds		10,155	9,899	10,155	9,899
Other unquoted investments		158,280	68,831	–	–
		173,605	83,900	10,155	9,899
Less:					
Allowance for impairment losses					
At 1 January		(3,625)	(746)	(2,434)	–
Allowance made	36(c)	(362)	(2,879)	–	(2,434)
Translation difference		89	–	89	–
At 31 December		(3,898)	(3,625)	(2,345)	(2,434)
		169,707	80,275	7,810	7,465
Market value:					
Quoted shares		3,617	4,129	–	–
Quoted bonds		7,261	5,902	7,261	5,902

(c) The balances with investee companies are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the amounts to be repaid within the next 12 months. In respect of interest bearing loan accounts, interests are charged at rates ranging from 1.13% to 6.00% (2001: 3.31% to 7.90%) per annum.

(d) Quoted and unquoted investments include investments in floating rate notes and bonds.

12. Other Non-Current Assets

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Club memberships		1,402	1,099	55	25
Amounts owing by related corporations	26	–	3,801	–	–
Loans to staff and a director of subsidiary		3,841	5,523	1,556	525
Loan to third party		22,945	13,430	–	–
		28,188	23,853	1,611	550

The loan to the third party is unsecured, bears interest at 8.75% (2001: 8.75%) per annum and is repayable on March 2005.

13.Development Properties for Sale

	Note	The Group 2002 \$'000	2001 \$'000
(a) Properties in the course of development at cost			
Land and other related costs		3,562,767	3,319,935
Development costs		731,353	1,187,252
Interest, property tax and others		173,479	249,521
		4,467,599	4,756,708
Less:			
Allowance for foreseeable losses			
At 1 January		(798,860)	(414,179)
Allowance write back/(made)	36(c)	20,706	(408,244)
Allowance utilised		4,633	1,275
Allowance of subsidiaries disposed		45,838	–
Transfer to completed units		30,364	22,288
Translation difference		420	–
At 31 December		(696,899)	(798,860)
		3,770,700	3,957,848
Add: Attributable profit		172,052	94,918
		3,942,752	4,052,766
Less: Progress billings		(705,991)	(844,550)
		3,236,761	3,208,216
Completed units		232,203	290,661
Less:			
Allowance for foreseeable losses			
At 1 January		(53,719)	(62,964)
Allowance made	36(c)	(15,799)	(36,939)
Allowance utilised		40,338	68,472
Transfer from properties in the course of development		(30,364)	(22,288)
Translation difference		108	–
At 31 December		(59,436)	(53,719)
		172,767	236,942
		3,409,528	3,445,158

(b) During the financial year, there were the following interests capitalised as cost of development properties for sale:

	Note	The Group 2002 \$'000	2001 \$'000
Interest paid and payable to banks	36(f)	41,660	46,375
Less:			
Interest received and receivable from fixed deposit project accounts	36(a)	(787)	(1,408)
		40,873	44,967

- (c) At 31 December 2002, certain development properties for sale amounting to approximately \$1,303 million (2001: \$1,218 million) were mortgaged to banks to secure credit facilities of the Group (notes 28 and 29).
- (d) At 31 December 2002, there were certain development properties for sale amounting to \$266 million (2001: \$Nil) whose future receivables were sold to third parties. As part of the arrangement of the sale, the Group has provided a fixed and floating charge over assets relating to the projects (including the land on which the projects are being built and the unsold units) to the third parties (note 25).

14.Trade and Other Receivables

	Note	The Group 2002 \$'000	2001 \$'000	The Company 2002 \$'000	2001 \$'000
Trade receivables	15	281,152	410,268	62	222
Accrued receivables	16	86,573	100,947	–	–
Other receivables, deposits and prepayments	17	429,866	232,933	38,634	25,410
Funds held in trust	18	21,670	36,858	–	–
Amounts owing by:					
– associated companies	8	50,586	106,608	–	–
– joint venture companies	9	22,606	28,804	–	–
Loans to investee companies		3,979	4,069	–	–
Amounts owing by related corporation	26	763	253	537,423	1,401,486
		897,195	920,740	576,119	1,427,118

15.Trade Receivables

	Note	The Group 2002 \$'000	2001 \$'000	The Company 2002 \$'000	2001 \$'000
Trade receivables		304,626	433,273	62	308
Less:					
Allowance for doubtful receivables					
At 1 January		(23,005)	(12,572)	(86)	(425)
Allowance of subsidiaries (acquired)/disposed		(156)	143	–	–
Allowance made	36(c)	(1,863)	(10,881)	–	(33)
Allowance utilised		2,032	852	86	372
Translation difference		(482)	(547)	–	–
At 31 December		(23,474)	(23,005)	–	(86)
		281,152	410,268	62	222

16.Accrued Receivables

In accordance with the Group's accounting policy, income is recognised on the progress of the construction work. Upon receipt of Temporary Occupation Permit, the balance of sales consideration to be billed is included as accrued receivables.

17.Other Receivables, Deposits and Prepayments

	Note	The Group 2002 \$'000	2001 \$'000	The Company 2002 \$'000	2001 \$'000
Prepayments		40,387	35,541	5,937	20
Deposits		20,955	21,420	20	100
Other receivables		309,379	167,267	2,226	2,686
Less:					
Allowance for doubtful receivables					
At 1 January		(29,112)	(6,879)	–	–
Allowance of subsidiaries disposed		–	2,353	–	–
Allowance write back/(made)	36(c)	6,675	(26,191)	–	–
Allowance utilised		4,615	2,071	–	–
Translation difference		342	(466)	–	–
At 31 December		(17,480)	(29,112)	–	–
		291,899	138,155	2,226	2,686
Tax recoverables	37(a)	76,625	37,817	30,451	22,604
		429,866	232,933	38,634	25,410

At 31 December 2002, other receivables of the Group include sales consideration deferred and loan receivables relating to disposal of a subsidiary of approximately \$53.4 million (2001: \$Nil). The other receivables include amount receivable in connection with staff loans, interest receivable and other recoverables.

18.Funds Held in Trust

Funds held in trust comprise fixed deposits and bank balances with banks and finance companies held on behalf of the Commissioner of Land, Public Utilities Board, the Housing and Development Board and related corporations:

	The Group	
	2002 \$'000	2001 \$'000
Fixed deposits	15,255	16,704
Cash at banks	6,415	20,154
	21,670	36,858

Funds held in trust include an amount of \$935,000 (2001: \$771,000) held on behalf of related corporations.

19.Cash and Cash Equivalents

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Amounts held under “Project Account Rules – 1997 Ed” withdrawals from which are restricted to payments for expenditure incurred on development projects		208,652	216,096	–	–
Fixed deposits		614,225	1,412,567	340,600	244,729
Cash at bank and in hand		264,178	293,894	1,485	8,556
	45	1,087,055	1,922,557	342,085	253,285
Bank overdrafts (unsecured)		(3,410)	(13,194)	–	(884)
Cash and cash equivalents in the statement of cash flows		1,083,645	1,909,363	342,085	252,401

- (a) Amounts held under “Project Account Rules – 1997 Ed” of \$93 million (2001: \$21 million) were pledged as securities for the term loans (note 28).
- (b) Fixed deposits of \$27 million (2001: \$322 million) were pledged as securities for the medium term notes (note 29).
- (c) At 31 December 2002, there was a charge over all monies from time to time standing to the credit of the project accounts amounting to \$17 million (2001: \$Nil) in respect of certain development properties for sale whose future receivables were sold (note 25).

20.Trade and Other Payables

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Trade payables		136,337	346,469	–	2,477
Accruals	21	588,585	615,572	26,388	40,568
Other payables	22	254,960	145,399	12	119
Rental and other deposits	23	53,271	53,077	2	406
Funds held in trust	18	21,670	36,858	–	–
Contract work-in-progress	24	14,327	7,302	–	–
Deferred income	30	–	–	–	821
Provisions	25	54,503	95,962	–	–
Liability for employee benefits	31	16,359	14,104	578	375
Amounts owing to associated companies	8	14,387	16,842	–	–
Amounts owing to joint venture companies	9	9,913	–	–	–
Amounts owing to related corporations	26	4,328	14,498	30,806	15,113
		1,168,640	1,346,083	57,786	59,879

21.Accruals

Accruals include accrued development expenditure, accrued interest payable and accrued property, plant and equipment purchases.

22.Other Payables

Other payables relate principally to retention sums and amounts payable in connection with capital expenditure incurred.

23.Rental and Other Deposits

Rental and other deposits include an amount of \$1,973,000 (2001: \$2,468,000) received from related corporations.

24.Contract Work-in-Progress

	The Group	
	2002 \$'000	2001 \$'000
Cost incurred and provided for	9,236	221
Less:		
Allowance for anticipated losses	(6,843)	(6,843)
	2,393	(6,622)
Less:		
Progress payments received and receivable	(16,720)	(680)
Progress billings in excess of work-in-progress	(14,327)	(7,302)

25.Other Non-Current Liabilities

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Amounts owing to related corporations	26	26,647	26,647	1,315,891	885,358
Liability for employee benefits	31	4,016	1,465	659	–
Customer deposits		55,243	46,389	–	–
Provisions	25(a)	17,378	21,709	–	–
Proceeds from sale of future receivables	25(b)	169,604	–	–	–
		272,888	96,210	1,316,550	885,358

(a) Movements in provisions are as follows:

	Note	Income support and profit warranty \$'000	Compensation to tenants \$'000	Others \$'000	Total \$'000
Balance as at 1 January 2002		96,711	20,960	–	117,671
Provision (reversed)/made during the year		(9,104)	7,869	2,600	1,365
Provision utilised during the year		(17,926)	(28,829)	–	(46,755)
Transfer to other payable		(400)	–	–	(400)
Balance as at 31 December 2002		69,281	–	2,600	71,881
Current	20	51,903	–	2,600	54,503
Non-current		17,378	–	–	17,378
		69,281	–	2,600	71,881

- (i) The provisions for income support and profit warranty were made in conjunction with the sale of equity interests in subsidiaries with stakes in investment properties in 2001. Under the sales and purchase agreements, the Group is obligated to pay the buyers the following:

(a) certain pre-determined sum of income support from 13 June 2001 to 12 June 2005; and

(b) compensation for any shortfall in earnings over a period of 10 years from 2001 to 2010 subject to a maximum cap of \$75,050,000. Any income shortfall is determined by reference to a pre-determined rental yield and income level over a specified period.
- (ii) The provision for compensation to tenants was made in 2001 following a redevelopment plan of an investment property which was subsequently sold to a joint venture company. The provision was fully utilised during the year.

(b) During the financial year, two subsidiaries of the Group sold future receivables amounting to \$508.0 million (2001: \$Nil) in respect of 3 residential projects in Singapore and Australia. At the balance sheet date, proceeds received amounted to \$169.6 million (2001: \$Nil).

The terms of the arrangement for the sales include:

- (i) a fixed and floating charge over assets of the subsidiaries relating to the projects (note 13)
- (ii) a charge over all monies from time to time standing to the credit of the related project accounts (note 19);
- (iii) an assignment of all the subsidiaries’ present and future rights, title and interest in, and all benefits accrued and to accrue to the subsidiaries under the contract for sale entered into with the buyer of a unit of the project which form the pool of sold future receivables; and
- (iv) an assignment on all the subsidiaries’ present and future rights, title to and interest in:

(a) all contracts and agreements entered into by the subsidiaries with the consultants and contractors and all construction guarantees issued in favour of the subsidiaries; and

(b) all the policies and contracts of insurance taken out by the subsidiaries.

26.Amounts Owing by/(to) Related Corporations

	Note	The Group		The Company	
		2002 \$’000	2001 \$’000	2002 \$’000	2001 \$’000
Current					
Amounts owing by:					
Current accounts					
– Subsidiaries					
– non-trade					
– interest free	7	–	–	53	820,047
– interest bearing	7	–	–	537,370	581,439
– Other related corporations					
– trade					
– interest bearing		727	222	–	–
– non-trade					
– interest free		36	31	–	–
	14	763	253	537,423	1,401,486
Amounts owing (to):					
Current accounts					
– Subsidiaries					
– non-trade					
– interest free	7	–	–	(5,985)	(18)
– interest bearing	7	–	–	(24,821)	(15,095)
– Other related corporations					
– trade					
– interest bearing		(857)	(169)	–	–
– non-trade					
– interest free		(3,471)	(14,329)	–	–
	20	(4,328)	(14,498)	(30,806)	(15,113)

	Note	The Group		The Company	
		2002 \$’000	2001 \$’000	2002 \$’000	2001 \$’000
Non-current					
Amounts owing by:					
Loan accounts					
– Other related corporations					
– interest bearing	12	–	3,801	–	–
Amounts owing (to):					
Loan accounts					
– Subsidiaries					
– interest free	7	–	–	(293,107)	(96,123)
– interest bearing	7	–	–	(996,137)	(762,588)
– Other related corporations					
– interest free		(26,647)	(18,933)	(26,647)	(18,933)
– interest bearing		–	(7,714)	–	(7,714)
	25	(26,647)	(26,647)	(1,315,891)	(885,358)

(a) All balances with related corporations are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the loan balances to be repaid within the next 12 months. In respect of interest bearing loan and current accounts, interests are charged at rates ranging from 1.87% to 2.33% (2001: 2.07% to 4.18%) per annum.

(b) The immediate holding corporation is Singapore Technologies Pte Ltd and the ultimate holding corporation is Temasek Holdings (Private) Limited. Both corporations are incorporated in the Republic of Singapore.

27.Short Term Loans

	The Group		The Company	
	2002 \$’000	2001 \$’000	2002 \$’000	2001 \$’000
Short term loans				
– secured				
	271,748	361,749	–	–
– unsecured				
	961,121	1,771,800	282,660	470,108
	1,232,869	2,133,549	282,660	470,108

Secured short term loan include an amount of US\$15.0 million (2001: US\$16.5 million) equivalent to \$26.5 million (2001: \$30.2 million) which is secured by a bank guarantee issued by another bank. The loan bears interest at 4.13% to 6.00% (2001: 8.25% to 11.5%) per annum and is repayable on 23 February 2003 (2001: 22 February 2002). The remaining secured short term loans are secured by mortgages on the borrowing subsidiaries’ land and buildings.

28.Term Loans

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Term loans				
– secured	1,301,980	1,399,321	–	–
– unsecured	1,156,145	1,460,935	276,653	420,055
	2,458,125	2,860,256	276,653	420,055
Repayable:				
– within 1 year	713,798	959,673	43,963	150,000
– after 1 year	1,744,327	1,900,583	232,690	270,055
	2,458,125	2,860,256	276,653	420,055

(i) Secured Term Loans

These comprise loans repayable:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Within 1 year	302,706	398,928	–	–
From 1 to 2 years	331,704	439,319	–	–
From 2 to 5 years	667,570	353,608	–	–
After 5 years	–	207,466	–	–
After 1 year	999,274	1,000,393	–	–
	1,301,980	1,399,321	–	–

The secured term loans bear interests ranging from 1.13% to 8.50% (2001: 2.00% to 8.00%) per annum.

- (a) Secured term loans include an amount of \$200 million obtained in 2001, and due to mature in June 2010 with an early call redemption in June 2007. The loan bears interest from 3.71% to 4.79% per annum and is secured by a fixed and floating charge on the assets of the subsidiaries related to the projects, assignment of the sale and rental proceeds of the projects and a charge on the monies in the Project Account of the projects.
- (b) A bank loan of HK\$380 million (2001: HK\$380 million) equivalent to \$86 million (2001: \$89 million) was secured by a mortgage over an investment property of a borrowing subsidiary. The loan will be repaid on 30 November 2005.
- (c) During the financial year, Australand Holdings Limited (“Australand”), subsidiary of the Company, had increased its Syndicated Multi Option Facility limit from A\$450 million to A\$500 million. This facility is a 2 year evergreen facility and the structure is a A\$450 million cash tranche and a A\$50 million bank guarantee facility. An amount of A\$274 million (2001: A\$339 million) equivalent to \$271 million (2001: \$324 million) was drawn under this facility and secured by fixed and floating charges over the assets of Australand and its subsidiaries. Development properties for sale and receivables were also subject to registered equitable mortgages and specific project secured charges. The subsidiaries entered into a Deed of Guarantee and Indemnity whereby the subsidiaries guarantee the repayment of borrowings by Australand. The interest rate prevailing as at 31 December 2002 was 5.49% (2001: 5.99%).

Other term loans are generally secured by:

- mortgages on the borrowing subsidiaries’ land and buildings, investment properties, properties under development or development properties for sale; and
- assignments of all rights and benefits with respect to the properties.

(ii) Unsecured Term Loans

These comprise loans repayable:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Within 1 year	411,092	560,745	43,963	150,000
From 1 to 2 years	114,372	505,851	54,760	45,625
From 2 to 5 years	630,681	394,339	177,930	224,430
After 1 year	745,053	900,190	232,690	270,055
	1,156,145	1,460,935	276,653	420,055

The unsecured term loans bear interests ranging from 0.42% to 8.47% (2001: 1.00% to 8.00%) per annum.

29.Debt Securities

Debt securities comprise fixed rate notes, floating rate notes, hybrid rate notes and bonds issued by the Group and the Company.

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Convertible bonds	346,243	–	346,243	–
Notes issued as at end of year	3,953,883	4,971,069	1,321,750	1,777,844
Less:				
Notes purchased (but not cancelled)	(1,217,292)	(1,166,553)	(445,000)	(473,500)
Notes outstanding as at end of year	2,736,591	3,804,516	876,750	1,304,344
	3,082,834	3,804,516	1,222,993	1,304,344
Repayable:				
Within 1 year	1,281,916	1,689,266	331,000	631,590
From 1 to 2 years	429,675	514,000	347,750	134,254
From 2 to 5 years	681,243	636,250	453,243	417,500
After 5 years	690,000	965,000	91,000	121,000
After 1 year	1,800,918	2,115,250	891,993	672,754
	3,082,834	3,804,516	1,222,993	1,304,344

(a) Convertible bonds

	Note	The Group and The Company	
		2002 \$'000	2001 \$'000
Face value of convertible bonds		380,000	–
Less:			
Bond discount			
Opening balance		38,950	–
Amortisation	36(f)	(5,193)	–
At 31 December		33,757	–
		346,243	–

The Company issued \$380 million principal amount of Convertible Bonds due 2007 which carry interest rate at 0.625% per annum. The Convertible Bonds are convertible by holders into new ordinary shares of \$1.00 each in the capital of the Company at the conversion price of \$2.3358 for each new ordinary share (subject to adjustment in certain events) at any time on or after 3 June 2002 and prior to the close of business (at the place the Convertible Bonds are deposited for conversion) on 3 April 2007. Unless previously redeemed by way of exercise of the option by the holder or the Company on 3 May 2005, converted, or purchased and cancelled, the final redemption date of the Convertible Bonds is 3 May 2007. The redemption price is equal to the principal amount of the convertible bonds being redeemed.

(b) Secured Debt Securities

The above debt securities include \$988.25 million (2001: \$1,316.75 million) of debt securities issued by subsidiaries which are secured. The details of the secured debt securities as at the balance sheet dates are as follows:

- (i) \$100 million fixed rate bonds bearing interest at 4.75% per annum were repaid in full on 6 August 2002. The bonds were secured by a fixed and floating charge on the assets of a subsidiary and assignment of sales proceeds from the subsidiary’s development property (The Clearwater). In December 2001, the subsidiary purchased \$47 million of bonds from the open market;
- (ii) \$125 million (2001: \$125 million) fixed rate bonds bearing interest at 6% per annum which are secured by a fixed charge on the investment property (Robinson Point) of a subsidiary. The bonds were issued in 1999 and mature on 21 July 2009 or at an earlier date in accordance with the terms of the “Call” and “Put” Option Agreements;
- (iii) \$120 million (2001: \$120 million) fixed rate bonds bearing interest at 6% per annum which are secured by a fixed charge on the investment property (268 Orchard Road) of a subsidiary. The bonds were issued in 1999 and mature on 31 August 2009 or at an earlier date in accordance with the terms of the “Call” and “Put” Option Agreements;

- (iv) \$550 million (2001: \$550 million) fixed rate bonds bearing interest at 6% per annum which are secured by a fixed charge on the investment property (Six Battery Road) of a subsidiary. The bonds were issued in 1999 and mature on 15 December 2009 or at an earlier date in accordance with the terms of the “Call” Option Agreement;
- (v) \$193.25 million (2001: \$199 million) medium term notes (“MTNs”) which comprise 6 (2001:7) series issued at various fixed/floating/variable rates, as part of a \$350 million secured MTN programme which has a 3 to 5 years duration from 12 July 2000. The MTNs bear interests ranging from 1.1% to 5.5625% (2001: 1.5% to 5.5625%) per annum and are secured by a collateral mortgage on the investment property (Liang Court Complex) of a subsidiary. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from July 2003 to November 2005;
- (vi) \$164 million MTNs which comprised 12 series issued at various fixed/floating/variable rates, as part of a \$500 million secured MTN programme which had a 10-year duration from 8 December 1999, were fully redeemed at their principal amounts on their respective maturity dates from January 2002 to December 2002. Those MTNs bore interests ranging from 1.55% to 4.875% (2001: 1.55% to 4.88%) per annum and were secured by fixed deposits and two investment properties (Funan The IT Mall and Orchard Point) held by subsidiaries;
- (vii) \$105.75 million of MTNs which comprised 3 series issued by a subsidiary at various fixed rates, as part of a \$168 million secured MTN programme which had a 10-year duration from 30 October 2001, were fully redeemed at their principal amounts on their respective maturity dates from February to March 2002. Those MTNs bore interests ranging from 2.00% to 2.25% (2001: 2.0% to 3.125%) per annum and were secured by fixed deposits, legal assignment of all issued ordinary shares and a guarantee of The Ascott Group.

(c) Unsecured Debt Securities

Details of the remaining \$2,094.58 million (2001: \$2,487.77 million) unsecured debt securities are as follows:

- (i) The holders of some of the above debt securities have the option to have all or any of their notes purchased by the Group at their principal amount on interest payment dates. In determining the repayment dates of the debt securities, it is assumed that the option will be exercised. Unless previously redeemed or purchased and cancelled, the debt securities are redeemable at the principal amounts on their respective maturity dates.
- (ii) An A\$54 million, equivalent to S\$51.5 million unsecured notes, bearing interest of 8.75% per annum were repaid in full on 30 June 2002.
- (iii) The debt securities bear interest ranging from 0.63% to 8.50% (2001: 0.86% to 8.50%) per annum.

30. Deferred Income

Deferred income represents mainly premium on bonds issued and 50% of entrance fees from club memberships which has been set aside to match any possible excess operating costs over operating revenues in the remaining membership period.

31. Employee Benefits

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Liability for short term accumulating compensated absences		15,420	14,104	578	375
Liability for long service leave entitlement		2,495	572	–	–
Liability for retirement gratuity		1,360	893	–	–
Liability for performance shares		1,100	–	659	–
		20,375	15,569	1,237	375
Current	20	16,359	14,104	578	375
Non-current	25	4,016	1,465	659	–
		20,375	15,569	1,237	375

(a) Long service leave

This liability relates principally to provision made by a foreign subsidiary in relation to employees' leave entitlement granted after certain qualifying periods based on duration of employees' services rendered.

(b) Retirement gratuity

The Group operates an unfunded, defined benefit Retirement Gratuity Scheme for its senior executives, including a director. Benefit is payable based on the last drawn salary of the executive and the number of years of service with the Group, including those with certain predecessor corporations. The provision for retirement gratuity scheme at 31 December 2002, based on actuarial valuation, comprises present value of obligations under the scheme of \$2,007,000 (2001: \$2,237,000), net of unrecognised past service cost of \$647,000 (2001: \$1,344,000). The amounts recognised in the income statement comprises current service costs of \$228,000 (2001: \$339,000), amortisation of past service costs of \$149,000 (2001: \$208,000) and interest cost of \$90,000 (2001: \$103,000).

(c) Performance share

This relates to provision for compensation costs of the Group Performance Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

(d) Equity compensation benefits

The Share Option Plan, Performance Share Plan and Restricted Stock Plan (collectively referred to as the “Share Plans”) of the Company were approved and adopted by its members at an Extraordinary General Meeting held on 16 November 2000. The Share Plans are administered by the Company's Executive Resource and Compensation Committee comprising Mr Peter Seah Lim Huat, Mr Hsuan Owyang, Sir Alan Cockshaw, Mr Lim Chin Beng and Mr Jackson Peter Tai.

Other statutory information regarding the Share Plans are set out below:

- (a) The exercise price of the options is set either at:
- A price equal to the volume-weighted average price on the SGX-ST over the three consecutive trading days immediately preceding the grant of the option; or
 - A discount to the market price not exceeding 20% of the market price in respect of that option.
- (b) The options vest between 1 year to 5 years after the grant date.
- (c) The options granted expire after 5 or 10 years from the dates of the grant.

As at the end of the financial year, details of the options granted under the Share Plans for unissued ordinary shares of \$1.00 each of the Company were as follows:

Movements of share options outstanding:

Date granted	Exercise price \$	Number of options outstanding 1 January 2002	Options granted	Options exercised	Options rejected/ cancelled/ lapsed	Number of options outstanding 31 December 2002	Fair value of options at date of grant \$	Exercise period
12/06/2000	2.54	2,013,990	–	–	(172,320)	1,841,670	0.61	13/06/2001 to 11/06/2005
12/06/2000	2.54	7,855,638	–	–	(474,226)	7,381,412	0.61	13/06/2001 to 11/06/2010
24/11/2000	4.82	1,544,743	–	–	(1,544,743)	–	–	22/03/1998 to 20/03/2002
24/11/2000	2.70	756,574	–	–	(80,576)	675,998	–	27/03/1999 to 25/03/2003
24/11/2000	2.61	1,647,827	–	–	(187,153)	1,460,674	–	09/04/2000 to 07/04/2004
24/11/2000	2.38	2,442,400	–	–	(317,600)	2,124,800	0.74	14/04/2001 to 12/04/2010
24/11/2000	2.51	480,000	–	–	–	480,000	0.76	05/08/2001 to 03/08/2005
24/11/2000	2.51	3,501,700	–	–	(1,840,900)	1,660,800	0.76	05/08/2001 to 03/08/2010
24/11/2000	2.68	200,000	–	–	–	200,000	0.62	25/11/2001 to 23/11/2010
18/06/2001	2.50	2,240,000	–	–	(70,000)	2,170,000	0.88	19/06/2002 to 18/06/2006
18/06/2001	2.50	17,955,840	–	–	(1,819,400)	16,136,440	0.88	19/06/2002 to 18/06/2011
02/07/2001	2.49	100,000	–	–	–	100,000	0.86	03/07/2002 to 02/07/2011
31/12/2001	1.85	300,000	–	–	–	300,000	0.81	01/01/2003 to 31/12/2011
10/05/2002	1.71	–	1,805,000	–	(185,000)	1,620,000	0.616	11/05/2003 to 10/05/2007
10/05/2002	1.71	–	21,142,600	–	(3,167,030)	17,975,570	0.616	11/05/2003 to 10/05/2012
		41,038,712	22,947,600	–	(9,858,948)	54,127,364		

32.Share Capital

	The Group and The Company	
	2002 \$'000	2001 \$'000
Authorised: 4,000,000,000 ordinary shares of \$1 each	4,000,000	4,000,000
Issued and fully paid: 2,517,349,898 ordinary shares of \$1 each	2,517,350	2,517,350

At the end of the financial year, there were 54,127,364 share options (2001: 41,038,712) and a maximum of 3,560,000 performance shares (2001: Nil) relating to the Company's Share Option Plan and Performance Share Plan for unissued ordinary shares of the Company, details of which are disclosed in the Directors' Report and in note 31(c) and (d).

33. Reserves

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Share premium	3,429,376	3,429,376	2,161,144	2,161,144
Capital reserve	121,093	94,173	30,381	–
Capital redemption reserve	3,867	3,867	313	313
Revaluation reserve	41,233	340,503	–	–
Foreign currency translation reserve	(287)	(12,313)	–	–
Reserve on consolidation	17,502	6,528	–	–
(Accumulated losses)/Unappropriated profit	(140,924)	(373,555)	253,469	269,776
	3,471,860	3,488,579	2,445,307	2,431,233

The Group and Company

The application of the share premium account is governed by Sections 69-69F of the Companies Act, Chapter 50.

The capital reserve comprises capital gains on disposal of properties and share of associated companies' capital reserve and the value of the option granted to bondholders to convert their convertible bonds into ordinary shares of the Company.

The capital redemption reserve is required by Section 70(5) of the Companies Act, Chapter 50, and it relates to the nominal amount of the redeemable preference shares redeemed by the Company and its subsidiaries.

The revaluation reserve comprises the net cumulative increase in the fair value of investment properties and share of associated companies and joint venture companies' revaluation surpluses and deficits.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries, associated companies and joint venture companies, as well as from the translation of foreign currency loans used to finance investments in foreign subsidiaries.

The reserve on consolidation comprises the net excess of the fair values of the net assets over the purchase consideration in respect of subsidiaries, associated companies and joint venture companies acquired prior to 1 January 2001.

34.Minority Interests

	The Group	
	2002 \$'000	2001 \$'000
Share of net assets of subsidiaries	1,812,732	1,799,220
Amounts owing to/(by) minority shareholders (advances)		
– interest free	(65,872)	(69,629)
– interest bearing	110,930	141,031
	1,857,790	1,870,622

The balances with minority shareholders are unsecured and have no fixed terms of repayment. However, the management of the parties involved do not intend for the amounts to be repaid within the next 12 months. In respect of the interest bearing advances, interests are charged at rates ranging from 1.85% to 8.5% (2001: 3.00% to 12.00%) per annum.

35.Revenue

Revenue of the Group and of the Company is analysed as follows:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Commercial	687,246	809,161	–	–
Residential	1,769,341	1,690,099	–	–
Serviced residences	156,552	138,947	–	–
Hotels	548,106	498,746	–	–
Property, project and other management services	118,905	116,286	26,040	30,499
Others	35,475	39,418	–	–
Dividend income from subsidiaries (gross)				
– quoted equity investment	–	–	–	161
– unquoted equity investment	–	–	100,710	70,776
Inter-segment elimination	(51,617)	(59,485)	–	–
	3,264,008	3,233,172	126,750	101,436

(a) Revenue of the Group comprises gross rental, car park and other related income from investment properties and leased properties, income from property trading, fees from the provision of property and project management, related agency and consultancy services and income from serviced apartments and hotel operations. Intra-group transactions are excluded from the revenue of the Group.

(b) Property trading income consists of an appropriate portion of the contracted sales value on which income has been recognised under the percentage of completion method.

36.Profit/(Loss) Before Taxation

Profit/(Loss) before taxation includes the following:

	Note	The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Other operating income					
Interest income					
– fixed deposits		14,406	29,488	1,066	4,378
– subsidiaries		–	–	78,435	55,486
– associated and joint venture companies and partnership		26,358	12,071	–	–
– related corporations		–	35	–	–
– investee companies and others		4,574	12,086	404	421
– interest capitalised in development properties for sale	13(b)	(787)	(1,408)	–	–
		44,551	52,272	79,905	60,285
Dividend income (gross)					
– quoted investment		132	4,523	–	–
– unquoted investment		8,745	1,778	–	–
Gain on disposal/liquidation of subsidiaries and associated companies *		170,254	559,180	1,062	90,427
Gain on foreign exchange		6,567	9,954	525	3,682
Profit on sale of leasehold investment properties		7,110	29,701	–	–
Others		30,770	69,791	951	1,193
		268,129	727,199	82,443	155,587

* The gain on disposal of \$170,254,000 (2001: \$559,180,000) is arrived at after making provisions of \$2,600,000 (2001: \$106,499,000) relating to put option, income support, profit warranty and compensation to tenants in connection with the disposals (note 25 (i)).

		The Group		The Company	
	Note	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(b) Staff costs					
Wages and salaries		351,659	335,065	9,275	8,595
Contributions to defined contribution plans		28,741	28,294	582	510
Compensation cost of employees performance shares		1,100	–	659	–
Increase in liability for short term accumulating compensated absences		2,902	2,175	203	(705)
Increase in liability for retirement gratuity		467	650	–	–
Increase in liability for long service leave entitlement		1,923	8	–	–
Others		66,310	55,250	1,544	1,791
		453,102	421,442	12,263	10,191
Less:					
Staff costs capitalised in development properties for sale		(23,683)	(13,730)	–	–
		429,419	407,712	12,263	10,191
Number of employees as at 31 December		10,333	10,699	70	68
(c) Other expenses					
Allowance for doubtful receivables					
– subsidiaries (loan accounts)					
– made in the year	7	–	–	12,271	22,771
– reversed in the year	7	–	–	(78)	–
– associated companies	8	4,504	4,738	–	–
– joint venture companies	9	2,192	–	–	–
Allowance for/(Write back of) doubtful receivables					
– investee companies (loan accounts)	11	–	15,443	–	–
– trade	15	1,863	10,881	–	33
– non-trade	17	(6,675)	26,191	–	–
Allowance for/(Write back of) foreseeable losses on development properties	13	(4,907)	445,183	–	–
Allowance for impairment loss for subsidiaries	7	–	–	–	2,000
Allowance for diminution in value of					
– current financial assets	11	362	2,879	–	2,434
– non-current financial assets	11	9,759	82,773	–	–
Amortisation of					
– intangible assets	4	1,345	1,714	–	–
– leasehold investment properties	5	125	124	–	–
Auditors' remuneration					
– auditors of the Company					
– current year		1,330	1,340	100	99
– under/(over) provision in respect of prior year		29	(28)	–	–
– other auditors					
– current year		2,355	1,999	–	–
– underprovision in respect of prior year		55	41	–	–
Non-audit fees					
– auditors of the Company		665	1,232	59	133
– other auditors		2,304	2,228	–	–
Bad debts written off					
– trade		521	376	–	33
– non-trade		16	–	–	–

		The Group		The Company	
	Note	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Depreciation of property, plant and equipment	3	105,922	161,110	1,399	1,425
Impairment loss/(reversal of impairment loss) on intangible assets	4	(9,619)	15,941	–	–
Impairment loss/(reversal of impairment loss) on property, plant and equipment	3	(8,281)	40,863	–	–
Loss on disposal of property, plant and equipment		1,615	913	–	117
Operating lease expenses		54,658	27,379	1,157	2,307
Property, plant and equipment written off	3	89	9,941	8	90
Impairment loss on overseas properties under development		–	8,150	–	–
Provision for/(Write back of) income support and profit warranty		(1,235)	9,129	–	–
Write down in value of overseas investment properties		18,026	34,620	–	–
Net deficit on revaluation of investment properties		40,732	–	–	–

(d) Directors' remuneration

		The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Directors' remuneration					
– directors of the Company		2,359	2,598	2,186	2,371
– other directors		6,270	6,735	–	–
		8,629	9,333	2,186	2,371

(e) Professional fees

Fees paid and payable to firms in which certain directors of the Company are members:

		The Group		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Charged to profit and loss account		1,872	2,253	535	414
Included as cost of development properties for sale and property, plant and equipment		1,443	791	–	–

		The Group		The Company	
	Note	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(f) Finance costs					
Interest paid and payable to:					
– subsidiaries		–	–	26,674	43,915
– related corporations		–	2,279	–	249
– bank loans and overdrafts		122,940	174,110	32,140	36,049
– debt securities		176,331	253,967	40,950	52,545
RCCPS holders		–	6,330	–	6,330
Convertible bonds					
– interest expense		1,571	–	1,571	–
– amortisation of bond discount		5,193	–	5,193	–
Others		18,848	28,915	2,070	1,715
Total borrowing costs		324,883	465,601	108,598	140,803
Less:					
Borrowing costs capitalised in:					
– properties under development		–	(11,032)	–	–
– development properties for sale	13(b)	(41,660)	(46,375)	–	–
		(41,660)	(57,407)	–	–
		283,223	408,194	108,598	140,803

The finance costs have been capitalised at a rate of 1.15% to 8.47% (2001: 0.86% to 8.5%) for properties under development and development properties for sale.

37. Taxation

		The Group		The Company	
	Note	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Provision for Taxation/(Tax Recoverable)					
At 1 January		104,573	135,490	(22,604)	(25,569)
Provision of subsidiaries disposed		(2,256)	(39,828)	–	–
Provision made		70,031	94,569	20,004	20,181
Payments made		(109,555)	(82,370)	(27,851)	(17,216)
Transfer from/(to) deferred taxation account		1,757	(3,729)	–	–
Translation difference		2,150	441	–	–
At 31 December		66,700	104,573	(30,451)	(22,604)
Provision for taxation		143,325	142,390	–	–
Tax recoverable	17	(76,625)	(37,817)	(30,451)	(22,604)
		66,700	104,573	(30,451)	(22,604)

(b) Deferred Taxation

	At 1/1/2002 \$'000	Profit and loss account \$'000	Equity \$'000	Transfer to provision for taxation \$'000	Acquisition of subsidiary \$'000	Translation difference \$'000	At 31/12/2002 \$'000
The Group							
Deferred tax liabilities							
Accelerated tax depreciation	11,118	(1,302)	–	(401)	91	1,707	11,213
Discounts on compound financial instruments	–	(1,143)	8,569	–	–	–	7,426
Accrued income and interest receivable	18,353	(691)	–	(51)	–	543	18,154
Claw-back of capital allowances of assets in investment properties	19,047	(1,084)	–	–	–	–	17,963
Properties recognised on percentage of completion	41,884	(1,032)	–	(1,305)	–	1,382	40,929
Revaluation gains arising from business combinations	15,391	(792)	–	–	–	–	14,599
Unremitted foreign income	–	2,089	–	–	–	–	2,089
Others	7,193	(5,170)	–	–	–	–	2,023
Total	112,986	(9,125)	8,569	(1,757)	91	3,632	114,396

	At 1/1/2002 \$'000	Profit and loss account \$'000	Acquisition of subsidiary \$'000	Translation difference \$'000	At 31/12/2002 \$'000
The Group					
Deferred tax assets					
Unutilised tax losses	(22,820)	7,051	(485)	(126)	(16,380)
Unutilised capital allowance	(6,092)	3,921	–	–	(2,171)
Provisions and expenses	(12,156)	2,630	–	(352)	(9,878)
Others	(3,810)	(1,129)	–	(61)	(5,000)
Total	(44,878)	12,473	(485)	(539)	(33,429)

	At 1/1/2002 \$'000	Profit and loss account \$'000	Equity \$'000	At 31/12/2002 \$'000
The Company				
Deferred tax liabilities				
Accelerated tax depreciation	238	(238)	–	–
Discounts on compound financial instruments	–	(1,143)	8,569	7,426
Total	238	(1,381)	8,569	7,426

Deferred tax liabilities and assets are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Deferred tax liabilities	110,554	93,020	7,426	238
Deferred tax assets	(29,587)	(24,912)	–	–
At 31 December	80,967	68,108	7,426	238

Deferred tax liabilities of \$3,307,000 (2001: \$5,996,000) have not been recognised for withholding and other taxes that would be payable upon the remittance of earnings of certain subsidiaries, as such amounts have been permanently reinvested. The total unremitted earnings as at 31 December 2002 amounted to \$32,795,000 (2001: \$51,984,000).

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(c) Tax Charge				
Current tax expense				
The Company and its subsidiaries				
– Based on current year's results	76,206	104,797	12,003	20,181
– (Over)/Under provision in respect of prior years	(6,175)	(10,228)	2,004	–
– Group relief	–	–	5,997	–
	70,031	94,569	20,004	20,181
– Based on current year's results				
– Associated companies	11,373	13,528	–	–
– Joint venture companies	1,848	6,338	–	–
– Partnerships	–	181	–	–
	13,221	20,047	–	–
	83,252	114,616	20,004	20,181

Deferred tax expense				
The Company and its subsidiaries				
– Movements in temporary differences	10,936	(7,262)	(1,358)	–
– Reduction in tax rates	(1,176)	(1,048)	(23)	–
– Overprovision in respect of prior years	(6,412)	(2,971)	–	–
	3,348	(11,281)	(1,381)	–
	86,600	103,335	18,623	20,181

Reconciliation of effective tax rate				
	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Profit/(loss) before tax	483,861	(39,418)	61,222	59,213
Income tax using Singapore tax rate	106,449	(9,657)	13,469	14,507
Adjustments:				
Effect of reduction in tax rates on deferred tax	(1,176)	(1,048)	(6)	(2)
Tax rebate	(76)	(7,724)	–	(947)
Expenses not deductible for tax purposes	51,761	130,409	3,168	6,636
Income not subject to tax	(65,504)	(147,307)	(12)	(13)
(Over)/Under provision in respect of prior year	(12,587)	(13,199)	2,004	–
Effect of unrecognised tax losses and other deductible temporary differences	6,377	139,285	–	–
Foreign income taxed at higher rate	5,940	11,581	–	–
Capital allowance claimed for assets under investment properties	(8,047)	(6,490)	–	–
Amount of loss for which tax credit has not been recognised	8,619	–	–	–
Consideration paid for losses transferred	–	–	5,997	–
Tax benefits received on losses arising from group relief	(8,619)	–	(5,997)	–
Others	3,463	7,485	–	–
	86,600	103,335	18,623	20,181

Deferred tax assets have not been recognised in respect of the following:		
	The Group	
	2002 \$'000	2001 \$'000
Deductible temporary differences	391,839	402,051
Tax losses	534,101	489,300
Unutilised capital allowances	11,353	16,953
	937,293	908,304

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits.

38.Earning Per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit/(loss) after tax and minority interests of \$290,168,000 (2001: (\$281,449,000)) and the weighted average of 2,517,349,898 (2001: 2,517,349,898) ordinary shares.

(b) Fully diluted earnings per share

The calculation of fully diluted earnings per share is based on the profit/(loss) after tax and minority interests of \$290,168,000 (2001: (\$281,449,000)) and the weighted average of 2,517,349,898 (2001: 2,517,349,898) ordinary shares. The unissued ordinary shares under share options are anti-dilutive and are ignored in the calculation of diluted earnings per share.

39.Changes in Accounting Policies

(a) Adoption of new or revised standards

During the year, five new or revised accounting standards were adopted.

The adoption of SAS 12 (2001) – Income Tax resulted in the Group recognising the following:

- (i) deferred tax liability from undistributed earnings of foreign entities except to the extent that the timing of reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future;
- (ii) deferred tax liability provided against goodwill in respect of fair value adjustments made to the identifiable net assets acquired in business combinations;
- (iii) deferred tax asset from unutilised tax losses and capital allowances to the extent that it is probable that future profit will be available for their utilisation; and
- (iv) deferred taxes from all other taxable temporary differences.

Under the previous SAS 12, items (i) and (ii) were not recognised and deferred tax asset was recognised only if there was a reasonable expectation of realisation. This change in accounting policy arising from SAS 12 (2001) has been applied retrospectively. The effects on the carrying value of goodwill and accumulated losses are disclosed in note 4: Intangible Assets and Statements of Changes in Equity, respectively. The effect on the Group net profits is a decrease of \$7,627,000 and \$1,408,000 for the current year and previous year, respectively.

The adoption of SAS 30 – *Interim Financial Reporting*, SAS 38 – *Financial Reporting in Hyperinflationary Economies*, SAS 39 – *Agriculture* and the limited revisions to SAS 17 (2001) – *Employee Benefits* did not give rise to any adjustments to the opening balances of accumulated profits of the prior and current periods or to changes in comparatives

(b) Revenue Recognition

A foreign subsidiary changed its policy for recognising revenues and profits on sales of residential properties. Previously, 100% of the sales and 75% of the profits were recognised once construction was 85% complete and the 25% balance was recognised after registration of the strata plan. Under the new policy, revenues and profits are recognised progressively once construction is 50% complete, after allowance for an appropriate completion contingency. The effect of the change for the Group is a decrease in accumulated losses as at 1 January 2001 of \$4,781,000 and a decrease in net profit of \$4,781,000 for the previous year. Arising from the newly adopted policy, the net profit for the Group for the current year has increased by \$5,078,000.

(c) Split accounting for property

A subsidiary changed its accounting policy to separately account for different units of investment properties between units held to earn rentals or for capital appreciation, and units that are owner-occupied (“Split accounting”).

Under previous accounting policy adopted by the subsidiary, an entire property is either classified as an investment property or a fixed asset depending on its predominant use. However, under the revised accounting policy, different units in a single property may be classified differently, depending on their individual use. The change is to better reflect the substance and economic reality of the subsidiary's investments in properties.

Units that are held to earn rental or for capital appreciation are accounted for as investment properties and carried at their open market valuations. Units that are owner-occupied are treated as property, plant and equipment and are carried at cost less accumulated depreciation and impairment losses.

The change in accounting policy is accounted for retrospectively, and the effect is to reduce investment properties by \$40,500,000 and to increase property, plant and equipment by \$32,591,000 at 1 January 2002. The difference of \$7,909,000 comprises the retrospective depreciation and reversal of revaluation deficit of \$9,643,000 and \$1,734,000, respectively, on the portion now classified as “property, plant and equipment”. The effect on the Group accumulated losses as at 1 January 2002, net of minority interests, is \$3,524,000. The change also increased depreciation of the Group by \$762,000 (2001: \$762,000) and decreased net profit of the Group, net of minority interests, by \$214,000 (2001: \$214,000). In addition, the effect on the Group revaluation reserve is an increase of \$590,000 and \$204,000 as at 1 January 2002 and 1 January 2001, respectively. A revaluation deficit of \$510,000 on the remaining portion of investment properties was charged to the Group’s revaluation surplus during the year.

(d) Effects of changes in accounting policies

The changes in accounting policies, applied retrospectively, has the following impact (net of tax) on profit for the year:

	The Group	
	2002 \$'000	2001 \$'000
Net profit/(loss) before changes in accounting policies	292,931	(275,046)
Effect of adopting SAS 12 (2001)	(i)	
Revenue recognition	(ii)	
Split accounting for property	(iii)	
	(7,627)	(1,408)
	5,078	(4,781)
	(214)	(214)
Net profit/(loss) for the year	290,168	(281,449)

40.Dividends

After the balance sheet date, the directors proposed a final dividend of 5 cents (2001: 3 cents) per share less tax at 22% (2001: 22%) amounting to a net dividend of \$98,176,646 (2001: \$58,905,985). The dividends have not been provided for.

Final dividend of \$58,905,985 in respect of 2001 (2000: \$38,011,961) have been paid in 2002.

41. Notes to the Consolidated Statement of Cash Flows

	2002 \$'000	2001 \$'000
(a) Net effect of acquisition of subsidiaries		
Property, plant and equipment	190	309,336
Interests in associated companies	–	12,709
Other non-current assets	–	40,991
Current assets	10,188	84,222
Current liabilities	(786)	(124,239)
Non-current liabilities	–	(59,224)
Minority interests	(6,133)	(9,096)
Net assets acquired	3,459	254,699
Goodwill arising on consolidation	(17)	45,333
Purchase consideration	3,442	300,032
Less:		
Cash of subsidiaries acquired	(1)	(47,133)
Cash outflow on acquisition of subsidiaries	3,441	252,899

	2002 \$'000	2001 \$'000
(b) Net effect of disposal of subsidiaries		
Property, plant and equipment	147,491	437,672
Investment properties	965,690	1,436,994
Properties under development	193,384	–
Other non-current assets	–	1,788
Current assets	52,113	28,414
Current liabilities	(416,125)	(370,116)
Non-current liabilities	(180,562)	(95,512)
Minority interests	(103,675)	–
Net assets	658,316	1,439,240
Less:		
Equity interest retained as associated and joint venture companies	(246,058)	(764,114)
Net assets disposed	412,258	675,126
Provision for put option/income support and profit warranty	2,600	93,431
Realisation of revaluation reserve	(109,731)	(319,943)
Goodwill on consolidation	6,877	–
Gain on disposal of subsidiaries	157,502	548,268
	469,506	996,882
Shareholders’ loan to subsidiaries repaid	–	163,297
Sale consideration	469,506	1,160,179
Less:		
Cash of subsidiaries disposed	(35,785)	(81,959)
Purchase consideration deferred	(20,394)	–
Cash inflow on disposal of subsidiaries	413,327	1,078,220
Net cash inflow on acquisition/disposal of subsidiaries	409,886	825,321

42.Commitments

The Group and the Company had the following commitments as at the balance sheet dates:

(a) Operating Lease Commitments

Future minimum lease payments for the Group and the Company on non-cancellable operating leases with a term of more than one year are as follows:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Lease payments due:				
Within 1 year	76,195	60,686	910	1,078
From 1 to 2 years	76,549	74,201	53	946
From 2 to 5 years	178,589	136,566	–	–
After 5 years	294,196	291,612	–	–
	625,529	563,065	963	2,024

(b) Commitments

Commitments in respect of:

– capital expenditure contracted but not provided for in the financial statements	16,891	30,978	–	–
– capital expenditure authorised but not committed	56,143	73,622	–	–
	73,034	104,600	–	–
Commitments in respect of:				
– development expenditure contracted but not provided for in the financial statements	618,536	265,546	–	–
– development expenditure authorised but not committed	165,493	47,453	–	–
Balance carried forward	857,063	417,599	–	–

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Balance brought forward	857,063	417,599	–	–
Commitments in respect of:				
– capital contribution/acquisition of associated, joint venture and investee companies	339,816	72,117	–	–
– shareholders’ loan committed to associated, joint venture and investee companies	42,440	–	–	–
– forward foreign exchange contracts	282,244	407,648	–	87,580
	1,521,563	897,364	–	87,580

(c) As at the balance sheet dates, the Group and the Company have entered into interest rate caps and interest rate swaps with notional principal values as follows:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Interest rate caps	27,393	24,800	–	–
Interest rate swaps	1,296,223	1,518,914	245,000	427,500
	1,323,616	1,543,714	245,000	427,500

The maturity dates of these interest rate caps and interest rate swaps contracts are:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Within 1 year	415,736	361,830	–	182,500
From 1 to 2 years	412,515	389,995	60,000	–
From 2 to 5 years	382,935	672,089	100,000	160,000
After 5 years	112,430	119,800	85,000	85,000
	1,323,616	1,543,714	245,000	427,500

43.Contingent Liabilities (Unsecured)

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Guarantees issued on behalf of				
– subsidiaries	–	–	346,176	392,453
– associated companies	228,428	86,922	–	–
– joint venture companies	21,479	40,500	–	–
– partnership	6,601	–	–	–
Others	9,955	9,981	–	–
	266,463	137,403	346,176	392,453

(b) Subsidiary, Capitaland Residential Limited provides a cost overrun undertaking of up to approximately \$6 million in relation to the sale of future receivables for a residential project.

(c) Under the Subscription Agreements for Australand Wholesale Property Trust No 3, subsidiary, Australand Holdings Limited (“Australand”), is required to provide certain guarantees in respect of the trust, including:

- Providing an underwritten yield of 8.5% p.a. up to and including Practical Completion of the last property completed. It is estimated that this obligation will cease on 30 November 2003.
- Ensuring that establishment costs of the Trust do not exceed a pre-determined maximum value. Australand is required to reimburse the Trust for any establishment costs exceeding these amounts.
- Controlling, managing and underwriting the development of each property so that the trust does not bear any development or construction risk for properties under development.
- Guaranteeing the first year’s rent should the tenant not take occupation as a result of the Trust property not being completed in accordance with the agreement to lease.

As at the balance sheet date, the Group is of the opinion that no provisions are required for any of the matters listed above.

(d) Subsidiary, Australand provides rental guarantees and income support agreements to tenants and owners of various residential and commercial buildings, which Australand is developing or has completed development on. These arrangements require Australand to guarantee the rental income of these properties for certain period of time. As at the balance sheet date, the Group is of the opinion that based on the current sub-lease proposals and forecasted sub-lease commitments together with the allowances made within the development budgets for these property developments that adequate allowance has been made in the financial statements for these potential obligations.

(e) Subsidiary, Somerset Development Pte Ltd (“SDPL”), entered into a contractual joint venture with Springleaf Tower Limited (“STL”) to develop Springleaf Tower. In order to facilitate the sale of the floors beneficially owned by STL, SDPL appointed STL as its attorney. Subsequently, STL and its director executed a sale and purchase agreement to “assign” the 23rd floor of the development to its sub-contractor as payment in lieu. The assignment was, however, not free from encumbrance and hence, the sub-contractor is claiming against SDPL, being a co-developer of the project, for the recovery of construction costs owed by STL of approximately \$15 million.

Based on legal advice, SDPL has strong defence and accordingly no provision has been made in respect of the claim.

44.Significant Related Party Transactions

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, there were the following significant related party transactions which were carried out in the normal course of business on terms agreed between the parties:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Subsidiaries				
Management fee income	–	–	25,880	25,958
Rental expense	–	–	(1,027)	(1,220)
Other Related Corporations				
Rental income	10,381	7,997	16	–
Acquisition of additional stake in subsidiary	(3,427)	–	–	–
Management and agency fee income	1,632	1,014	–	–
Management consultancy services	(3,182)	(1,554)	(923)	(766)
Construction and project management costs capitalised in development properties	(39)	(21,964)	–	–
Purchase of computers, air-tickets and others	(2,955)	(2,008)	(779)	(409)
Rooms, food & beverage and other incidental income	2,439	1,262	–	–

	The Group		The Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Immediate Holding Corporation				
Management fee expense	(7,250)	(7,250)	(7,250)	(7,250)
Management and consultancy fee income	360	379	–	–
Rental income	1,499	1,393	–	–
Training expense	(102)	(803)	(53)	(99)
Ultimate Holding Corporation				
Rental income	3,503	3,017	–	–
Associated and Joint Venture Corporations				
Management fee income	21,372	5,533	–	–
Rental expense	(52,676)	(31,763)	(130)	–
Accounting service fee income and others	2,335	279	(57)	(23)
Sale of completed residential properties	–	43,758	–	–

45. Financial Instruments

(a) Financial risk management objectives and policies

The Group and the Company are exposed to interest rate, foreign currency, credit and liquidity risks arising from its diversified portfolio business. The Group’s risk management approach seeks to minimise the potential material adverse effects from these exposures. As a whole, the Group has implemented risk management policies and guidelines which set out its tolerance of risk and its general risk management philosophy. In connection with this, the Group has established a framework and process to monitor the exposures so as to ensure appropriate measures can be implemented on a timely and effective manner.

(b) Interest rate risk

The Group’s exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investment in financial products are mainly short term in nature and they are not held or issued for trading or speculative purposes but were mainly placed in fixed deposits or short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps and caps to minimise its exposure to interest rate volatility.

(c) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Australian dollars, Chinese remminbi, Euros, Hong Kong dollars, Japanese yen, Sterling pounds, Swiss francs and United States dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its overseas investments in its foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

(d) Credit risk

The Group has a diversified portfolio of businesses and at balance sheet date, there were no significant concentration of credit risk with any entity. The Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Investments and financial transactions are restricted with counterparties that meet the appropriate credit criteria and of high credit standing.

(e) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

(f) Effective interest rates and repricing analysls

In respect of interest earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rates at balance sheet dates and the periods in which they reprice.

		2002					2001				
		Effective Interest Rate	Total	Within 1 year	1 to 5 years	After 5 years	Effective Interest Rate	Total	Within 1 year	1 to 5 years	After 5 years
		%	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	\$'000
The Group		Note									
Financial Assets											
Interest bearing loans to:											
– associated companies	8	1.00 to 8.00	260,349	31	–	260,318	1.85 to 6.93	572,132	262,168	–	309,964
– joint venture companies	9	1.85 to 11.75	557,169	93,489	66,755	396,925	7.00 to 11.75	492,301	109,156	–	383,145
– investee companies	11	1.50 to 6.00	44,253	44,253	–	–	3.31 to 7.90	44,169	40,115	–	4,054
– third parties	12	8.75	22,945	22,945	–	–	8.75	13,430	13,430	–	–
Cash and cash equivalents	19	0.31 to 4.65	822,877	822,877	–	–	0.31 to 4.32	1,628,663	1,628,663	–	–
Total			1,707,593	983,595	66,755	657,243		2,750,695	2,053,532	–	697,163
Financial Liabilities											
Bank overdraft	19	4.50 to 9.00	3,410	3,410	–	–	4.50	13,194	13,194	–	–
Short term loans:											
fixed rate	27	1.70 to 3.10	280,235	280,235	–	–	1.98 to 4.89	263,151	263,151	–	–
floating rate	27	1.25 to 6.93	952,634	952,634	–	–	0.39 to 5.50	1,870,398	1,870,398	–	–
effect of interest rate swaps		5.12	–	(10,000)	10,000	–	2.31	–	(80,000)	80,000	–
Term loans:											
fixed rate	28	0.87 to 8.55	532,617	–	532,617	–	3.71 to 4.90	392,753	150,000	42,753	200,000
floating rate	28	2.04 to 8.50	1,925,508	1,925,508	–	–	0.42 to 8.30	2,467,503	2,467,503	–	–
effect of interest rate swaps		0.57	–	(580,591)	580,591	–	0.02	–	(388,559)	388,559	–
Debt securities:											
fixed rate	29	0.63 to 8.50	2,674,168	873,250	1,110,918	690,000	2.05 to 8.75	2,733,037	667,787	1,100,250	965,000
floating rate	29	0.69 to 2.38	408,666	408,666	–	–	0.82 to 3.92	1,071,479	1,071,479	–	–
effect of interest rate swaps		3.75	–	(245,000)	160,000	85,000	3.22	–	(245,000)	160,000	85,000
Interest bearing loan from:											
– related corporation	26	1.87 to 2.33	130	130	–	–	2.07 to 4.18	3,860	3,860	–	–
– minority interest	34	2.63 to 8.50	110,930	102,222	8,708	–	3.00 to 12.00	141,031	141,031	–	–
Total			6,888,298	3,710,464	2,402,834	775,000		8,956,406	5,934,844	1,771,562	1,250,000

		2002					2001				
		Effective Interest Rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Effective Interest Rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
The Company	Note										
Financial Assets											
Fixed deposits	19	0.63 – 0.81	340,600	340,600	–	–	0.69 – 1.93	244,729	244,729	–	–
Interest bearing loan to subsidiaries	7	1.00 – 2.19	1,962,104	537,370	1,424,734	–	1.29 – 5.50	1,196,047	581,439	614,608	–
Total			2,302,704	877,970	1,424,734	–		1,440,776	826,168	614,608	–
Financial Liabilities											
Unsecured short term loans:											
fixed rate	27	1.70 – 2.18	257,000	257,000	–	–	2.40 – 2.88	174,800	174,800	–	–
floating rate	27	1.65 – 4.00	25,660	25,660	–	–	1.90 – 5.50	295,308	295,308	–	–
Unsecured term loans:											
fixed rate	28	2.36 – 4.00	276,653	276,653	–	–	4.30 – 5.07	270,055	270,055	–	–
floating rate	28	–	–	–	–	–	4.63 – 4.63	150,000	150,000	–	–
Debt securities:											
fixed rate	29	0.63 – 7.50	1,156,743	264,750	800,993	91,000	2.06 – 7.50	927,254	254,500	551,754	121,000
floating rate	29	0.75 – 1.75	66,250	66,250	–	–	0.82 – 3.76	377,090	377,090	–	–
effect of interest rate swaps	42(c)	3.75	–	(245,000)	160,000	85,000	3.22	–	(245,000)	160,000	85,000
Interest bearing loan from:											
– subsidiaries	7	1.00 – 5.60	1,020,958	24,821	996,137	–	3.00 – 6.22	777,683	15,095	762,588	–
– related corporations	26	–	–	–	–	–	2.07 – 4.18	7,714	7,714	–	–
Total			2,803,264	670,134	1,957,130	176,000		2,979,904	1,299,562	1,474,342	206,000

(g) Sensitivity analysis

In managing its exposure to interest rate, foreign currency, credit and liquidity risks, the Group strives to prudently balance its portfolio so as to minimise its impact on earnings.

As at balance sheet date, it is estimated that a 1 percentage change in borrowing costs would affect the Group's profit before tax by approximately \$31.8 million (2001: \$49.9 million).

(h) Fair values

The aggregate net fair values of financial assets and liabilities which are not carried at fair value in the balance sheet as at 31 December are represented in the following table:

The Group	Note	2002 Carrying amount \$'000	2002 Fair value \$'000	2001 Carrying amount \$'000	2001 Fair value \$'000
Financial Assets					
Quoted equity securities	11(a), (b)	57,750	36,240	80,969	63,594
Quoted bonds	11(a), (b)	8,810	8,261	7,465	5,902
		66,560	44,501	88,434	69,496
Financial Liabilities					
Fixed rate long term liabilities					
– secured bank loans	28(i)	368,384	380,146	242,753	235,605
– unsecured bank loans	28(ii)	164,233	169,628	–	–
– secured debt securities	29	650,000	717,861	895,000	944,700
– unsecured debt securities	29	1,150,918	1,212,395	1,170,250	1,214,196
		2,333,535	2,480,030	2,308,003	2,394,501

The Company	Note	2002 Carrying amount \$'000	2002 Fair value \$'000	2001 Carrying amount \$'000	2001 Fair value \$'000
Fixed rate long term unsecured debt securities	29	891,993	935,654	672,754	694,040

The fair value of long term quoted securities is their quoted bid price at the balance sheet date. For other financial instruments, fair value has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments not included in note 45(h) above.

(i) Floating interest bearing loans

No fair value is calculated as the Group believes that the carrying amounts of floating interest bearing loans which are repriced within 6 months from the balance sheet date reflect the corresponding fair values.

(ii) Cash and Cash Equivalents, Current Investments, Trade and Other Receivables, Short Term Borrowings, Trade and Other Payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(iii) Non-Current Unquoted Investments

It is not practical to estimate the fair values of the Group's long term unquoted equity and bond investments because of the lack of quoted market prices. However, the Group does not anticipate the carrying amounts recorded to be significantly in excess of their fair values at the balance sheet date.

(iv) Non-Current Loans Due from/(to) Subsidiaries, Associated Companies, Joint Venture Companies, Investee Companies and Minority Shareholders

It is not practical to estimate the fair value of non-current loan accounts due principally to a lack of fixed or repayment term entered by the parties involved. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(v) Unrecognised Financial Instruments

The valuation of financial instruments not recognised in the balance sheet detailed in this note reflects amounts which the Group expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at the balance sheet dates.

The notional amount and net fair value of financial instruments not recognised in the balance sheet as at the balance sheet dates:

	Note	2002 Notional amount \$'000	2002 Net fair value (payable)/receivable \$'000	2001 Notional amount \$'000	2001 Net fair value (payable)/receivable \$'000
The Group					
Interest rate swap agreements	42(c)	1,296,223	(45,646)	1,518,914	(34,166)
Forward foreign exchange contracts	42(b)	282,244	424	407,648	49
		1,578,467	(45,222)	1,926,562	(34,117)
The Company					
Interest rate swap agreements	42(c)	245,000	(29,221)	427,500	(19,562)
Forward foreign exchange contracts	42(b)	–	–	87,580	–
		245,000	(29,221)	515,080	(19,562)

46.Information Required by Paragraph 7 Ninth Schedule, Companies Act, Chapter 50

The Group's and the Company's liabilities payable and debts receivable at the balance sheet date (excluding deferred taxation, cash and funds held in trust) are as follows:

	2002 Liabilities payable \$'000	2002 Debts receivable \$'000	2001 Liabilities payable \$'000	2001 Debts receivable \$'000
The Group				
Within 1 year	4,442,253	798,900	6,196,286	846,065
From 1 to 2 years	875,752	49,597	1,459,170	25,820
Within 2 years	5,318,005	848,497	7,655,456	871,885
From 2 to 5 years	2,252,382	1,287,955	1,480,407	1,380,652
After 5 years	690,000	–	1,172,466	–
	8,260,387	2,136,452	10,308,329	2,252,537
The Company				
Within 1 year	715,409	576,119	1,310,756	1,427,118
From 1 to 2 years	402,510	1,556	179,879	525
Within 2 years	1,117,919	577,675	1,490,635	1,427,643
From 2 to 5 years	1,947,723	1,388,249	1,527,288	590,500
After 5 years	91,000	–	121,000	–
	3,156,642	1,965,924	3,138,923	2,018,143

47.Subsidiaries

(a) All subsidiaries set out below are incorporated and conducting business in the Republic of Singapore:

Subsidiaries	Principal Activities	Class of Shares	Percentage Held by the Company 2002 %	2001 %	Cost of Investments 2002 \$'000	2001 \$'000
Alexandrite Land Pte Ltd	Investment holding	Ordinary	100	100	*	*
		Redeemable Preference	100	100	4,200	4,200
Areca Investment Pte Ltd	Property development and investment holding	Ordinary	100	100	1,000	1,000
		Redeemable Preference	100	100	674,150	674,150
Beauty World Pte Ltd	Property investment	Ordinary	100	100	36,280	36,280
Capital Tower Pte Ltd	Property investment	Ordinary	100	100	40,903	40,903
		Redeemable Preference	100	100	158,503	158,503
CapitalLand Commercial Limited	Investment holding	Ordinary	100	100	1,316,031	1,316,031
		Redeemable Preference	100	100	500,000	500,000
CapitalLand Corporate Investments Pte Ltd (formerly known as Pidemco Land (Phillipines) Pte Ltd)	Investment holding	Ordinary	100	100	*	*
CapitalLand Financial Limited	Investment holding and management	Ordinary	100	–	1,000	–
Balance carried forward					2,732,067	2,731,067

Subsidiaries	Principal Activities	Class of Shares	Percentage Held by the Company 2002 %	2001 %	Cost of Investments 2002 \$'000	2001 \$'000
Balance brought forward					2,732,067	2,731,067
CapitalLand Fund Management Limited	Investment holding, fund and property management	Ordinary	–	100	–	*
CapitalLand Property Services Holdings Pte Ltd	Property development	Ordinary	100	100	*	*
CapitalLand Raffles Investment Pte Ltd (formerly known as Pidemco Investment Pte Ltd)	Investment holding	Ordinary	100	100	*	*
		Redeemable Preference	100	100	59,296	59,296
CapitalLand Realty Pte Ltd (formerly known as Pidemco Realty Pte Ltd)	Dormant	Ordinary	100	100	*	*
CapitalLand Residential Limited	Investment holding	Ordinary	100	100	1,000,000	1,000,000
		Redeemable Preference	100	100	2,000,000	2,000,000
ECORE Research Pte Ltd (formerly known as CapitalLand Research Pte Ltd)	Dormant	Ordinary	100	100	*	*
Hill Street Centre Pte Ltd	Dormant	Ordinary	100	100	6,460	6,460
		Redeemable Preference	100	100	5,400	5,400
pFission Pte Ltd	Investment holding	Ordinary	100	100	2,000	2,000
Pidemco Land (Indonesia) Pte Ltd	Investment holding	Ordinary	100	100	*	*
Somerset Capital Pte Ltd	Investment holding	Ordinary	100	100	*	*
Somerset International Holdings Pte Ltd	Investment holding	Ordinary	100	100	*	*
Somerset Land Pte Ltd	Investment holding	Ordinary	100	100	*	*
Stamford Holdings Pte Ltd	Investment holding	Ordinary	100	100	69,489	69,489
					5,874,712	5,873,712

(b) Other subsidiaries in the Group are:

Name of Company		Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group		
				2002 %	2001 %	
(i) @	Directly held by Areca Investment Pte Ltd: Castle Star Developments Limited		Investment holding	British Virgin Islands	–	100
(ii)	Directly held by Pidemco Land (Indonesia) Pte Ltd: Pyrite Pte Ltd		Investment holding	Singapore	100	100
(iii)	Directly held by CapitaLand Realty Pte Ltd (formerly known as Pidemco Realty Pte Ltd): CapitaLand Bond Limited (formerly known as PL Residential Treasury Limited)		Provision of financial and treasury services	Singapore	100	100
	CapitaLand Treasury Limited (formerly known as PL Residential Capital Limited)		Provision of financial and treasury services	Singapore	100	100
(iv) 2	Jointly held by Areca Investment Pte Ltd and CapitaLand Corporate Investments Pte Ltd (formerly known as Pidemco Land (Philippines) Pte Ltd): Raffles Holdings Limited		Investment holding	Singapore	60.1	60.1
(v) 2	Jointly held by Raffles Holdings Limited and CapitaLand Corporate Investments Pte Ltd (formerly known as Pidemco Land (Philippines) Pte Ltd): RC Hotels (Pte) Ltd		Hotel operator	Singapore	64.1	64.1
(vi) 2	Directly held by RC Hotels (Pte) Ltd: RC Spa Pte Ltd		Health club operator	Singapore	64.1	64.1
(vii)	Jointly held by Areca Investment Pte Ltd, Somerset Capital Pte Ltd, Somerset Land Pte Ltd and Stamford Holdings Pte Ltd: The Ascott Group Limited		Investment holding, property investment and the management of commercial, residential and serviced apartment properties	Singapore	68.9	68.9
(viii)	Jointly held by pFission Pte Ltd and PREMAS Investments Pte Ltd: eNabled Homes Pte Ltd		Development and management of an internet-based platform to interact, transact and share information and provision of information technology value added services	Singapore	55	55
(ix) 1	Jointly held by CapitaLand Residential Limited and The Ascott Group Limited: Shanghai Xin Wei Property Development Co., Ltd		Property development	The People's Republic of China	85.1	52
(x) @	Directly held or indirectly held by CapitaLand Financial Limited: Capfin MR1 Sdn. Bhd. (formerly known as Bond Light Options Sdn. Bhd.)		Investment holding	Malaysia	100	–
	CapitaLand Financial Investments Pte. Ltd.		Investment holding and advisory services	Singapore	100	–
	CapitaLand Fund Investment Pte Ltd (formerly known as Pidemco Capital Investment Pte Ltd)		Investment holding	Singapore	100	100
	CapitaLand Fund Management Limited		Investment holding, fund and property management	Singapore	100	–
	CapitaLand RECM Pte. Ltd.		Investment holding, fund and investment management	Singapore	100	–
	CapitaMall Trust Management Limited (formerly known as SingMall Property Trust Management Limited)		Property fund management, investment and related services	Singapore	100	100
@	CFL Capital Management Sdn. Bhd.		Investment holding	Malaysia	100	–
	RECM EOF Pte. Ltd.		Property fund and investment management and advisory services	Singapore	100	–

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
(xi) Directly or indirectly held by CapitaLand Residential Limited:				
@ 48 Atchison Street Pty Limited	Property investment	Australia	58.5	–
@ A & L Walker Pty Limited	Property development	Australia	58.5	63.2
@ ACN 002 367 704 Pty Limited	Property development	Australia	58.5	63.2
@ ACN 006 342 516 Pty Limited	Property development	Australia	58.5	63.2
@ ACN 085 799 695 Pty Limited	Property development	Australia	58.5	63.2
@ AHL (Perth) Pty Limited	Real estate agent	Australia	58.5	63.2
@ AHL Administration (Qld) Pty Limited	Liquidated	Australia	–	63.2
@ AHL Administration (Vic) Pty Limited	Liquidated	Australia	–	63.2
@ AHL Centenary Pty Limited	Property development	Australia	58.5	63.2
@ AHL Projects Pty Limited	Trustee	Australia	58.5	63.2
@ AHL Real Estate (Vic) Pty Limited (formerly known as Australand Management Services (Vic) Pty Limited)	Property development	Australia	58.5	63.2
@ AHL Real Estate Pty Limited	Real estate agent	Australia	58.5	63.2
@ AHL Saint John’s Wood Pty Limited	Liquidated	Australia	–	63.2
Ω AHL Town Developments Pty Limited	In liquidation	Australia	58.5	63.2
@ Aimjade Pty Limited	Trustee	Australia	58.5	63.2
@ Allied Land Company Pty Limited	Property development	Australia	58.5	63.2
@ Anicroft Pty Limited	Property development	Australia	58.5	63.2
@ Apartment Project (Non-MOF) No. 1 Unit Trust	Property development	Australia	58.5	63.2
@ Apartment Project (Non-MOF) No. 2 Unit Trust	Property development	Australia	58.5	63.2
@ Apartment Project (Non-MOF) No. 4 Unit Trust	Property development	Australia	58.5	63.2
@ Apartment Project (Non-MOF) No. 5 Unit Trust	Property development	Australia	58.5	63.2
@ Apartment Project (Non-MOF) No. 6 Unit Trust	Propertydevelopment	Australia	58.5	–
@ Apartment Project No. 2 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 3 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 4 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 7 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 8 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 9 Unit Trust	Liquidated	Australia	–	63.2
@ Apartment Project No. 10 Unit Trust	Liquidated	Australia	–	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Arcadia Grove Pty Limited	Trustee	Australia	58.5	–
@ Arcadia Grove Unit Trust	Property development	Australia	58.5	–
@ Archimedes Place Pty Limited	Property development	Australia	58.5	63.2
@ Atchison Street Pty Limited	Property development	Australia	58.5	63.2
Ausprop Holdings Limited	Investment holding	Singapore	100	100
Aust Holdings Ltd	Investment holding	Singapore	100	100
@ Australand (Regency) Pty Limited	Property development	Australia	58.5	63.2
@ Australand Apartment Nominees No. 2 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Apartment Nominees Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Apartments (Qld) Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Apartments No. 1 Pty Limited	Property development	Australia	58.5	63.2
@ Australand Apartments No. 2 Pty Limited	Property development	Australia	58.5	63.2
@ Australand Apartments No. 3 Pty Limited	Property development	Australia	58.5	63.2
@ Australand Apartments No. 4 Pty Limited	Property development	Australia	58.5	63.2
@ Australand Apartments No 5 Pty Limited	Property development	Australia	58.5	–
@ Australand Apartments No 6 Pty Limited	Property development	Australia	58.5	–
@ Australand Apartments No 7 Pty Limited	Property development	Australia	58.5	–
@ Australand Apartments No 9 Pty Limited	Property development	Australia	58.5	–
@ Australand Apartments Pty Limited	Trustee	Australia	58.5	63.2
@ Australand CE Pty Limited (formerly known as Walker C.E. Pty Limited)	Property development	Australia	58.5	63.2
1 Australand Consolidated Investments Pty Limited (formerly known as Walker Consolidated Investments Pty Limited)	Property development	Australia	58.5	63.2
1 Australand Constructions Pty Limited	Property development	Australia	58.5	63.2
1 Australand Corporation (NSW) Limited (formerly known as Walker Corporation Limited)	Property development	Australia	58.5	63.2
@ Australand Corporation (Qld) Pty Limited (formerly known as Walker Corporation (Qld) Pty Limited)	Property development	Australia	58.5	63.2
@ Australand Corporation (SA) Pty Limited (formerly known as Walker Corporation (S. A.) Pty Limited)	Property development	Australia	58.5	63.2
@ Australand Developments (NSW) Pty Limited (formerly known as Walker Developments (NSW) Pty Limited)	Property development	Australia	58.5	63.2
@ Australand Duntroon Pty Limited (formerly known as Broadway Shopping Centre Management Pty Limited)	Property development	Australia	58.5	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Australand Finance Pty Limited (formerly known as Walker Finance Pty Limited)	Property development	Australia	58.5	63.2
@ Australand HK Company Limited	Property development	Hong Kong	58.5	63.2
@ Australand Holdings Custodian Pty Limited	Trustee	Australia	58.5	63.2
1 Australand Holdings Limited	Property investment, development and investment holding	Australia	58.5	63.2
@ Australand Industrial Constructions Pty Limited	Dormant	Australia	58.5	63.2
@ Australand Industrial No. 2 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 3 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 4 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 5 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 6 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 7 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 8 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 9 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 10 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 11 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 12 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 13 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 14 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 15 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 16 Pty Limited	Trustee	Australia	^	63.2
@ Australand Industrial No. 17 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 18 Pty Limited	Trustee	Australia	^	63.2
@ Australand Industrial No. 20 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 21 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 22 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 23 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 24 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No. 25 Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial No 26 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 27 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 28 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 29 Pty Limited	Trustee	Australia	58.5	–

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Australand Industrial No 30 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 31 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 32 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 33 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 34 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 35 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 36 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 37 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 38 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 39 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 40 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 41 Pty Limited	Property development	Australia	58.5	–
@ Australand Industrial No 42 Pty Limited	Property development	Australia	58.5	–
@ Australand Industrial No 43 Pty Limited	Property development	Australia	58.5	–
@ Australand Industrial No 44 Pty Limited	Property development	Australia	58.5	–
@ Australand Industrial No 45 Pty Limited	Financier	Australia	58.5	–
@ Australand Industrial No 46 Pty Limited	Financier	Australia	58.5	–
@ Australand Industrial No 47 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 48 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 49 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 50 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 51 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 52 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 53 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 54 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 55 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 56 Pty Limited	Trustee	Australia	58.5	–
@ Australand Industrial No 59 Pty Limited	Trust management	Australia	58.5	–
@ Australand Industrial No. 62 Pty Limited (formerly known as Ferny Avenue Management Pty Limited)	Property development	Australia	58.5	63.2
@ Australand Industrial Projects Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Industrial Pty Limited	Trustee	Australia	58.5	63.2
@ Australand Land and Housing No 1 Pty Limited (formerly known as Australand Industrial No. 19 Pty Limited)	Trustee	Australia	58.5	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Australand Land and Housing No 2 Pty Limited	Trustee	Australia	58.5	–
@ Australand Land and Housing No 3 Pty Limited (formerly known as ADWI (Qld) Pty Limited)	Property development	Australia	58.5	63.2
@ Australand Land and Housing No 4 Pty Limited	Trustee	Australia	58.5	–
@ Australand Mangement Services (NSW) Pty Limited	Property development	Australia	58.5	63.2
@ Australand Sabre Debentures Pty Limited	Financier	Australia	58.5	–
@ Australand Sabre Deposits Pty Limited	Financier	Australia	58.5	–
@ Australand Stage 3A Partner Trust	Property development	Australia	58.5	–
@ Australand Stage 3A Trust	Property development	Australia	58.5	–
@ Australand Stage 3B Partner Trust	Property development	Australia	58.5	–
@ Australand Stage 3B Trust	Property development	Australia	58.5	–
@ Australand Stage 3C Partner Trust	Property development	Australia	58.5	–
@ Australand Stage 3C Trust	Property development	Australia	58.5	–
@ Australand W9 & 10 Construction Stage 1 Pty Limited (formerly known as Walker W9 & 10 Construction Stage 1 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Construction Stage 2 Pty Limited (formerly known as Walker W9 & 10 Construction Stage 2 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Construction Stage 3A Pty Limited (formerly known as Walker W9 & 10 Construction Stage 3 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Construction Stage 3B Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Construction Stage 3C Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Construction Stage 4 Pty Limited (formerly known as Walker W9 & 10 Construction Stage 4 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Construction Stage 4B Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 3A Holdings Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 3B Holdings Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 3C Holdings Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 1 Pty Limited (formerly known as Walker W9 & 10 Stage 1 Pty Limited)	Property development	Australia	58.5	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Australand W9 & 10 Stage 2 Pty Limited (formerly known as Walker W9 & 10 Stage 2 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Stage 3A Pty Limited (formerly known as Walker W9 & 10 Stage 3 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Stage 3B Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 3C Pty Limited	Property development	Australia	58.5	–
@ Australand W9 & 10 Stage 4 Pty Limited (formerly known as Walker W9 & 10 Stage 4 Pty Limited)	Property development	Australia	58.5	63.2
@ Australand W9 & 10 Stage 4B Pty Limited (formerly known as Walker W9 & 10 Stage 4B Pty Ltd)	Property development	Australia	58.5	63.2
1 Australand Wholesale Investments (Custodian) Limited (formerly known as Australand Wholesale Investments (No. 3) Limited)	Trustee	Australia	58.5	63.2
1 Australand Wholesale Investments Limited	Trustee	Australia	58.5	63.2
1 Australand Wholesale Investments (No. 3) Limited (formerly known as Australand Wholesale Investments No. 2 Limited)	Trustee	Australia	58.5	63.2
1 Australand Wholesale Investments No. 4 Limited	Trustee	Australia	58.5	63.2
@ Australand Wholesale Office Trust	Unit holder	Australia	58.5	–
@ Australand Wholesale Property Trust No. 3	Property development	Australia	5.9 #	63.2
@ Australand Wholesale Property Trust No. 4	Property development	Australia	58.5	63.2
@ Australand Wholesale Property Trust No. 5	Property development	Australia	5.9 #	63.2
@ Australand Wholesale Property Trust No. 6	Property development	Australia	5.9 #	63.2
@ Australand Wholesale Property Trust No. 7	Property development	Australia	58.5	63.2
@ Australand Wholesale Property Trust No. 8	Property development	Australia	58.5	–
@ Australand Wholesale Property Trust No 9	Property development	Australia	58.5	–
Austvale Holdings Ltd	Investment holding	Singapore	100	100
@ AWPT Finance Pty Limited	Trustee	Australia	58.5	63.2
@ AWPT No 2 Construction Finance Pty Limited	Financier	Australia	58.5	63.2
@ AWPT No 2 Post Construction Finance Pty Limited	Financier	Australia	58.5	63.2
@ AWPT No 3 Construction Finance Pty Limited	Financier	Australia	58.5	–
@ AWPT No 3 Post Construction Finance Pty Limited	Financier	Australia	58.5	–
Azurite Land Pte Ltd	Investment holding	Singapore	100	100
1 Balmain Shores Pty Limited	Investment holding	Australia	79.3	81.6

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 Bassdoc Pty Limited	Property development	Australia	58.5	63.2
@ Basstar Pty Limited	Property development	Australia	58.5	63.2
@ Basstorm Pty Limited	Property development	Australia	58.5	63.2
@ Bayslore Pty Limited	Property development	Australia	58.5	63.2
@ Beaudesert Road Unit Trust	Property development	Australia	58.5	63.2
@ Bechcorp Pty Limited	Liquidated	Australia	–	63.2
6 Beijing Ruihua Property Development Co., Ltd	Property development	The People's Republic of China	62	–
@ Berwick Development Unit Trust	Liquidated	Australia	–	63.2
@ Birkenhead Estates Pty Limited	Property development	Australia	58.5	63.2
@ Blacktown Residential Unit Trust	Property development	Australia	58.5	63.2
Blissmore Pte Ltd	Investment holding	Singapore	100	100
Ω Blue Star Logistics Pty Limited	Liquidated	Australia	–	63.2
Bornite Pte Ltd	Investment holding	Singapore	100	100
@ Box Road Unit Trust	Trustee	Australia	58.5	63.2
BR Properties Pte Ltd	Investment holding	Singapore	100	100
@ Braeside Property Developments Pty Limited	Trustee	Australia	58.5	63.2
@ Braeside Trust	Property development	Australia	58.5	63.2
@ Branister Pty Limited	Liquidated	Australia	–	63.2
1 Brisun Pty Limited	Property development	Australia	79.3	81.6
@ Bullecourt Developments Pty Limited	Property development	Australia	58.5	–
@ Bullecourt Place Unit Trust (formerly known as Apartment Project (Non-MOF) No. 3 Unit Trust)	Property development	Australia	58.5	63.2
@ Bullecourt Pty Limited	Trustee	Australia	58.5	–
Cairnhill Place Pte Ltd	Property investment	Singapore	100	100
@ Caloundra Apartments Pty Limited (formerly known as Idabell Pty Limited)	Trustee	Australia	58.5	63.2
@ Capital Cities Housing Trust	Liquidated	Australia	–	63.2
@ CapitaLand (China) Investment Co., Ltd	Investment holding	The People's Republic of China	100	–
CapitaLand China Holdings Pte Ltd	Investment holding	Singapore	100	100
1 CapitaLand Management Consulting (Shanghai) Co., Ltd	Management services	The People's Republic of China	100	100
CapitaLand Residential Management Services Pte Ltd	Project management and consultancy	Singapore	100	100

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 CapitaLand Residential Pty Limited (formerly known as Ganlook Pty Ltd)	Investment holding	Australia	100	100
CapitaLand Residential Singapore Pte Ltd	Project management and consultancy	Singapore	100	100
@ Cavapak Pty Limited	Property development	Australia	58.5	63.2
1 Central Hill Limited	Property investment	Hong Kong	75	75
1 Central Union Limited	Property investment	Hong Kong	100	100
1 Chatswood Unit Trust	Property development	Australia	58.5	63.2
Choa Chu Kang Land Ltd	Property development	Singapore	100	100
Ω Churchill Estates Proprietary Limited	In liquidation	Australia	58.5	63.2
@ Claical Pty Limited	Liquidated	Australia	–	63.2
@ Claicam Pty Limited	Property development	Australia	58.5	63.2
Clarke Quay Adventure Pte Ltd	Property development	Singapore	100	100
Clearwater Condominium Pte Ltd	Property development	Singapore	100	100
Clementi Complex Pte Ltd	Property investment	Singapore	100	100
@ College Square Residential Pty Limited	Property development	Australia	58.5	63.2
1 College Square Residential Trust	Property development	Australia	58.5	63.2
@ Como Car Park Unit Trust	Property development	Australia	58.5	–
@ Como Commercial No. 1 Unit Trust	Property development	Australia	58.5	–
@ Como Commercial No. 2 Unit Trust	Property development	Australia	58.5	–
@ Como Residential No. 1 Unit Trust	Property development	Australia	58.5	–
@ Como Residential No. 2 Unit Trust	Property development	Australia	58.5	–
@ Crazesun Pty Limited	Liquidated	Australia	–	63.2
CRL (HK) Pte Ltd (formerly known as Pidemco Land (HK) Pte Ltd)	Investment holding	Singapore	100	100
CRL Investment Pte Ltd (formerly known as Pidemco Land (Japan) Pte Ltd)	Investment holding	Singapore	100	100
CRL Realty Pte Ltd	Property development and investment holding	Singapore	100	100
@ Daytron No. 2 Pty Limited	Trustee	Australia	58.5	–
@ Daytron No. 2 Unit Trust	Property development	Australia	58.5	–
Ω Devoba Pty Limited	Liquidated	Australia	–	63.2
@ Duntroon Street Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 1 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 2 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 3 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 4 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 5 Unit Trust	Property development	Australia	58.5	–

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Eastern Creek No 6 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 7 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 8 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 9 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 10 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 11 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 12 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 13 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 14 Unit Trust	Property development	Australia	58.5	–
@ Eastern Creek No 15 Unit Trust	Property development	Australia	58.5	–
Eastvale Development Pte Ltd	Property development	Singapore	100	100
1 Elizabeth Street Melbourne Pty Limited	Property development	Australia	58.5	63.2
@ Erongo Holdings Pty Limited	Property development	Australia	58.5	63.2
@ Ferndell Street Unit Trust	Property development	Australia	58.5	63.2
Ω Flagstaff Developments Pty Limited	Liquidated	Australia	–	63.2
@ Freshwater Car Park No. 1 Pty Limited (formerly known as Freshwater No. 1 Pty Limited)	Property development	Australia	58.5	63.2
@ Freshwater Carpark Trust No. 1	Property development	Australia	58.5	–
@ Freshwater Carpark Trust No. 2	Property development	Australia	58.5	–
@ Freshwater Commercial No. 1 Pty Limited (formerly known as Freshwater No. 4 Pty Limited)	Property development	Australia	58.5	63.2
@ Freshwater Commercial No. 2 Pty Limited (formerly known as Freshwater No. 7 Pty Limited)	Property development	Australia	58.5	63.2
1 Freshwater Holding No. 1 Pty Limited	Property development	Australia	58.5	–
1 Freshwater Holding No. 2 Pty Limited	Property development	Australia	58.5	–
@ Freshwater Holding No. 3 Pty Limited (formerly known as Freshwater No. 8 Pty Limited)	Property development	Australia	58.5	63.2
1 Freshwater Holding No. 4 Pty Limited	Property development	Australia	58.5	–
@ Freshwater Holding Trust No. 1	Property development	Australia	58.5	–
@ Freshwater Holding Trust No. 2	Property development	Australia	58.5	–
@ Freshwater Holding Trust No. 3	Property development	Australia	58.5	–
@ Freshwater Holding Trust No. 4	Property development	Australia	58.5	–
@ Freshwater No. 2 Pty Limited	Property development	Australia	58.5	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Freshwater No. 6 Pty Limited	Property development	Australia	58.5	63.2
@ Freshwater Office Trust No. 1	Property development	Australia	58.5	–
@ Freshwater Office Trust No. 2	Property development	Australia	58.5	–
@ Freshwater Place Pty Ltd (formerly known as Freshwater No. 9 Pty Limited)	Property development	Australia	58.5	63.2
@ Freshwater Residential Pty Limited (formerly known as Freshwater No. 3 Pty Limited)	Property development	Australia	58.5	63.2
@ Freshwater Residential Trust	Property development	Australia	58.5	–
@ Freshwater Stage 4 No. 2 Unit Trust	Property development	Australia	58.5	–
@ Freshwater Stage 4 Pty Limited (formerly known as Freshwater No. 5 Pty Limited)	Property development	Australia	58.5	63.2
@ Freshwater Stage 4 Unit Trust	Property development	Australia	58.5	–
1 Furzur Pty Limited	Property development	Australia	58.5	63.2
@ Garrin Pty Limited	Property development	Australia	58.5	63.2
@ Gateway Building Nominees Pty Limited	Trustee	Australia	58.5	63.2
@ Glebe Unit Trust	Property development	Australia	58.5	–
@ Greystanes Holding No. 1 Unit Trust	Property development	Australia	58.5	–
@ Greystanes Holding No. 2 Unit Trust	Property development	Australia	58.5	–
@ Greystanes No. 1 Unit Trust	Property development	Australia	5.9 #	63.2
@ Greystanes No. 2 Unit Trust	Property development	Australia	5.9 #	63.2
@ Greystanes No. 3 Unit Trust	Property development	Australia	58.5	63.2
@ Greystanes No. 4 Unit Trust	Property development	Australia	58.5	–
@ Greystanes No. 5 Unit Trust	Property development	Australia	58.5	–
@ Hartley Road Smeaton Grange Pty Limited	Property development	Australia	–	63.2
@ Hedland Marine Services Pty Limited	Property development	Australia	58.5	63.2
@ Henry Deane Building Nominees Pty Limited	Trustee	Australia	58.5	63.2
Hollandale Realty Limited	Property investment and development	Singapore	100	100
Hua De Holdings Pte. Ltd. (formerly known as Torbernite Pte Ltd)	Dormant	Singapore	100	100
Hua Jia Holdings Pte Ltd	Dormant	Singapore	100	100
Hua Jian Holdings Pte Ltd	Investment holding	Singapore	100	100
1 Hua Rui Investments Ltd	Treasury and related activities	Hong Kong	100	100
Hua Sheng Holdings Pte Ltd	Investment holding	Singapore	100	100
Hua Yuan Holdings Pte Ltd	Investment holding	Singapore	70	70
Imperial Realty Limited (formerly known as Hind Hotels International Limited)	Property development	Singapore	100	89.7

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Industrial Project (Non-MOF) No. 1 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project (Non-MOF) No. 2 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project (Non-MOF) No. 3 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project (Non-MOF) No. 4 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project (Non-MOF) No. 5 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project No. 2 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project No. 3 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project No. 4 Unit Trust	Property development	Australia	58.5	63.2
@ Industrial Project No. 5 Unit Trust	Property development	Australia	58.5	63.2
1 Interciti Pty Limited	Trustee	Australia	58.5	–
@ Jacday Pty Limited	Property development	Australia	58.5	63.2
@ Jenfrost Pty Limited	Trustee	Australia	58.5	63.2
@ Jeraspell Pty Limited	Property development	Australia	58.5	63.2
Jurong Development Pte Ltd	Property development	Singapore	80	80
Jurong West Land Pte Ltd	Property development	Singapore	100	100
@ Kaydoc Pty Limited	Property development	Australia	58.5	63.2
@ Kayray Pty Limited	Property development	Australia	58.5	63.2
@ Kellyville Development Unit Trust	Liquidated	Australia	–	63.2
KR Realty Pte Ltd	Property investment	Singapore	100	100
Ladyhill (Private) Limited	Dormant	Singapore	100	100
@ Laibut Pty Limited	Property development	Australia	58.5	63.2
@ Land and Housing No. 1 Unit Trust	Property development	Australia	58.5	–
@ Land and Housing No. 2 Unit Trust	Property development	Australia	58.5	–
@ Land and Housing No. 3 Unit Trust	Property development	Australia	58.5	–
@ Land and Housing No. 4 Unit Trust	Property development	Australia	58.5	–
@ Landwin Pty Limited	Trustee	Australia	58.5	63.2
@ Lauriston Developments Pty Limited	Liquidated	Australia	–	63.2
Ω Lavish Strata Sdn. Bhd.	Liquidated	Malaysia	–	60
Leonie Court Pte Ltd	Property development and investment	Singapore	100	100
Loft Condominium Pte Ltd	Property development	Singapore	100	100
@ Ludove Pty Limited	Property development	Australia	58.5	63.2
@ Macleay Apartment Holdings Pty Limited	Property development	Australia	58.5	63.2
@ Macleay Street Unit Trust	Liquidated	Australia	–	63.2

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
@ Mandible Street Unit Trust	Property development	Australia	58.5	63.2
@ Manly Peninsula Pty Limited	Property development	Australia	58.5	63.2
@ Marlin Cove Primary Thoroughfare Company Pty Limited	Property development	Australia	58.5	63.2
@ Marnwest Pty Limited	Property development	Australia	58.5	63.2
@ Mascot No. 2 Unit Trust	Property development	Australia	58.5	–
@ Mauthe Pacific Pty Limited	Property development	Australia	58.5	63.2
@ Melbourne Apartment Developments Pty Limited	Holding building licence	Australia	58.5	63.2
Ω Mimosa Developments Pty Ltd	Liquidated	Australia	–	63.2
@ Minto No. 1 Unit Trust	Property development	Australia	58.5	63.2
@ Minto No. 2 Unit Trust	Property development	Australia	58.5	63.2
@ Minto No. 3 Unit Trust	Property development	Australia	58.5	63.2
@ Minto No. 4 Unit Trust	Property development	Australia	58.5	63.2
@ Minto No. 5 Unit Trust	Property development	Australia	58.5	63.2
@ Minto No. 6 Unit Trust	Property development	Australia	58.5	63.2
@ Mt Derrimut Unit Trust	Property development	Australia	58.5	63.2
Nassim Hill Realty Pte Ltd	Property development	Singapore	100	100
Ω Navdate Pty Limited	Liquidated	Australia	–	63.2
Ω Neswick Pty Limited	Liquidated	Australia	–	63.2
@ New Farm Developments Pty Limited	Property development	Australia	58.5	63.2
@ Newcastle Guarantee Corporation Pty Limited	Property development	Australia	58.5	63.2
Ω Newjem Pty Limited	Liquidated	Australia	–	63.2
1 Nexus Apartments Pty Limited	Property development	Australia	58.5	63.2
@ No. 40-46 Atchison Street Unit Trust	Liquidated	Australia	–	63.2
@ Northern Gateway Building Nominees Pty Limited	Liquidated	Australia	–	63.2
Opal Holdings Pte Ltd	Investment holding	Singapore	100	100
Orchard Point Pte Ltd	Property investment	Singapore	100	100
@ Outer Harbour Unit Trust	Property development	Australia	58.5	63.2
@ PDI (Qld) Pty Limited	Property development	Australia	58.5	63.2
@ PDI Pty Limited	Property development	Australia	58.5	63.2
Pidemco Development Pte Ltd	Property development and investment holding	Singapore	100	100
1 Pidland (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	100	100
Pindo Investment Pte Ltd	Dormant	Singapore	100	100

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Pinevale Condominium Pte Ltd	Property development	Singapore	100	100
@ Platinum Street Pty Limited	Trustee	Australia	58.5	63.2
1 Plushland Sdn. Bhd.	Investment holding	Malaysia	100	100
@ Port Catherine Developments Pty Ltd	Property development	Australia	58.5	63.2
@ Portmar Pty Limited	Property development	Australia	58.5	63.2
Prime Equities Pte Ltd	Investment holding	Singapore	100	100
1 Property Investment Management Limited	Property development	Australia	58.5	63.2
1 PT Pakuwon Amethyst	Property investment and development	Indonesia	–	51
@ Regency Chatswood Constructions Pty Limited	Property development	Australia	58.5	63.2
@ Rhodes No. 1 Unit Trust	Property development	Australia	58.5	–
@ Rhodes No. 2 Unit Trust	Property development	Australia	58.5	–
@ Rhodes No. 5 Unit Trust	Property development	Australia	58.5	–
@ Rhodes No. 6 Unit Trust	Property development	Australia	58.5	–
@ Rhodes No. 7 Unit Trust	Property development	Australia	58.5	–
Ω Ridaview Pty Limited	Liquidated	Australia	–	63.2
@ Rimcam Pty Limited	Property development	Australia	58.5	63.2
Ω Rinzeal Pty Limited	Liquidated	Australia	–	63.2
@ Roeyear Pty Limited	Property development	Australia	58.5	63.2
@ Roy Street Unit Trust	Property development	Australia	58.5	63.2
@ Rudd Street Unit Trust	Property development	Australia	58.5	63.2
1 Rylehall Pty Limited	Property development and acting as trustee	Australia	58.5	63.2
Ω Saint John's Wood Unit Trust	Liquidated	Australia	–	63.2
Sapphire Investment Pte Ltd	Investment holding	Singapore	100	100
@ Saranbay Pty Limited	Liquidated	Australia	–	63.2
1 Shanghai Bai Hua Property Investment Consultants Co., Ltd	Property consultancy, valuation and agency services	The People's Republic of China	95	95
1 Shanghai Bai Ting Consultant Co., Ltd	Project management and consultancy services	The People's Republic of China	51	51
@ Shanghai Ning Xin Real Estate Development Co., Ltd	Property development	The People's Republic of China	77.6	–
1 Shanghai Pudong Xinxiang Real Estate Development Co., Ltd	Property development	The People's Republic	66.5	66.5
1 Shanghai Xinqing Property Development Co., Ltd	Property development	The People's Republic of China	85	85
1 Shanghai Xin Li Property Development Co., Ltd	Property development	The People's Republic of China	100	95

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 Shanghai Xin Rui Property Development Co., Ltd	Property development	The People's Republic of China	70	70
@ Shanghai Xin Xu Property Development Co., Ltd	Property development	The People's Republic of China	99	–
@ Shellcove Estate Real Estate Pty Limited	Property development	Australia	58.5	63.2
@ Shettleston Street Pty Limited	Property development	Australia	58.5	63.2
Silverlac Investments Ltd	Provision of financial and treasury services	Singapore	100	100
Sims Place Realty Limited	Property investment	Singapore	95	95
@ Somerset Estates Pty Ltd	Liquidated	Australia	–	63.2
@ South Park No. 2 Pty Limited	Property development	Australia	58.5	63.2
@ South Park Nominees Pty Limited	Property development	Australia	58.5	63.2
ST Chestervale Pte Ltd	Property development	Singapore	100	100
ST Rivervale Pte Ltd	Property development	Singapore	100	100
ST Windermere Park Pte Ltd	Property development	Singapore	100	100
@ Stanton Road Holding Trust	Property development	Australia	58.5	–
@ Stanton Road No. 1 Pty Limited	Property development	Australia	58.5	63.2
@ Stanton Road No. 1 Unit Trust	Property development	Australia	5.9 #	63.2
@ Stanton Road No. 3 Unit Trust	Property development	Australia	58.5	–
@ Stephen Road No. 2 Unit Trust	Liquidated	Australia	–	63.2
@ Stephen Road Nominees Pty Limited	Trustee	Australia	58.5	63.2
@ Stephen Road Trust	Property development	Australia	58.5	63.2
@ Stradbroke Street Unit Trust	Property development	Australia	58.5	63.2
@ Suelock Pty Limited	Property development	Australia	58.5	63.2
5 Suzhou Taihu Chungten Real Estate Development Co., Ltd	Property development	The People's Republic of China	–	41.6
SV Development Pte Ltd	Property development	Singapore	100	100
@ Tallebudgera Garden Pty Limited	Liquidated	Australia	–	63.2
@ Thanzo Pty Limited	Property development	Australia	58.5	63.2
@ The Broadbeach Unit Trust	Property development	Australia	58.5	63.2
@ The Northern Gateway Building Trust	Liquidated	Australia	–	63.2
@ T M Burke Estates Proprietary Limited	Property development	Australia	58.5	63.2
@ T M Burke Holdings Pty Limited	Property development	Australia	58.5	63.2
@ T M Burke Proprietary Limited	Property development	Australia	58.5	63.2
TM Land Pte Ltd	Property development	Singapore	100	100

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Topaz Realty Pte Ltd	Dormant	Singapore	100	100
@ Trade Street Pty Limited	Property development	Australia	58.5	63.2
@ Trust Project No. 6 Unit Trust	Liquidated	Australia	–	63.2
@ Trust Project No. 7 Unit Trust	Liquidated	Australia	–	63.2
@ Trust Project No. 8 Unit Trust	Liquidated	Australia	–	63.2
@ Trust Project No. 9 Unit Trust	Property development	Australia	^	63.2
@ Trust Project No. 10 Unit Trust	Liquidated	Australia	–	63.2
@ Trust Project No. 11 Unit Trust	Property development	Australia	^	63.2
@ Trust Project No. 12 Unit Trust	Liquidated	Australia	–	63.2
@ Turana Developments Pty Limited	Liquidated	Australia	–	63.2
@ Vamden Pty Limited	Liquidated	Australia	–	63.2
Vanda Holdings Pte Ltd	Investment holding	Singapore	100	100
@ Walker Menai Pty Limited	Property development	Australia	58.5	63.2
@ Walters Road Pty Limited	Trustee	Australia	58.5	63.2
Westmere Development Pte Ltd	Property development	Singapore	100	100
@ Wharf W Pty Limited	Property development	Australia	58.5	63.2
Wolli Creek Unit Trust	Property development	Australia	58.5	–
Woodsvale Land Pte Ltd	Property development	Singapore	100	100
@ Woodville Road Property Trust	Liquidated	Australia	–	63.2
Zhongten Investment & Development Pte Ltd	Liquidated	Singapore	–	80
Zircon Land Private Limited	Investment holding	Singapore	100	100
(xii) Directly or indirectly held by CapitaLand Commercial Limited:				
Albert Complex Pte Ltd	Dormant	Singapore	100	100
Amethyst Holdings Pte Ltd	Investment holding	Singapore	100	100
Anatase Pte Ltd	Investment holding	Singapore	100	100
Birchvest Investments Pte Ltd	Investment holding, property leasing and managing agent	Singapore	100	100
Blanco Court Pte Ltd	Dormant	Singapore	100	100
Brimitty Pte Ltd	Property investment	Singapore	100	100
Calomel Pte Ltd	Investment holding	Singapore	100	100
1 Canary Riverside Development Pte Ltd	Real estate developer, agent and lessor	Singapore/ United Kingdom	62.5	62.5
1 Canary Riverside Estate Pte Ltd	Construction of a hotel building for long term investment holding purposes	Singapore/ United Kingdom	62.5	62.5
1 Canary Riverside Estate Management Limited	Management of investment properties	United Kingdom	62.5	62.5

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 Canary Riverside Holdings Pte Ltd	Investment holding	Singapore/ United Kingdom	62.5	62.5
1 Canary Riverside Hotel Pte Ltd	Investment holding	Singapore/ United Kingdom	62.5	62.5
1 Canary Riverside Investments Pte Ltd	Investment holding	Singapore/ United Kingdom	62.5	62.5
1 Canary Riverside Properties Pte Ltd	Investment holding	Singapore/ United Kingdom	62.5	62.5
1 CapitaLand (HK) Management Limited	Provision of management services	Hong Kong	100	100
CapitaLand (Industrial) Investments Pte Ltd	Investment holding	Singapore	100	100
CapitaLand (Office) Investments Pte Ltd	Investment holding	Singapore	100	100
CapitaLand Retail Management Pte Ltd (formerly known as CapitaLand (Retail) Investments Pte Ltd)	Investment holding	Singapore	100	100
CapitaLand (U. K.) Pte Ltd (formerly known as Pidemco Land (U. K.) Pte Ltd)	Investment holding	Singapore	100	100
CapitaLand China Holdings (Commercial) Pte Ltd	Property investment	Singapore	100	100
CapitaLand Commercial (Japan) Pte Ltd	Property investment	Singapore	100	100
1 CapitaLand Commercial Kabushiki Kaisha	Investment holding	Japan	100	100
CapitaLand Commercial Project Management Pte Ltd (formerly known as Almandine Ltd)	Project management, development and consultancy	Singapore	100	100
CapitaLand Investments Pte Ltd	Investment holding	Singapore	100	100
CapitaLand Leisure Holdings Ltd	Investment holding	Singapore	100	100
CapitaLand Market Street Pte Ltd (formerly known as Pidemco Tower Pte Ltd)	Property investment	Singapore	100	100
1 CapitaLand Project Consulting (Shanghai) Co., Ltd	Project management and consultancy	The People's Republic of China	100	–
CapitaLand Property Consultants Pte Ltd	Property management, consultancy and investment holding	Singapore	100	100
CapitaLand Selegie Private Limited (formerly known as Pidemco Property Management Services Private Limited)	Property investment	Singapore	100	100
CapitaLand SMA Pte Ltd (formerly known as Pidemco House Pte Ltd)	Property investment	Singapore	100	100
1 CapitaLand UK Holdings Limited	Investment holding	United Kingdom	100	100
1 CapitaLand UK Management Limited	Provision of management services	United Kingdom	100	100
CapitaMall Trust (formerly known as SingMall Property Trust)	Property investment	Singapore	^	87
Capitol Square Pte Ltd	Property investment	Singapore	100	100
China Square Holdings Pte Ltd	Property investment	Singapore	100	100
CL Europe Pte Ltd (formerly known as PL Europe Pte Ltd)	Investment holding	Singapore	100	100

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 CL Moorgate Limited	Property investment and development	United Kingdom	100	100
Clarke Quay Pte Ltd	Property investment	Singapore	100	100
2 Clover Properties Pte Ltd	Property investment	Singapore	100 +	100 +
Corporation Place Ltd	Property investment	Singapore	75	75
1 CR Hotel Investment Pte Ltd	Hotel management	Singapore/ United Kingdom	62.5	62.5
Cuppage Centre Pte Ltd	Property investment	Singapore	100	100
Cuppage Terrace Pte Ltd	Dormant	Singapore	100	100
Dahlia Properties Pte Ltd	Property investment	Singapore	100	100
1 ESPL (M) Sdn Bhd	Dormant	Malaysia	98.1	98.1
1 FSCR Hotel (UK) Limited	Hotel management	United Kingdom	62.5	62.5
1 FSCR Investment Pte Ltd	Investment holding	Singapore/ United Kingdom	62.5	62.5
Funan Centre Pte Ltd	Dormant	Singapore	100	100
Golden Square Pte Ltd	Property investment	Singapore	100	100
Hua Ye Holdings Pte Ltd	Investment holding	Singapore	75	75
Huaten Investment & Development Pte Ltd	Investment holding	Singapore	100	100
Huteng Investment (Shanghai) Pte Ltd	Investment holding	Singapore	75	75
KAIC Pte Ltd	Property investment	Singapore	100	100
KBC Pte Ltd	Property investment	Singapore	100	100
Magnetite Pte Ltd	Investment holding	Singapore	100	100
Malachite Land Pte Ltd	Investment holding	Singapore	100	100
1 MCH Holdings (Shanghai) Pte Ltd	Investment holding	Singapore	100	–
Murray Terrace Pte Ltd	Dormant	Singapore	100	100
Orthoclase Pte Ltd	Investment holding	Singapore	100	100
Pidemco Place Pte Ltd	Dormant	Singapore	100	100
Plaza Singapura (Private) Limited	Investment holding and property investment	Singapore	100	100
Prasiolite Pte Ltd	Investment holding	Singapore	100	100
Premier Health Corporation International Pte Ltd	Investment holding	Singapore	100	100
1 Premier Health Corporation (M) Sdn Bhd	Investment holding	Malaysia	65	65
Premier Health Holding Pte Ltd	Investment holding	Singapore	100	100
Premier Healthcare Services International Pte Ltd	Healthcare consultancy	Singapore	100	100

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Premier Health Investments Pte Ltd	Investment holding	Singapore	100	100
PT Amethyst Wahyu	Property investment and development	Indonesia	–	95
1 PT CapitaLand Property Services	Project management and consultancy	Indonesia	100	100
Ω PT Enctech Indotama	Liquidated	Indonesia	–	56.7
1 PT Regency Laguna Jasamedika	Dormant	Indonesia	70	70
Pyramex Investments Pte Ltd	Investment holding	Singapore	100	100
Ω Quantum M&E Engineering Services Pte Ltd	In liquidation	Singapore	98.1	98.1
Quantum Systems Pte Ltd	Investment holding	Singapore	98.1	98.1
1 Regency Medical Centre (Seri Alam) Sdn Bhd	Hospital owner and operator	Malaysia	65	65
1 Regency Medical Centre (Sungai Petani) Sdn Bhd	Dormant	Malaysia	55.3	55.3
2 RE Properties Pte Ltd	Property investment	Singapore	100 +	100 +
2 Robinson Point Pte Ltd	Property investment	Singapore	100 +	100 +
Rochor Square Pte Ltd	Property investment	Singapore	100	100
Ω Sauter Enctech Ltd	Liquidated	Hong Kong	–	88.3
1 Shanghai Huteng Real Estate Co., Ltd	Property investment and development	The People's Republic of China	75	75
2 Shanghai Xin Mao Property Development Co., Ltd (formerly known as Shanghai Merchant Court Hotel Co., Ltd)	Property investment	The People's Republic of China	95	–
Siam Holdings Ltd	Investment holding	Singapore	100	100
1 Splendid Path Limited	Provision of financial and treasury services	Hong Kong	100	100
Somerset Mall Pte Ltd	Dormant	Singapore	100	100
1 Star Assets Property Limited	Property investment	Hong Kong	100	100
Sultan Centre Pte Ltd	Dormant	Singapore	100	100
Ω Supertek Systems Pte Ltd	In liquidation	Singapore	75.6	75.6
Tafoni Pte Ltd	Dormant	Singapore/ United Kingdom	100	100
Tagore Properties Pte Ltd	Dormant	Singapore	100	100
TMall Limited	Dormant	Singapore	55	55
Tanjong Pagar Heritage Pte Ltd	Dormant	Singapore	100	100
Temasek Tower Limited	Property investment	Singapore	90	90
Thomson Plaza (Private) Limited	Property investment	Singapore	100	100
Victoria City Pte Ltd	Investment holding	Singapore	100	100
Wan Tien Realty (Pte) Ltd	Property investment	Singapore	100	100
Westbond Investments Pte Ltd	Investment holding	Singapore	100	100

Name of Company		Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
				2002 %	2001 %
(xiv) Directly or indirectly held by CapitaLand Property Services Holdings Pte Ltd:					
@	Beijing Cushman & Wakefield PREMAS Asset Services Co., Ltd.	Property management and consultancy	The People's Republic of China	51	–
	CapitaLand Valuers & Property Consultants Pte Ltd	Real estate valuation and property consultancy	Singapore	100	100
1	Cushman & Wakefield PREMAS Asset Services (Shanghai) China Co., Ltd. (formerly known as PREMAS Property Consultants (Shanghai) Co., Ltd.)	Property consultancy	The People's Republic of China	51	100
1	ESMACO (M) Sdn. Bhd.	Landscaping services	Malaysia	51	51
	ESMACO International Pte Ltd	Contact centre and home services	Singapore	51	51
	ESMACO Pte Ltd	Estate and building management and related services	Singapore	51	51
	ESMACO Township Management Pte Ltd	Real estate and township management	Singapore	51	51
	ESMACO Valuers & Property Agents Pte Ltd	Real estate valuation and agency services	Singapore	51	51
1	LandArt (Shanghai) Co., Ltd. (formerly known as ESMACO Property Services (Shanghai) Co., Ltd.)	Property management	The People's Republic of China	100	51
	LandArt Pte Ltd (formerly known as RESMA Building Services Pte Ltd)	Building contracts, administration and related services	Singapore	51	51
	PREMAS Asia Pte Ltd	Investment holding	Singapore	100	–
	PREMAS Environ Pte Ltd	Provision of indoor air quality and related services	Singapore	60	60
1	PREMAS Hong Kong Limited	Property management and related services	Hong Kong	70	70
	PREMAS International Limited	Property management and related services	Singapore	100	100
	PREMAS Investments Pte Ltd	Property management, consultancy services and investment holding	Singapore	100	100
	PREMAS Technologies Pte Ltd	Investment holding	Singapore	100	100
1	PT. PREMAS International	Property management and related services	Indonesia	100	100
	RESMA Engineering Services Pte Ltd	Engineering services	Singapore	51	51
	RESMA Property Services Pte Ltd	Estate and building management and related services	Singapore	51	51
(xv) Directly or indirectly held by Raffles Holdings Limited:					
2	Browns Hotel Ltd	Hotel owner and operator	United Kingdom	60.1	60.1
7	Burton Way Hotel, Inc.	Hotel owner and operator	United States of America	60.1	60.1
2	hospitalitybex pte ltd	Operation of e-procurement portal	Singapore	46.7	46.7
2	Hotel International AG	Hotel owner and operator	Switzerland	60	59.7
2	Hotels & Resorts (Australasia) Pty Limited	Investment holding	Australia	60.1	60.1
2	Hotels & Resorts (UK) Ltd	Investment holding	United Kingdom	60.1	60.1
2	Hotel “Vier Jahreszeiten” von Friedrich Haerlin GmbH	Hotel operator	Germany	60.1	60.1

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Ω L'Entrée AG	Restaurant operator	Switzerland	–	49.2
2 Le Plaza Basel AG	Hotel owner and operator	Switzerland	49.2	49.2
2 MCH Holdings (Shanghai) Pte Ltd	Investment holding	Singapore	–	48.1
2 MCH Services (Sydney) Pte Ltd	Trust manager	Singapore	36.1	36.1
2 MCH (Sydney) Trust	Hotel owner and operator	Australia	36.1	36.1
2 Merchant Quay Pte Ltd	Hotel owner and operator	Singapore	60.1	60.1
2 Raffles Centre (Private) Limited	Investment holding	Singapore	60.1	60.1
2 Raffles Corporation (Australasia) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Raffles Corporation (Germany) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Raffles Corporation (USA) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Raffles Corporation (Switzerland) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Raffles Grand Hotel Pte Ltd	Hotel owner and operator	Cambodia	60.1	60.1
2 Raffles Hotel (1886) Ltd	Hotel owner, operator and property investment	Singapore	34.1	34.1
2 Raffles International (Australasia) Pty Limited	Hotel management and management of tourism related activities	Australia	60.1	60.1
3 Raffles International Hotels & Resorts (Thailand) Co., Ltd	Hotel management and management of tourism related activities	Thailand	60.1	60.1
2 Raffles International Limited	Hotel management and management of tourism related activities	Singapore	60.1	60.1
@ Raffles Knowledge Pte. Ltd.	Training and educational activities of hotel and tourism related activities	Singapore	60.1	–
2 Raffles Royal Hotel Pte. Ltd.	Hotel owner and operator	Cambodia	60.1	60.1
2 Resorts International (1997) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Rheinpark Plaza Neuss GmbH	Hotel owner and operator	Germany	60	59.7
2 RHL E-Ventures Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Shanghai Merchant Court Hotel Co., Ltd	Hotel owner and operator	The People's Republic of China	–	33.7
2 Société Montreux Palace S.A.	Hotel owner and operator	Switzerland	50.3	50
2 Stamford Hotels Pte Ltd	Investment holding	Singapore	60.1	60.1
2 Sodereal Holding S.A.	Investment holding	Switzerland	60	59.7
2 Swissôtel Amsterdam B.V.	Hotel operator	The Netherlands	60	59.7
2 Swissôtel Berlin GmbH	Hotel operator	Germany	60	59.7
Ω Swissôtel Data AG	Liquidated	Switzerland	–	60.1
@ Swissôtel Employment Services, L.L.C.	Recruitment	United States of America	45.1	45.1
2 Swissôtel Holding AG	Investment holding	Switzerland	60.1	60.1
4 Swissôtel (Hong Kong) Ltd	Sales office operations	Hong Kong	60.1	60.1
@ Swissôtel Japan KK	Sales office operations	Japan	60.1	60.1

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
2 Swissôtel (London) Ltd	Sales office operations	United Kingdom	60.1	60.1
2 Swissôtel Management AG	Hotel management and management of tourism related activities	Switzerland	60.1	60.1
Ω Swissôtel Management Brussels S.A.	Liquidated	Belgium	–	60.1
2 Swissôtel Management Corporation	Hotel management and management of tourism related activities	United States of America	60.1	60.1
Ω Swissôtel Management Europe AG	Liquidated	Switzerland	–	60.1
2 Swissôtel Management (South America) L.L.C.	Hotel management and management of tourism related activities	United States of America	60.1	60.1
2 Swissôtel Management (USA) L.L.C.	Hotel management and management of tourism related activities	United States of America	60.1	45.1
Ω Swissôtel Properties Inc.	Liquidated	United States of America	–	59.7
2 The Raffles Company (1997) Pte Ltd	Investment holding	Singapore	60.1	60.1
2 “Vier Jahreszeiten” Gründstucks-gesellschaft m.b.H.	Hotel owner	Germany	60.1	60.1
(xvi) Directly or indirectly held by The Ascott Group Limited:				
Aliph Properties Pte Ltd	Property management	Singapore	68.9	68.9
3 Ascott (1989) Thailand Limited	Dormant	Thailand	68.9	68.9
1 Ascott Group (Jersey) Limited	Investment holding	United Kingdom	68.9	68.9
1 Ascott Hospitality Holdings Philippines, Inc.	Property investment	Philippines	68.9	68.9
1 Ascott Hospitality Management (UK) Limited (formerly known as Ascott Management Services (UK) Limited)	Management of serviced apartments	United Kingdom	68.9	–
Ascott International Management (2001) Pte Ltd	Investment holding and management of serviced apartments	Singapore	68.9	68.9
1 Ascott International Management (Australia) Pty Ltd	Management of serviced apartments	Australia	68.9	68.9
1 Ascott International Management (Malaysia) Sdn. Bhd. (formerly known as Liang Court Hospitality Services Sdn. Bhd.)	Management of serviced and hotel apartments	Malaysia	68.9	68.9
1 Ascott International Management (N.Z.) Pte Limited	Management of serviced apartments	New Zealand	68.9	68.9
Ascott International Management Pte Ltd	Management of serviced apartments	Singapore/Thailand/Malaysia/Indonesia/United Kingdom/The People's Republic of China	68.9	68.9
3 Ascott International Management (Thailand) Limited	Management of serviced apartments	Thailand	68.9	68.9
1 Ascott Mayfair Limited	Property management	United Kingdom	68.9	68.9
1 Ascott Property Management (Beijing) Co., Ltd	Property management	The People's Republic of China	68.9	68.9
1 Ascott Property Management (Shanghai) Co., Ltd	Property management	The People's Republic of China	68.9	68.9

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Ascott Residences Pte Ltd	Investment and development of serviced apartments	Singapore	68.9	68.9
3 Ascott Serviced Apartments (Malaysia) Sdn Bhd	Dormant	Malaysia	68.9	68.9
1 Ascott Serviced Residences Pty Ltd	Dormant	Australia	68.9	68.9
1 Bloomfield Holdings B. V.	Investment holding	Netherlands	68.9	–
Burton Engineering Pte Ltd	Investment holding	Singapore	55.1	55.1
1 Cahaya Emas Enterprises Sdn. Bhd.	Dormant	Malaysia	68.9	68.9
Cairnhill Place (1999) Limited	Property investment	Singapore	68.9	68.9
Calliston Holdings (S) Pte Ltd	Investment holding	Singapore	68.9	68.9
1 Casablanca Villa (M) Sdn. Bhd.	Property development	Malaysia	68.9	68.9
Chirac Pte Ltd	Investment holding	Singapore	68.9	68.9
Colima Pte Ltd	Property development and investment	Singapore	68.9	68.9
1 Cosmo Villa Sdn. Bhd.	Property investment	Malaysia	68.9	68.9
Craydon Pte Ltd	Investment holding	Singapore	68.9	68.9
Cuppage Terrace (1999) Pte Ltd	Property investment	Singapore	68.9	68.9
1 Dynamic Chance Sdn. Bhd.	Property development	Malaysia	68.9	68.9
1 East Australia Trading Company Limited	Investment holding	Hong Kong	41.3	41.3
East Australia Trading Company (S) Pte Ltd	Investment holding	Singapore	41.3	41.3
Effenberg Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
1 Equicore Enterprise Sdn. Bhd.	Property investment	Malaysia	68.9	68.9
1 EuroResidence 1 SARL	Investment holding	France	68.9	–
1 EuroResidence 2 SAS	Dormant	France	68.9	–
FITM Limited	Property investment	Singapore	68.9	68.9
Glenwood Properties Pte Ltd	Investment holding	Singapore	68.9	68.9
1 Greycliff Birchgrove Pty Limited	In liquidation	Australia	56.9	56.9
1 Greycliff (Surry Hills) Pty Ltd	In liquidation	Australia	51.9	51.9
1 Greenpark Investments (Guernsey) Limited	Investment holding	United Kingdom	^	68.9
1 Guangzhou F.C. Golf & Country Club Co., Ltd	Development and operation of a golf and country club	The People's Republic of China	48.2	48.2
1 Hanoi Tower Center Company Ltd	Property investment	The Socialist Republic of Vietnam	41.9	41.9
Hua Li Holdings Pte Ltd	Investment holding	Singapore	–	41.3
Hua Xin Residences Pte Ltd	Investment holding and property investment	Singapore/The People's Republic of China	68.9	68.9
2 Ipjora Holdings Sdn Bhd	Development of serviced apartments	Malaysia	41.3	41.3
Javana Pte Ltd	Investment holding	Singapore	68.9	68.9

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Laetitia Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
1 Lavender View Regency Pty Limited	Property development	Australia	34.5	34.5
LC (9 Nassim) Pte Ltd	Property development	Singapore	62.0	62.0
LC Genesis (Shanghai) Pte Ltd	Investment holding	Singapore	68.9	68.9
LC (Kumpulan Malaysia) Pte Ltd	Investment holding	Singapore	68.9	68.9
LC Ventura (Tampines) Pte Ltd	Property investment	Singapore	–	41.3
LCR Devonshire Pte Ltd	Dormant	Singapore/ United Kingdom	51.7	51.7
LCR Drayton Pte Ltd	Dormant	Singapore/ United Kingdom	51.7	51.7
Ω LCR Gardens Limited	Liquidated	United Kingdom	–	35.1
LCR Rochester Pte Ltd	Dormant	Singapore/ United Kingdom	51.7	51.7
1 Liang Court Development Sdn. Bhd.	Investment holding	Malaysia	68.9	68.9
1 Liang Court Hotel Property (M) Sdn. Bhd.	Dormant	Malaysia	68.9	68.9
1 Liang Court (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	68.9	68.9
@ Liang Court Property Services (Taiwan) Pte Ltd	Dormant	Taiwan	68.9	68.9
@ Matignon Limited	Dormant	United Kingdom	48.2	48.2
Melody Land Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
1 Oakford Australia Pty Ltd	Property management	Australia	68.9	68.9
Orchard Point (1999) Limited	Property investment	Singapore	68.9	68.9
3 Palm Courtt Serviced Apartments Limited	Dormant	Thailand	68.9	68.9
Piatra Pte Ltd	Project management and investment holding	Singapore	68.9	68.9
Picnic Food Court International Pte Ltd	Food court management and operation	Singapore	68.9	68.9
Ω Profit Kingdom International Limited	In liquidation	Hong Kong	48.2	48.2
3 PT Ascott International Management Indonesia	Provision of property management services	Indonesia	68.9	68.9
3 PT Bumi Perkasa Andhika	Property development and management	Indonesia	58.6	58.6
3 PT Ciputra Liang Court	Property investment and development	Indonesia	39.5	39.5
2 P. T. Indonesia America Housing	Property investment	Indonesia	68.9	68.9
Quayside F&B Management Pte Ltd	Management of food courts	Singapore	68.9	68.9
1 Saigon Office and Serviced Apartment Company Limited	Property investment	The Socialist Republic of Vietnam	27.7	27.7
1 Sejati Timur Sdn. Bhd.	Property Investment	Malaysia	68.9	68.9
Scotts Centre Management Pte Ltd	Centre management	Singapore	68.9	68.9
Scotts Development (Saraca) Pte Ltd	Property development	Singapore	68.9	68.9

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 Scotts Philippines, Inc.	Management of serviced apartments	Philippines	68.9	68.9
1 Scotts Picnic Food Court Sdn Bhd	Food court and centre management	Malaysia	68.9	68.9
Scotts Vietnam Pte Ltd	Investment holding	Singapore	68.9	68.9
SH Malls Limited	Investment holding and provision of financing services	Singapore	68.9	68.9
2 Shanghai Hua Li Real Estate Development Co., Ltd	Development of serviced apartments and condominium	The People's Republic of China	–	28.9
1 Shanghai Yong Liang Real Estate Development Co., Ltd	Property development and investment	The People's Republic of China	–	49.6
Slamet Pte Ltd	Investment holding	Singapore	68.9	68.9
1 SN Resources, Inc.	Property investment	Philippines	68.2	68.2
Somerset (Australia) Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset Commercial Development Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset Development Pte Ltd	Property investment	Singapore	68.9	68.9
Somerset Hospitality Management Pte Ltd (formerly known as Stamford Hospitality Management Pte Ltd)	Management and rental of serviced apartments	Singapore	68.9	68.9
Somerset International Management Pte Ltd	Dormant	Singapore	68.9	68.9
Somerset Investments Pte Ltd	Property investment and investment holding	Singapore	68.9	68.9
Somerset Property Consultant Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset Realty Pte Ltd	Dormant	Singapore	68.9	68.9
Somerset Residential Properties Pte Ltd	Investment holding	Singapore	62.0	62.0
Somerset Retail Holdings Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset Suzhou Investment Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset Technopark Pte Ltd	Property development	Singapore	68.9	68.9
Somerset (UK) Pte Ltd	Investment holding	Singapore	51.7	51.7
Somerset (Vietnam) Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
Somerset (Wuhan) Investments Pte Ltd	Investment holding	Singapore	48.2	48.2
1 SQ Resources, Inc.	Property investment	Philippines	44.1	44.1
Stanhope Gardens Pte Ltd	Investment holding and property development	Singapore/ United Kingdom	35.1	35.1
Stanhope Holdings Pte Ltd	Investment holding and property development	Singapore/ United Kingdom	48.2	48.2
Stanhope Investments Pte Ltd	Investment holding	Singapore/ United Kingdom	48.2	48.2
Stanhope Properties Pte Ltd	Property development	Singapore/ United Kingdom	35.1	35.1
Suites Management Services Pte Ltd (formerly known as Suites Cleaning Services Pte Ltd)	Cleaning services	Singapore	68.9	68.9
Telok Ayer Properties Pte Ltd	Investment holding	Singapore	68.9	68.9

Name of Company	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
1 The Ascott (Australia) Pty Ltd	Investment holding	Australia	68.9	68.9
1 The Ascott (Hyde Park) Pty Ltd	Property development	Australia	68.9	68.9
The Ascott Capital Pte Ltd	Investment trading	Singapore	68.9	68.9
The Ascott E-Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
The Ascott Group (Europe) Pte Ltd	Investment holding	Singapore	68.9	68.9
The Ascott Heritage Pte Ltd	Property investment	Singapore	68.9	68.9
The Ascott Holdings Limited	Investment holding	Singapore	68.9	68.9
The Ascott Hospitality Holdings Pte Ltd	Investment holding	Singapore	68.9	68.9
The Ascott International Investment Pte Ltd	Investment holding	Singapore	68.9	68.9
The Ascott (Vietnam) Investments Pte Ltd	Investment holding	Singapore	68.9	68.9
Ω The Masters Golf and Country Club Company Limited (BVI)	Promotion and marketing agent	British Virgin Islands	48.2	48.2
Ω The Masters Golf and Country Club Company Limited (HK)	Management of a golf and country club	Hong Kong	48.2	48.2
Ventura (Bishan) Limited	Investment holding	Singapore	68.9	68.9
Ventura Development Pte Ltd	Property investment	Singapore	68.9	68.9
1 West Lake Development Company, Ltd.	Property investment	The Socialist Republic of Vietnam	48.2	48.2
1 Wuhan New Minzhong Leyuan Co., Ltd	Property development and investment	The People's Republic of China	48.2	48.2
(xvii) Directly or indirectly held by pFission Pte Ltd:				
Azinger Investments Pte Ltd	Dormant	Singapore	100	100
pFission Investment Pte Ltd	Investment holding	Singapore	100	100
pFission Development Pte Ltd	Investment holding	Singapore	100	100
PVortal 2 Pte Ltd	Dormant	Singapore	100	100
PVortal 3 Pte Ltd	Dormant	Singapore	100	100
PVortal 4 Pte Ltd	Dormant	Singapore	100	100
PVortal 5 Pte Ltd	Dormant	Singapore	100	100

Notes:

1 Audited by other member firms of KPMG International.

2 Audited by PricewaterhouseCoopers, Singapore and its associated firms.

3 Audited by Ernst & Young, Singapore and its associated firms.

4 Audited by Deloitte & Touche, Singapore and its associated firms.

5 Audited by Jiangsu Gongzheng Certified Public Accountants Co., Ltd.

6 Audited by Beijing An Jia Xin Certified Public Accountants Co., Ltd.

7 Audited by PKF International Limited.

@ Not required or not yet required to be audited by the law in its country of incorporation.

Ω Not audited as the companies were liquidated or in liquidation during the year.

* Cost of investment of less than \$1,000.

In 2001, these companies were subsidiaries. In 2002, they became investments.

^ In 2001, these companies were subsidiaries. In 2002, they became associated or joint venture companies.

+ Quasi-subsidaries.

48.Associated Companies

Details of the associated companies are as follows:

Associated Companies	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
(i) Indirectly held by CapitalLand Financial Limited: I. P. Property Fund Asia Limited	Investment in real estate	Guernsey	20	–
(ii) Indirectly held by CapitalLand Residential Limited: Bangi Heights Development Sdn. Bhd.	Property investment and development	Malaysia	45.1	45.1
Onesentral Park Sdn. Bhd.	Property development	Malaysia	49	49
Perfect Paradise Finance Limited	Home mortgage financing services	Hong Kong	25	25
Perfect Paradise International Limited	Property development	Hong Kong	25	25
Renown Property Holdings (M) Sdn. Bhd.	Investment holding	Malaysia	30	30
Tanah Sutera Development Sdn. Bhd.	Property investment and development	Malaysia	13.5	13.5
United Malayan Land Bhd	Investment holding	Malaysia	21.6	21.6
Victory World Finance Limited	Home mortgage financing services	Hong Kong	20	20
Victory World Limited	Property development	Hong Kong	20	20
Windsor Heights Estate Management Company Limited	Estate management	Hong Kong	25	25
Wingem Investment Pte Ltd	Property investment and development	Singapore	25	25
Winpeak Investment Pte Ltd	Property investment and development	Singapore	25	25
(iii) Indirectly held by CapitalLand Commercial Limited: Bugis City Holdings Pte Ltd	Investment holding	Singapore	20	20
CapitaMall Trust (formerly known as SingMall Property Trust)	Property investment	Singapore	33.3	^
China Club Investment Pte Ltd	Club owner and operator	Singapore	48	48
D.L. Properties Ltd	Property investment	Singapore	35	35
DBS China Square Limited	Property investment and development	Singapore	30	30
High Rise Enterprises Limited	Investment holding	Hong Kong	50	–
Hua Qing Holdings Pte Ltd	Investment holding	Singapore	50	50
Inverfin Sdn Bhd	Property investment	Malaysia	30	30
Land Rider Group Ltd	Property investment	British Virgin Islands	50	50
Moorgate GP Limited (formerly known as Dalonia Pte Limited)	Investment holding	United Kingdom	50	50
Phoenix Tower Limited	Property investment	Singapore	50	50
PT Tropical Amethyst	Development of a holiday resort	Indonesia	–	50
Sathorn Supsin Co., Ltd	Property investment and development	Thailand	30	30
Savu Properties Ltd	Property investment	Singapore	55	55
Sea Dragon Limited	Property investment and development	Hong Kong	30	30
SGT Asia Pacific Pte Ltd	In liquidation	Singapore	39.2	39.2

Associated Companies	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Shanghai Enctech Engineering Ltd	Liquidated	The People's Republic of China	–	49.1
Shanghai Hai Li Real Estate Co., Ltd	Property development	The People's Republic of China	30	30
Shinjuku Square Tower Investments Pte Ltd	Property development	Japan	50	–
SST Holdings Inc.	Investment holding	Cayman Islands	50	–
(iv) Indirectly held by CapitalLand Property Services Holdings Pte Ltd: Bugis Junction Asset Management Pte Ltd	Property management and consultancy services	Singapore	42.9	42.9
Cushman & Wakefield PREMAS Real Estate Consultants (Shanghai) Co., Ltd.	Real estate valuation and agency services	The People's Republic of China	49	–
(v) Directly or indirectly held by Raffles Holdings Limited: Hotelera Costa Del Pacifico SA	Hotel owner	Peru	23.2	23.2
HOV Hotelera Quito S.A.	Hotel owner	Ecuador	12	12
@ International Hotel Management School	Owner and manager of a hospitality management school	Singapore	25	–
Huaxia Swissôtel Management Co., Ltd	Hotel management and management of tourism related services	The People's Republic of China	30.1	30.1
Tincel Properties (Private) Limited	Real estate investment and management	Singapore	27	27
Tincel Treasury Ltd	Investment holding	Singapore	27	27
Tower Apartments Pty Limited	Trust manager	Australia	15	15
Tower Apartments Trust	Apartment owner	Australia	15	15
(vi) Directly or indirectly held by The Ascott Group Limited: Amanah Ascott Management Sdn Bhd	Property and project management	Malaysia	34.5	34.5
Amanah Scotts Sdn Bhd	Investment holding, property development and management	Malaysia	34.5	34.5
Hemliner Pte Ltd	Investment holding	Singapore	20.7	20.7
Liang Court Wanisara Sdn Bhd	Property development	Malaysia	33.8	33.8
Meridian Atlantic Sdn. Bhd.	Property investment	Malaysia	20.7	20.7
Palmira Pte Ltd	Property development	Singapore	34.5	34.5
Regency One Company Ltd	Property investment and development	Thailand	27.6	27.6
Ventura Development (Myanmar) Pte Ltd	Investment holding	Singapore	34.5	34.5
Westfield Holdings Pte Ltd	Property development	Singapore/ United Kingdom	26.9	26.9
Wisma Matex Sdn. Bhd.	Property investment and development	Malaysia	20.7	20.7
York Road Limited	Property development	United Kingdom	–	25.8

Associated Companies	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
(vii) Indirectly held by pFission Pte Ltd:				
AlternateTV.com Pte Ltd	Internet webcasting, web development and management, broadcasting services and media production	Singapore	25	25
IcFox (Singapore) Pte Ltd	Provision of worldwide web navigation, search directory and electronic mail services and other internet related services	Singapore	25	25
Propbuzz Holdings Pte Ltd	Development and management of portals to provide internet content for the real property sector and investment holding	Singapore	26	26
Tenantworld Pte Ltd	Development and management of an office portal and provision of infrastructure, applications and procurement services for tenants and property managers	Singapore	25	25
yLez Technologies Pte Ltd	Investment holding, software development and trading of computer products and provision of IT support services	Singapore	30	30

49. Joint Venture Companies

Details of the joint venture companies are as follows:

Joint Venture Compaines		Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
				2002 %	2001 %
(i)	Directly or indirectly held by the Company:				
	CapitaLand-Raffles Properties Pte Ltd (formerly known as Pidemco-Raffles Properties Pte Ltd)	Property development and investment	Singapore	50	50
	Century West International Limited	Liquidated	Hong Kong	–	50
(ii)	Directly or indirectly held by CapitaLand Financial Limited:				
	I.P. Real Estate Asset Management (Asia) Pte Ltd	Management of real estate fund and investment	Singapore	50	50
	I.P. Real Estate Asset Management (Guernsey) Limited	Management of real estate fund and investment	Guernsey	50	50
(iii)	Directly or indirectly held by CapitaLand Residential Limited:				
	94 Alfred Street Trust	Property development	Australia	–	31.6
	ACN 085 142 785 Pty Limited	Property development	Australia	29.3	31.6
	Australand Industrial No. 16 Pty Limited	Trustee	Australia	29.3	^
	Australand Industrial No. 18 Pty Limited	Trustee	Australia	29.3	^
	Chymont Pty Limited	Property development	Australia	29.3	31.6
	Hill Grove Realty Limited	Property development	Singapore	50	50
	Glenwood Land Pty Ltd	Property development	Australia	29.3	31.6
	Laguna Garden Limited	Property development	Singapore	50	50
	Motorway Business Park Pty Ltd	Property development	Australia	29.3	31.6
	Parc Vista Pte Ltd	Property development	Singapore	50	50
	Redhill Joint Venture with Macquarie Bank	Property development	Australia	29.3	31.6

Joint Venture Compaines	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
Riverwalk Promenade Pte Ltd	Property investment and development	Singapore	50	50
Seasons Park Limited	Property development	Singapore	50	50
Sims Park Pte Ltd	Property development	Singapore	50	50
Soncal Pty Limited	Property development	Australia	29.3	31.6
Sur-Mer (Cronulla) Pty Limited	Property development	Australia	29.3	31.6
The Wharf at Woolloomooloo Pty Ltd	Trustee	Australia	29.3	31.6
The Woolloomooloo Unit Trust	Property development	Australia	29.3	31.6
Trust Project No. 9 Unit Trust	Property development	Australia	29.3	^
Trust Project No. 11 Unit Trust	Property development	Australia	29.3	^
Waterfront Properties Pte Ltd	Property development	Singapore	50	50
W9 & 10 Construction Stage 1 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Construction Stage 2 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Construction Stage 3A Pty Ltd (formerly known as W9 & 10 Construction Stage 3 Pty Ltd)	Property development	Australia	29.3	31.6
W9 & 10 Construction Stage 3B Pty Limited	Property development	Australia	29.3	–
W9 & 10 Construction Stage 3C Pty Limited	Property development	Australia	29.3	–
W9 & 10 Construction Stage 4 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Construction Stage 4B Pty Limited	Property development	Australia	29.3	31.6
Wharf Developments Pty Ltd	Property development	Australia	29.3	31.6
W9 & 10 Stage 1 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Stage 2 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Stage 3A Pty Limited (formerly known as W9 & 10 Stage 3 Pty Limited)	Property development	Australia	29.3	31.6
W9 & 10 Stage 3A Financing Pty Limited	Financier	Australia	29.3	31.6
W9 & 10 Stage 4 Pty Limited	Property development	Australia	29.3	31.6
W9 & 10 Stage 4B Pty Limited	Property development	Australia	29.3	31.6

Joint Venture Compaines	Principal Activities	Place of Incorporation/Business	Effective Interest Held by the Group	
			2002 %	2001 %
(iv) Directly or indirectly held by CapitaLand Commercial Limited:	Eureka Office Fund Pte Ltd (formerly known as CCL Office Pte Ltd)	Singapore	50	50
	Grand Design Development Ltd	British Virgin Islands/Hong Kong	50	50
	PMCL Pte Ltd	Singapore	50	50
	Rutile Pte Ltd	Singapore	50	50
	Savu Investments Ltd	Singapore	50	50
	Xiamen Huiteng Properties Co., Ltd	The People's Republic of China	50	50
(v) Directy held or indirectly held by The Ascott Group Limited:	Ascott Dilmun Holdings Limited	United Kingdom	34.5	34.5
	Ascott International Management Japan Co., Ltd.	Japan	33.8	–
	IP Thai Property Fund	Thailand	20.7	20.7
	Mekong-Hacota Joint Venture Company	The Socialist Republic of Vietnam	44.1	44.1
	Siam Real Estate Fund	Thailand	27.6	27.6
(vi) Indirectly held by pFission Pte Ltd:	OneRex Pte Ltd	Singapore	–	50
	Development and management of a multi-service property portal and the provision of localised infrastructure for property related e-services			

50.Segment Reporting (Group)								
(a) Business Segments								
2002	Commercial \$'000	Residential \$'000	Serviced residences \$'000	Hotels \$'000	Property management \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Revenue								
External revenue	672,939	1,769,341	156,552	548,019	107,685	9,472	–	3,264,008
Inter-segment revenue	14,307	–	–	87	11,220	26,003	(51,617)	–
Total Revenue	687,246	1,769,341	156,552	548,106	118,905	35,475	(51,617)	3,264,008
Segmental Results								
Company and subsidiaries	370,050	273,027	30,802	11,859	8,862	(3,013)	–	691,587
Associated companies	39,182	6,119	(4,463)	17,810	169	(2,541)	–	56,276
Joint venture companies	6,126	11,429	978	–	–	694	–	19,227
Partnerships	(6)	–	–	–	–	–	–	(6)
Earnings before interest and taxation	415,352	290,575	27,317	29,669	9,031	(4,860)	–	767,084
Finance costs								(283,223)
Taxation								(86,600)
Minority interests								(107,093)
Net profit for the year								290,168
Significant Non-Cash Expenses								
– Depreciation	6,766	7,207	24,165	64,277	1,915	1,592	–	105,922
– Amortisation	317	–	530	623	–	–	–	1,470
Capital Expenditure	6,355	7,973	14,096	56,077	3,537	738	–	88,776
Assets and Liabilities								
Segment assets	5,939,439	4,157,054	1,117,598	1,588,670	94,803	439,102	–	13,336,666
Investment in associated companies	1,086,371	140,995	34,920	340,452	166	27,786	–	1,630,690
Investment in joint venture companies	706,178	145,052	119,984	–	–	78,209	–	1,049,423
Investment in partnerships	55,618	–	–	–	–	–	–	55,618
Unallocated asset	–	–	–	–	–	–	–	255,176
Total Assets	7,787,606	4,443,101	1,272,502	1,929,122	94,969	545,097	–	16,327,573
Segment liabilities	3,841,938	1,662,797	543,433	368,701	54,798	521,882	–	6,993,549
Unallocated liabilities	–	–	–	–	–	–	–	1,487,024
Total Liabilities	3,841,938	1,662,797	543,433	368,701	54,798	521,882	–	8,480,573

2001	Commercial \$'000	Residential \$'000	Serviced residences \$'000	Hotels \$'000	Property management \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Revenue								
External revenue	792,460	1,690,099	138,947	497,262	101,461	12,943	–	3,233,172
Inter-segment revenue	16,701	–	–	1,484	14,825	26,475	(59,485)	–
Total Revenue	809,161	1,690,099	138,947	498,746	116,286	39,418	(59,485)	3,233,172
Segmental Results								
Company and subsidiaries	558,324	(341,643)	15,783	149,142	11,263	(45,916)	–	346,953
Associated companies	37,941	(3,736)	(1,813)	(6,755)	134	(2,185)	–	23,586
Joint venture companies	5,742	(11,308)	1,716	–	–	879	–	(2,971)
Partnerships	(39)	1,247	–	–	–	–	–	1,208
Earnings before interest and taxation	601,968	(355,440)	15,686	142,387	11,397	(47,222)	–	368,776
Finance costs								(408,194)
Taxation								(103,335)
Minority interests								(138,696)
Net loss for the year								(281,449)
Significant Non-Cash Expenses								
– Depreciation	16,517	9,525	24,766	101,437	1,479	7,386	–	161,110
– Amortisation	124	–	–	1,714	–	–	–	1,838
Capital Expenditure	6,566	13,328	49,874	68,511	1,757	2,971	–	143,007
Assets and Liabilities								
Segment assets	7,540,923	4,398,969	1,654,264	1,575,904	118,741	356,266	–	15,645,067
Investment in associated companies	1,011,390	191,904	10,117	152,604	288	3,366	–	1,369,669
Investment in joint venture companies	793,211	153,888	63,721	–	–	1,925	–	1,012,745
Investment in partnerships	34,257	–	–	–	–	–	–	34,257
Unallocated assets	–	–	–	–	–	–	–	307,177
Total Assets	9,379,781	4,744,761	1,728,102	1,728,508	119,029	361,557	–	18,368,915
Segment liabilities	4,796,887	2,005,482	997,616	402,129	70,078	244,843	–	8,517,035
Unallocated liabilities	–	–	–	–	–	–	–	1,975,329
Total Liabilities	4,796,887	2,005,482	997,616	402,129	70,078	244,843	–	10,492,364

(b) Geographical Segments

2002	Singapore \$'000	Australia and New Zealand \$'000	China \$'000	Other Asia # \$'000	Europe \$'000	Others @ \$'000	Eliminations \$'000	Consolidated \$'000
Revenue	1,269,213	1,220,924	341,063	120,243	275,993	36,572	–	3,264,008
Earnings before interest and taxation *	424,710	151,830	91,261	61,550	22,376	15,357	–	767,084
Total Assets	10,832,314	1,766,476	1,053,279	1,429,347	1,129,356	116,801	–	16,327,573
Capital Expenditure	30,143	4,373	776	13,658	38,437	1,389	–	88,776
2001 Revenue	1,404,109	1,062,469	327,024	126,402	289,611	23,557	–	3,233,172
Earnings before interest and taxation *	295,225	110,546	(8,889)	5,701	4,204	(38,011)	–	368,776
Total Assets	13,281,987	1,554,355	1,024,258	1,343,006	1,042,147	123,162	–	18,368,915
Capital Expenditure	63,929	9,475	38,781	1,134	27,140	2,548	–	143,007

(c) Strategic Business Units

2002	Commercial and Financial \$'000	Residential \$'000	The Ascott Group ^ \$'000	RHL Group & RCH ^ \$'000	Property Services Group \$'000	Others and consolidation adjustments \$'000	Consolidated \$'000
Revenue	451,317	1,964,930	232,413	517,821	118,905	(21,378)	3,264,008
Earnings before interest and taxation *	290,412	289,950	67,905	65,526	8,291	45,000	767,084
2001 Revenue	521,195	1,839,442	282,070	476,629	115,546	(1,710)	3,233,172
Earnings before interest and taxation *	359,961	(352,240)	48,448	338,107	11,264	(36,764)	368,776

* Earnings before interest and taxation includes share of results from associated companies, joint venture companies and partnerships.
The Group's operations in "Other Asia" include Indonesia, Hong Kong, Malaysia, Philippines, Thailand, Myanmar, Cambodia and Vietnam.
@ The Group's operations in "Others" include the United States of America, South America and the Middle East/Mediterranean region.
^ The figures differ from those reported by The Ascott Group and Raffles Holdings Group due to consolidation entries put through at CapitaLand Group level.

51.Comparative Information

Comparatives in the financial statements have been changed from the previous year due to the adoption of the requirements of the new and revised accounting standards as well as changes in accounting policies as described in note 39. In addition, certain comparatives have been reclassified to conform with current year's presentation.

Financial Calendar

Financial year ended 31 December 2002

Announcement of First Quarter Results	26 April 2002
Announcement of Half-year Results	26 July 2002
Announcement of Third Quarter Results	5 November 2002
Announcement of Full-year Results	6 February 2003
Annual General Meeting	9 May 2003
Books Closure Dates	20 May 2003 to 22 May 2003 (both dates inclusive)
Proposed Payment of 2002 Final Dividend	30 May 2003

Financial year ending 31 December 2003

Proposed Announcement of First Quarter Results	April 2003
Proposed Announcement of Half-year Results	July 2003
Proposed Announcement of Third Quarter Results	October 2003
Proposed Announcement of Full-year Results	February 2004

Corporate Governance

INTRODUCTION

Corporate governance principles and practices must remain attuned to a changing world and help the Company remain lean, relevant and flexible.

Our principles of corporate governance reflect our heritage and our belief in delivering results while building for the future. We believe firmly that integrity, excellence, professionalism and commitment form the bedrock for a sound system of policies, practices and internal controls. High standards of corporate governance will ensure investor confidence in us as a trusted business enterprise, and enable us to achieve long-term value and returns for our shareholders.

CODE OF CORPORATE GOVERNANCE

The Report of the Corporate Governance Committee on the Code of Corporate Governance ("Code") dated 21 March 2001, was accepted by the Singapore Government on 4 April 2001. It is now part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Manual.

The Code is divided into four main sections:

- (a) Board Matters
- (b) Remuneration Matters
- (c) Accountability and Audit
- (d) Communication with Shareholders

APPLICATION TO CAPITALAND

Each section of the Code is classified into Principles and Guidance Notes. We recognise and support the Principles and spirit of the Code. We note that each company needs to develop and maintain its corporate governance process to meet its specific business needs and demands. We note also that the Guidance Notes may serve to flesh out the issues underlying each of the Principles. We intend to keep focused on the substance and spirit of the Principles of the Code even as we manage the operations of the Company.

This Report sets out how our Company has effectively applied the principles of good corporate governance in a disclosure-based regime where the accountability of the Board to its shareholders and the Management to the Board provide the framework for achieving a mutually beneficial tripartite relationship aimed at creating and growing sustainable shareholder value.

The Group is committed to achieving high standards of corporate conduct. In the following sections covering each of the Principles, we have outlined our policies and practices.

(a) Board Matters

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company.

Our Policy and Practices:

An effective board for CapitaLand and our listed subsidiaries must be constituted with a majority of non-executive directors independent of Management, with the right core competencies and diversity of experience to enable them in their collective wisdom to contribute effectively. Every director is expected, in the course of his deliberation, to act in good faith, provide insights and consider at all times, the interests of the Company.

The key roles of our Board are to:

- Guide the corporate strategy and directions of the Group;
- Ensure that Senior Management discharges business leadership and the highest quality of management skills with integrity and enterprise; and
- Provide oversight in the proper conduct of the Group.

The positions of Chairman and Chief Executive Officer ("CEO") are held by two persons in order to maintain an effective oversight.

The Board comprises 10 directors of whom nine are non-executive directors. The Chairman is Mr Philip Yeo Liat Kok. The sole executive director is Mr Liew Mun Leong, who is the President & CEO.

The Board comprises business leaders and professionals with financial, banking and legal background. Profiles of the directors are found on pages 7 to 9 of the Annual Report.

The Board meets to review the key activities and business strategies of the Group. The Board meets regularly, at least once every quarter, to deliberate strategic policies of the Group including significant acquisitions and disposals, approve the annual budget, review the performance of the Group's businesses and approve the release of the quarterly, half-yearly and full-year results. In addition, the Audit Committee ("AC") has been delegated the authority by the Board to review such results. A total of four Board meetings were held in 2002.

We believe that contribution from each director can be reflected in ways other than the reporting of attendance of each director at Board and committee meetings. A director would have been appointed on the strength of his calibre, experience, and stature, and his potential to contribute to the proper guidance of the Company and its businesses.

To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his contribution which can be in many different forms, including Management's access to him for guidance or exchange of views outside the formal environment of Board meetings. In addition, he brings experienced perspicacity and strategic networking relationships that further the interests of the Group.

The matrix of the Board members’ participation in the various Board committees is provided on page 168 of this Report. This reflects each Board member’s additional responsibilities and special focus on the respective Board committees of the Company.

The Board has adopted a set of internal controls which sets out approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories arrangements at Board level. Approval sublimits are also provided at Management levels to facilitate operational efficiency.

Changes to regulations and accounting standards are monitored closely by Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company’s or directors’ disclosure obligations, directors are briefed either during Board meetings or at specially-convened sessions conducted by professionals.

Newly-appointed directors are given briefings by Management on the business activities of the Group and its strategic directions.

All directors are also provided with relevant information on the Company’s policies and procedures relating to governance issues including disclosure of interests in securities, prohibitions on dealings in the Company’s securities, restrictions on disclosure of price sensitive information and the disclosure of interests relating to certain property transactions.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board’s decision making.

Our Policy and Practices:

The majority of our directors are non-executive and independent of Management. This enables Management to benefit from their external, diverse and objective perspective of issues that are brought before the Board. It would also enable the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the role of the Chairman and the CEO, provides a healthy professional relationship between the Board and Management with clarity of roles and robust oversight as they deliberate on the business activities of the Group.

The Board comprises 10 directors, nine of whom are non-executive directors, independent of Management. Of the nine non-executive directors, seven are independent non-executive directors, who are independent of the principal shareholder.

The Board considers non-executive director, Mr Lucien Wong Yuen Kuai, an independent non-executive director, although he has a relationship with the Company, falling under Guidance Note 2.1(d), by virtue of his position as a managing partner of M/s Allen & Gledhill rendering professional services to the Group in fees aggregating more than \$200,000.

Notwithstanding this relationship, the Board assesses him as an independent director due to his manifest ability to exercise strong independent judgment in his deliberations in the interests of the Company.

Mr Lucien Wong has conducted himself with professionalism and a high standard of duty and care as is required of his profession. He observes the ethical standards of his legal profession and is most conscious of the need to disclose any conflict of interests arising from his other engagements.

The Board is supported by Board committees to provide independent oversight of Management. These Board committees are the AC, Executive Resource and Compensation Committee (“ERCC”), Budget and Finance Committee (“BFC”), Investment Committee (“IC”), Corporate Disclosure Committee (“CDC”), Nominating Committee (“NC”) and Risk Committee (“RC”). The AC, ERCC and RC are made up of independent or non-executive directors. Other committees may be formed as dictated by business imperatives.

Membership of the different committees is carefully managed to ensure that there is equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and foster active participation and contribution from Board members. Diversity of experience and appropriate skills are also considered. The Company has also taken steps to ensure that there are appropriate checks and balances between the different committees. Hence, membership of BFC and IC with more involvement in key business or executive decisions, and the membership of the AC with its oversight role, must be mutually exclusive.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company’s business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Our Policy and Practices:

We believe there must be a clear separation of the roles and responsibilities between the Chairman and the President & CEO of the Company. The Chairman who is non-executive is responsible for the Board and is free to act independently in the best interests of the Company and shareholders, while the CEO is responsible for the running of the Group’s businesses.

The Chairman ensures that the members of the Board and Management work together with integrity, competency and moral authority, and that the Board engages Management in constructive debate on strategy, business operations, enterprise risk and other plans.

The President & CEO is a Board member and has full executive responsibilities over the business directions and operational decisions of the Group. The President & CEO, in consultation with the Chairman, schedules Board meetings on a regular basis and as and when required, and finalises the preparation of their agenda.

He ensures the quality and timeliness of the flow of information between Management and the Board. He is also responsible for ensuring compliance with the Company’s guidelines on corporate governance.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

Our Policy and Practices:

We believe that Board renewal must be an ongoing process, to both ensure good governance, and maintain relevance to the changing needs of the Company and business. The CEO, where he is also a Board member, must also subject himself to retirement and re-election by shareholders as part of Board renewal. Nomination and election of Board members are the prerogatives and proper rights of all shareholders.

The NC comprises Mr Peter Seah Lim Huat, Mr Hsuan Owyang, Mr Liew Mun Leong, Sir Alan Cockshaw, Mr Lim Chin Beng and Mr Jackson Peter Tai.

The NC is chaired by a non-executive director who is independent of Management, and comprises four independent non-executive directors and an executive director, being the President & CEO.

While the Chairman of the NC is not regarded as independent within the context of the definition of “independence” in the Code, he is a non-executive director independent of Management with a clear separation of his role from Management in deliberations of the NC.

The NC ensures that the Board and Board committees in the Group comprise individuals who are best able to discharge their responsibilities as directors having regard to the law and the highest standards of corporate governance. In performing its role, the NC is guided by its Terms of Reference which sets out its responsibilities which include the identification of suitable candidates for appointments in the Group, in particular, candidates who can value add to Management through their contributions in the relevant strategic business areas and such appointments will result in the constitution of strong and diverse boards.

In particular, it reviews and recommends:

- Candidates to be CapitalLand’s nominees on the Boards and Board committees of the listed companies within the Group; and
- Candidates to the Boards and Board committees of the holding companies of the strategic business units (“SBU”).

Our Articles of Association require one-third of our directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting (“AGM”) (“one-third rotation rule”). In other words, no director stays in office for more than three years without being re-elected by shareholders.

We had, at our last AGM, also altered our Articles of Association to provide for the CEO Board member to be subject to the one-third rotation rule as well. This is to separate his role as CEO from his position as a Board member, and to enable shareholders to exercise their full right to select all Board members.

In addition, a newly-appointed director will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

Our Policy and Practices:

We believe that Board performance is ultimately reflected in the performance of the Group. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led. The measure of a Board’s performance is also tested through its ability to lend support to Management, especially in times of crisis and to steer the Group in the right direction, including the sensitive but most important issue of CEO succession.

The financial indicators set out in the Code as guides for the evaluation of directors are in our opinion more of a measure of Management’s performance and hence are less applicable to directors. In any case, such financial indicators provide a snapshot of a company’s performance, and do not fully measure the sustainable long term wealth and value creation of the Company.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that directors appointed possess the background, experience and knowledge in technology, business, finance and management skills critical to the Company’s business and that each director with his special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Informal reviews of a Board’s performance are undertaken on a continual basis by the NC, with inputs from the other Board members and the CEO. Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

Access to Information

Principle 6: In order to fulfil their responsibilities, board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

Our Policy and Practices:

We believe that the Board should be provided with timely and complete information prior to Board meetings and as and when the need arises. New Board members are fully briefed on the businesses of the Group.

Management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board’s decision, as well as ongoing reports relating to operational and financial performance of the Company. The Articles of Association of the Company provide for directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Alternatively, Management will arrange to personally meet and brief each director before seeking the Board’s approval.

The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate.

Likewise, the AC must also meet the external and internal auditors separately at least once a year, without the presence of the CEO and Senior Management members, in order to have unfettered access to information that it may require.

(b) Remuneration Matters
Procedures for Developing Remuneration Policies
Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration
Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

Disclosure on Remuneration
Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company’s annual report.

Our Policy and Practices:
We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the development of management bench strength and key executives to ensure that there is a continual development of talent and renewal of strong and sound leadership for the continued success of the business and the Company. We have in place an ERCC which serves the crucial role of helping to ensure

our businesses are able to recruit and retain the best talents to drive their business forward. The members of the ERCC are Mr Peter Seah Lim Huat, Mr Hsuan Owyang, Sir Alan Cockshaw, Mr Lim Chin Beng and Mr Jackson Peter Tai.

All the members of the ERCC are independent of Management. While the Chairman of the ERCC is not regarded as independent within the context of the definition of “independence” in the Code, he is a non-executive director independent of Management with a clear separation of his role from Management in deliberations of the ERCC. From time to time, we may co-opt an outside member into the ERCC to provide a global perspective of talent management and remuneration practices.

The ERCC oversees executive compensation and development in the Company, with the aim of building capable and committed management teams, through competitive compensation, focused management and progressive policies which can attract, motivate and retain a pool of talented executives to meet the current and future growth of the Company.

Specifically, the ERCC will:

- Approve the remuneration framework (including directors’ fees) for non-executive directors;
- Establish compensation policies for key executives;
- Approve salary reviews, bonus and incentives for key executives;
- Approve share incentives including stock options and share ownership for executives;
- Approve key appointments and review succession plans for key positions; and
- Oversee the development of key executives and younger talented executives.

The ERCC conducts, on an annual basis, a succession planning review of the CEO and selected key positions in the Company. Potential internal and external candidates for succession are reviewed for different time horizons of immediate, medium term and longer term needs.

The ERCC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The CEO is not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. The CEO will be in attendance when the ERCC discusses policies and compensation of his senior team and key staff, as well as major compensation and incentive policies such as share options, stock purchase schemes, framework for bonus, staff salary and other incentive schemes.

The President & CEO as executive director does not receive director’s fees. He is a lead member of Management. His compensation consists of his salary, allowances, bonuses, options

and performance share awards. The latter is conditional upon his meeting certain performance targets. The details of his compensation package are found in the Additional Information section of the Annual Report (“Additional Information Section”).

Non-executive directors have remuneration packages which consist of a directors’ fee component, an attendance fee component and share options component pursuant to the Company’s Share Option Plan. The directors’ fee policy is based on a scale of fees divided into basic retainer fees as director and additional fees for attendance and serving on Board committees. Details of the breakdown are found in the Additional Information Section. Directors’ fees for non-executive directors are subject to the approval of shareholders at the AGM.

The basis of allocation of the number of share options takes into account a director’s additional responsibilities at Board committees.

Rather than set out the names of the top five key executives who are not also directors of the Company, we have shown a Group-wide cross-section of executives’ remuneration by number of employees from \$100,000 upwards in bands of \$250,000 in the Additional Information Section. This should give a macro perspective of the remuneration pattern in the Group, while maintaining confidentiality of staff remuneration matters.

The Board has decided not to prepare a separate Remuneration Report as most of the information is found in the Additional Information Section.

(c) Accountability and Audit
Accountability
Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board.

Our Policy and Practices:
We have always believed that we should conduct ourselves in ways that deliver maximum sustainable value to our shareholders. We promote best practices as a means to build an excellent business for our shareholders. We are accountable to shareholders for the Company’s performance.

Prompt fulfilment of statutory reporting requirements is but one way to maintain our shareholders’ confidence and trust in our capability and integrity.

As we sought to grow our business globally, and sought to widen our shareholder base internationally, we implemented quarterly reporting in the third quarter of 2001 before the Code made it a requirement. In fact, we were the first listed property group in Singapore to introduce quarterly reporting, to discharge our continuing obligation of prompt and thorough disclosures.

Audit Committee
Principle 11: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

Our Policy and Practices:
Our internal policy requires the AC to have at least three members, all of whom are non-executive and the majority must be independent.

The AC consists of three directors. Mr Richard Edward Hale, who replaced Mr Hsieh Fu Hua as Chairman of the AC on 10 February 2003, is an independent director. The other members of the AC are Mr Sum Soon Lim, who is independent of Management, and Mr Lucien Wong Yuen Kuai, who is considered independent as mentioned under Principle 2 on Page 162 of this Report. The members bring with them invaluable managerial and professional expertise in the financial and legal domain. The AC has a set of Terms of Reference defining its scope of authority which includes review of the annual audit plan, the adequacy of the internal audit process, results of audit findings and Management’s response, the adequacy and effectiveness of internal controls, and Interested Person Transactions. The AC reviews quarterly, half-yearly and annual financial statements and the appointment and re-appointment of auditors before recommending them to the Board for approval. The AC also approves the compensation of the external auditors as well as considers the nature and extent of non-audit services and their potential impact on the independence and objectivity of the external auditors.

The AC meets with the external and internal auditors, without the presence of Management, at least once a year to discuss the reasonableness of the financial reporting process, system of internal control, significant comments and recommendations.

A total of four AC meetings were held during 2002.

Internal Controls
Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders’ investments and the company’s assets.

Internal Audit
Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

Our Policy and Practices:
We believe in the need to put in place a system of internal controls to safeguard shareholders’ interests and Group’s assets, and to manage risks. Apart from the AC, other Board committees may be set up from time to time to address specific issues or risks.

The AC’s responsibilities in the Group’s internal controls are complemented by the work of the BFC, which reviews the Group Finance Manual, and the RC which oversees various aspects of controls and risk management of the Group. The activities of these committees are reported on pages 166 and 167 of this Report. Based on the review of these committees, the Board, through the AC, is satisfied that there are adequate internal controls in the Group.

The Group has its own Internal Audit Department (“CL IA”) which reports directly to the Chairman of the AC and administratively to the Chief Corporate Officer, who reports to the CEO. CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval at the beginning of each year. The AC must also meet with CL IA at least once a year without the presence of Management.

The majority of CL IA staff are members of the Singapore branch of the Institute of Internal Auditors Inc. (“IIA”), which has its headquarters in the USA. CL IA subscribes to, and is guided by, the Standards for the Professional Practice of Internal Auditing (“Standards”) developed by the IIA and have incorporated these standards into its audit practices.

- The Standards set by the IIA cover requirements in respect of the following:
- Independence
 - Professional proficiency
 - Scope of Work
 - Performance of Audit Work
 - Management of the Internal Auditing Department.

To ensure that the internal audits are performed by competent professionals, CL IA recruits and employs qualified staff. In order that their technical knowledge remains current and relevant, CL IA identifies and provides training and development opportunities to the staff. In summary, the internal audit function provided by CL IA meets with the standards set by the IIA.

(d) Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Greater Shareholder Participation

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Our Policy and Practices:

We believe in regular and timely communication with shareholders as part of our organisational development to build systems and procedures that will enable us to operate globally.

CapitaLand has won the “Most Transparent Company Award (Property category)” given by The Securities Investors Association of Singapore for two consecutive years in 2001 and 2002.

The Company adopts the practice of regularly communicating major developments in its business and operations to various constituencies, including the SGX-ST, shareholders, analysts, the media and its employees. In addition, it attends to queries from the various constituencies. It also communicates on an immediate basis as required under the SGX-ST Listing Manual, or as soon as possible where immediate disclosure is not practicable. Our Investor Relations and Communications departments hold regular briefings and meetings for analysts and the media, respectively. The briefings generally coincide with the release of the Group’s

half-year and full-year results. During these results briefings, senior members of CapitaLand’s Management review the Group’s most recent performance and discuss the Company’s outlook. In the interest of transparency and broad dissemination, these briefings are webcast live and are accessible to the public on the Group’s website at www.capitaland.com. Recordings of the briefings are then archived on the Company’s corporate website.

In the past year, Senior Management has met with institutional investors in Singapore, the USA, Europe, Hong Kong, Australia and Japan. Management has held meetings with the media both in Singapore and its overseas offices. In addition, CapitaLand pursues opportunities to keep retail shareholders informed as well.

We support the Code’s principle to encourage shareholder participation. All shareholders receive the summary financial report and notice of the AGM. The notice of the AGM is also advertised in the press and issued via MASNET. At the AGM, shareholders have the opportunity to communicate their views and discuss with directors and Management on matters affecting the Company. The respective Chairpersons of the AC, NC and ERCC, and the external auditors, endeavour, as far as reasonably practicable, to be present at the AGM. Voting in absentia and by email may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web are not compromised and following legislative changes being put in place to recognise electronic voting.

OTHER BOARD COMMITTEES
Budget and Finance Committee

The BFC is chaired by Mr Hsuan Owyang and comprises Mr Liew Mun Leong, Mr Jackson Peter Tai and Mr Lui Chong Chee, the Chief Financial Officer.

During 2002, the BFC met three times to review the quarterly financial results, forecasts and the annual financial plan of the Group. It also reviewed and approved updates to the CapitaLand Group Finance Manual.

Corporate Disclosure Committee

The CDC is chaired by Mr Sum Soon Lim and comprises Mr Liew Mun Leong and Mr Lucien Wong Yuen Kuai.

The CDC reviews corporate disclosure issues and announcements made to the SGX-ST, and ensures that CapitaLand adopts good corporate governance and pursues best practices in terms of transparency to shareholders and the investing community. Though there were no formal meetings for the CDC in 2002, the views and approvals of the CDC were sought on various announcements and press releases issued by the Company.

Investment Committee

The IC is chaired by Mr Philip Yeo Liat Kok and comprises Mr Hsuan Owyang, Mr Liew Mun Leong, Mr Jackson Peter Tai and Mr Lui Chong Chee.

Since 2000, the Board had approved the Delegation of Authority to the various SBU Boards and raised the investment approval limits. As all the investment decisions made in 2002 were within the authority limits of the SBU Boards and taken at their levels, there were no formal meetings for the IC during the year. Even so, the views of the IC and Board were actively sought by the various SBUs.

Risk Committee

The RC was formed in September 2002 as part of CapitaLand’s efforts to strengthen its risk management processes and framework.

The RC comprises Mr Sum Soon Lim who is the Chairman, and Mr Richard Edward Hale, who replaced Mr Hsieh Fu Hua on 10 February 2003, and Mr Lucien Wong Yuen Kuai.

- The committee’s role and functions are to:
- Review the adequacy of CapitaLand’s risk management process;
 - Review and approve in broad terms, risk guidelines and limits. These include country concentration limits and risk-adjusted country hurdle rates for the Group and the SBUs, which are reviewed annually; and
 - Review CapitaLand’s risk portfolio and risk levels. In this regard, the RC is assisted by the CapitaLand Corporate Risk Assessment Group, which is responsible for compiling the Group Quarterly Risk Report. Included in the report is a monitoring of the utilisation rates of approved country and treasury limits of the Group.

The RC held its inaugural meeting in October 2002.

RISK ASSESSMENT AND MANAGEMENT

The CapitaLand Group has evolved and put in place today a comprehensive risk management framework across the entire organisation. Supervisory oversight is provided by the RC (see paragraph above on role of RC), while the President & CEO and members of Senior Management are directly responsible for managing the process. The President & CEO is assisted in this function by an independent Risk Assessment Group (“RAG”).

The framework provides a structured context for the RC, the President & CEO and members of Senior Management to meet on a quarterly basis to review the mix and levels of risks pertaining to the Group’s portfolio of assets and liabilities. To assist them in this function, a comprehensive portfolio risk report measuring a whole spectrum of risks including property market, interest rate and currency risks based on a Value-at-risk methodology is compiled and presented by the RAG. Usage of approved limits are also reviewed, significant issues are identified and corrective actions are proposed as part of the meeting process.

At the individual project level, all investment proposals above a stipulated value are now subject to an independent and comprehensive risk evaluation by the RAG. In addition to an identification and possible mitigation of all the risks related to the proposed investment, acquisitions have to clear specific risk-adjusted hurdle rates for the different SBUs and countries. As a best practice, all approved and committed projects are reviewed on a quarterly basis to assess the performance of the investment against the projected cash flows at the proposal stage. If necessary, corrective actions to improve the risk-return profile of the investments are discussed and acted on.

Completing the risk management framework is the CL IA, which is responsible for providing an independent and objective evaluation of the adequacy of the Group’s risk management control and governance processes.

DEALINGS IN SECURITIES

In compliance with the Best Practices Guide, the Company has issued guidelines to directors and employees in the Group. These guidelines prohibit dealings in the Company’s securities while in possession of material unpublished price-sensitive information and during the “close period” which is defined as two weeks before and up to and including the date of announcement of results (quarterly, half-yearly and full-year).

In addition, directors and employees are also prohibited from dealing in securities of other listed companies while they are in possession of unpublished price-sensitive information by virtue of their directorship/employment in the Company or any of its Group companies. They are also made aware that the overarching insider trading laws are applicable at all times.

TRANSPARENCY, DISCLOSURE AND DISSEMINATION OF INFORMATION

CapitaLand’s commitment to higher standards of transparency, disclosure and dissemination not only ensures compliance with rules and regulations applicable to public listed companies, but also reduces share price volatility, improves market valuation, increases liquidity, increases the Group’s credibility and enhances overall shareholder value. Some of the proactive steps undertaken by the Group are quarterly release of results, furnishing more details in its annual reports and webcasting.

STATEMENT OF COMPLIANCE

The Board of directors confirms that during the financial year ended 31 December 2002, the Company has complied with the CapitaLand Corporate Governance Policy which is based on the SGX-ST Best Practices Guide and Code of Corporate Governance.

BOARD COMPOSITION AND COMMITTEES

	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Budget and Finance Committee	Corporate Disclosure Committee	Risk Committee
Board Members							
Philip Yeo Liat Kok		C					
Hsuan Owyang		DC	M	M	C		
Peter Seah Lim Huat			C	C			
Liew Mun Leong		M		M	M	M	
Sir Alan Cockshaw			M	M			
Hsieh Fu Hua (until 9 February 2003)	C						M
Richard Edward Hale (wef 10 February 2003)	C						M
Lim Chin Beng			M	M			
Vernon R Loucks Jr. (until 15 December 2002)							
Sum Soon Lim	M					C	C
Jackson Peter Tai		M	M	M	M		
Lucien Wong Yuen Kuai	M					M	M
Non-Board Member							
Lui Chong Chee		M			M		

Denotes:

C – Chairman

DC – Deputy Chairman

M – Member

Additional Information

Additional Information

1 Directors’ Remuneration

Number of Directors of CapitaLand Limited in Remuneration Bands:

Remuneration Bands	2002	2001
\$500,000 and above	1	1
\$250,000 to \$499,999	0	1
Below \$250,000	10	9
Total	11	11

Directors’ Compensation Table for the financial year ended 31 December 2002:

Directors of the Company	Salary inclusive of AWS & employer's CPF ^	Bonus and other benefits inclusive of employer's CPF ^	Directors' fees inclusive of attendance fees	Total	Fair Value of share options granted ^^
	(\$)	(\$)	(\$)	(\$)	(\$)
Payable by Company:					
Philip Yeo Liat Kok	–	–	97,800	97,800	73,920
Hsuan Owyang	–	–	137,700	137,700	92,400
Peter Seah Lim Huat #	–	–	87,600	87,600	55,440
Liew Mun Leong Ω	721,920	505,075	–	1,226,995	492,800
Sir Alan Cockshaw	–	–	121,723	121,723	61,600
Hsieh Fu Hua	–	–	86,772	86,772	49,280
Lim Chin Beng	–	–	79,900	79,900	55,440
Vernon R Loucks Jr. *	–	–	48,286	48,286	30,800
Sum Soon Lim	–	–	100,700	100,700	61,600
Jackson Peter Tai #	–	–	107,900	107,900	61,600
Lucien Wong Yuen Kuai	–	–	90,306	90,306	43,120
Sub-Total 1	721,920	505,075	958,687	2,185,682	1,078,000
Payable by Subsidiaries:					
Hsuan Owyang	–	–	76,133	76,133	–
Peter Seah Lim Huat	–	–	–	–	1,500
Liew Mun Leong	–	–	–	–	20,600
Hsieh Fu Hua	–	–	24,133	24,133	–
Lim Chin Beng	–	–	54,000	54,000	25,000
Jackson Peter Tai #	–	–	19,000	19,000	–
Sub-Total 2	–	–	173,266	173,266	47,100
Total for Directors of the Company	721,920	505,075	1,131,953	2,358,948	1,125,100

Other Directors of Subsidiaries

– Directors’ remuneration inclusive of directors’ fees and attendance fees @ 6,269,765

^ Bonuses are normally finalised, approved and paid after the financial year-end. The bonus figures shown above are on paid basis and not on accrued basis. Hence, the figures on bonus shown relate to entitlements due to performance for previous years.

^^ Relates to options granted during the year. The fair value of share options is estimated using the Black-Scholes Option Pricing model and it is for disclosure purpose only. It is not charged to the profit and loss account.

Ω Mr Liew Mun Leong was also granted a conditional award of 250,000 performance shares in 2002. In accordance with Group's policy, an amount of \$92,500, being the currently estimated fair value of the performance shares accrued over the 3-year performance period, has been provided in the profit and loss account.

* Mr Vernon R Loucks Jr. resigned as a director of the Company on 16 December 2002.

Fees were paid to the employer companies of Mr Peter Seah Lim Huat and Mr Jackson Peter Tai.

@ Remuneration of directors of subsidiaries includes salary and related costs of management appointees who sit in the subsidiaries' boards of directors and whose salary and related costs are borne by the subsidiaries.

1 Directors’ Remuneration (cont’d)

Directors’ Compensation Table for the financial year ended 31 December 2001:

Directors of the Company	Salary inclusive of AWS & employer's CPF ^	Bonus and other benefits inclusive of employer's CPF ^	Directors' fees inclusive of attendance fees	Total	Fair Value of share options granted ^^
	(\$)	(\$)	(\$)	(\$)	(\$)
Payable by Company:					
Philip Yeo Liat Kok	–	–	97,800	97,800	132,000
Hsuan Owyang	–	–	136,000	136,000	193,600
Peter Seah Lim Huat *#	–	–	1,535	1,535	–
Liew Mun Leong	773,520	745,826	–	1,519,346	704,000
Sir Alan Cockshaw	–	–	113,021	113,021	193,600
Hsieh Fu Hua	–	–	68,900	68,900	105,600
Lim Chin Beng	–	–	78,200	78,200	105,600
Vernon R Loucks Jr.	–	–	58,442	58,442	44,000
Sum Soon Lim	–	–	102,900	102,900	132,000
Jackson Peter Tai #	–	–	106,200	106,200	149,600
Lucien Wong Yuen Kuai	–	–	84,600	84,600	88,000
Ho Ching (non-Director) #	–	–	3,400	3,400	–
Sub-Total 1	773,520	745,826	850,998	2,370,344	1,848,000
Payable by Subsidiaries:					
Hsuan Owyang	–	–	125,400	125,400	–
Liew Mun Leong	–	–	–	–	23,248
Hsieh Fu Hua	–	–	14,000	14,000	–
Lim Chin Beng	–	–	58,333	58,333	25,414
Jackson Peter Tai #	–	–	29,000	29,000	–
Sub-Total 2	–	–	226,733	226,733	48,662
Total for Directors of the Company	773,520	745,826	1,077,731	2,597,077	1,896,662

Other Directors of Subsidiaries

– Directors’ remuneration inclusive of directors’ fees and attendance fees @ 6,735,384

^ Bonuses are normally finalised, approved and paid after the financial year-end. The bonus figures shown above are on paid basis and not on accrued basis. Hence, the figures on bonus shown relate to entitlements due to performance for previous years.

^^ Relates to options granted during the year. The fair value of share options is estimated using the Black-Scholes Option Pricing model and it is for disclosure purpose only. It is not charged to the profit and loss account.

* Mr Peter Seah Lim Huat was appointed a director of the Company on 18 December 2001.

Fees were paid to the employer companies of Mr Peter Seah Lim Huat, Mr Jackson Peter Tai and Ms Ho Ching.

@ Remuneration of directors of subsidiaries includes salary and related costs of management appointees who sit in the subsidiaries' boards of directors and whose salary and related costs are borne by the subsidiaries.

2 Executives' Remuneration

Remuneration Data (for employees earning \$100,000 and above) for financial year ended 31 December 2002:

Total Compensation Bands	Total Number of Employees	Total Dollar Value (\$)
\$100,000 to \$249,999	259	37,909,916
\$250,000 to \$499,999	32	11,227,093
\$500,000 to \$749,999	10	5,799,980
\$750,000 to \$999,999	6	5,134,700
\$1,000,000 to \$1,250,000	1	1,026,002
> \$1,250,000	2	3,120,824
Total	310	64,218,515

Note 1: The above executives' remuneration data pertains only to Group's employees in Singapore and those who are posted overseas. It does not include the Group's overseas subsidiaries' employees and their remuneration.

Note 2: Total compensation comprises salary and annual wage supplement inclusive of employer's CPF, bonuses and other benefits inclusive of employer's CPF and fair value of stock options granted in 2002.

3 Directors' Interests in Contracts

The following professional fees were paid or payable to firms in which the following directors of the Company are members:

	The Group		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Lucien Wong: Allen & Gledhill	3,204	2,915	518	382
Sir Alan Cockshaw: Shawbridge Management Limited	111	129	17	32

4 Significant Related Party Transactions

Please refer to note 44 in the statutory accounts.

5 Interested Person Transactions

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

	\$'000
Temasek Holdings (Pte) Ltd and its associates:	
– Rental and service income	2,640
– Project management income	120
– Purchase of electricity supply	(12,971)
Singapore Technologies Pte Ltd and its associates:	
– Management fees expense	(7,250)
– Rental and services income	3,672
– Property management income	519
– Purchase of other products and services	(1,512)
Director: Sir Alan Cockshaw	
– Please refer to Item (3) above	(111)

Shareholding Statistics

as at 28 February 2003

Authorised Share Capital

S\$4,000,000,000 (comprising 4,000,000,000 Ordinary Shares of S\$1 each) and
US\$172,500 (comprising 172,500 Redeemable Convertible Cumulative Preference Shares of US\$1 each)

Issued and Fully Paid-Up Capital

S\$2,517,349,898 (comprising 2,517,349,898 Ordinary Shares of S\$1 each fully paid; voting rights: one vote per share)

Twenty Largest Shareholders

As shown in the Register of Members and Depository Register

	Name	No. of Shares	%
1	Singapore Technologies Pte Ltd	1,197,123,933	47.55
2	ST Property Investments Pte Ltd	328,344,838	13.04
3	DBS Nominees Pte Ltd	239,958,262	9.53
4	Raffles Nominees Pte Ltd	140,670,723	5.59
5	United Overseas Bank Nominees Pte Ltd	71,857,734	2.85
6	Citibank Nominees Singapore Pte Ltd	68,909,986	2.74
7	HSBC (Singapore) Nominees Pte Ltd	43,690,558	1.74
8	Oversea-Chinese Bank Nominees Pte Ltd	40,816,728	1.62
9	DB Nominees (S) Pte Ltd	28,004,994	1.11
10	Pei Hwa Foundation Limited	13,641,557	0.54
11	Morgan Stanley Asia (Singapore) Securities Pte Ltd	5,886,250	0.23
12	DBS Vickers Securities (Singapore) Pte Ltd	5,741,805	0.23
13	UOB Kay Hian Pte Ltd	5,677,500	0.23
14	OCBC Securities Private Ltd	3,924,202	0.16
15	Phillip Securities Private Ltd	3,210,153	0.13
16	G K Goh Stockbrokers Pte Ltd	3,164,521	0.13
17	BNP Paribas Nominees Singapore Pte Ltd	2,198,500	0.09
18	HL Bank Nominees (Singapore) Pte Ltd	1,832,000	0.07
19	Nomura Securities Singapore Pte Ltd	1,658,183	0.07
20	Kim Eng Ong Asia Securities Pte Ltd	1,517,770	0.06
	Total	2,207,830,197	87.71

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the STI, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912, on Friday, 9 May 2003 at 3.00 p.m. to transact the following business:

As Ordinary Business

- 1
- To receive and adopt the Directors’ Report and Audited Accounts for the year ended 31 December 2002 and the Auditors’ Report thereon.
- 2
- To declare a first and final dividend of S\$0.05 per share less Singapore income tax at 22% for the year ended 31 December 2002.
- 3
- To approve the sum of S\$958,687 as Directors’ fees for the year ended 31 December 2002 (2001: S\$850,998).
- 4
- To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 95 of the Articles of Association of the Company and who, being eligible, will offer themselves for re-election:

(i)

Mr Philip Yeo Liat Kok

(ii)

Mr Sum Soon Lim

(iii)

Mr Liew Mun Leong

Mr Sum Soon Lim is a non-independent member of the Audit Committee.

- 5
- To re-elect Mr Richard Edward Hale, a Director, who will retire pursuant to Article 101 of the Articles of Association of the Company.

Mr Richard Edward Hale is an independent member and Chairman of the Audit Committee.

- 6
- To consider and, if thought fit, to pass the following resolutions:

(i)

“That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Hsuan Owyang be and is hereby re-appointed a Director of the Company to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.”

(ii)

“That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lim Chin Beng be and is hereby re-appointed a Director of the Company to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.”

- 7
- To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

- 8
- To transact such other ordinary business as may be transacted at an Annual General Meeting of the Company.

As Special Business

- 9
- To consider and, if thought fit, to pass with or without modifications, the following resolutions, of which Resolution 9A will be proposed as a Special Resolution and Resolutions 9B and 9C will be proposed as Ordinary Resolutions:

9A That Articles 4, 9(B), 19, 148 and 152 and the heading “ALTERATION OF ARTICLES” before Article 152 of the Articles of Association of the Company be and are hereby altered, and Articles 149, 150 and 151 of the Articles of Association of the Company be and are hereby re-numbered, in the manner and to the extent as set out in the Appendix to the Company’s Letter to Shareholders dated 26 March 2003.

9B That authority be and is hereby given to the Directors of the Company to:

- (a)

(i)

issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or

(ii)

make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Substantial Shareholders

As shown in the Register of Substantial Shareholders as at 28 February 2003

Name of Substantial Shareholder	No. of Ordinary Shares in which	
	substantial shareholder has a direct interest	substantial shareholder is deemed to have an interest
ST Property Investments Pte Ltd	328,344,838	—
Singapore Technologies Pte Ltd	1,197,123,933	329,424,838 ⁽¹⁾
Singapore Technologies Holdings Pte Ltd	—	1,526,548,771 ⁽²⁾
Temasek Holdings (Private) Limited	—	1,585,536,271 ⁽³⁾

Notes:

- 1)
- ST Property Investments Pte Ltd (“STPI”) is a wholly-owned subsidiary of Singapore Technologies Pte Ltd (“STPL”). Accordingly, STPL is deemed through its interest in STPI to have an interest in the 328,344,838 Ordinary Shares held by STPI and the 1,080,000 Ordinary Shares held by other companies within the Singapore Technologies Group by virtue of Section 7 of the Companies Act, Cap. 50.*
- 2)
- Singapore Technologies Holdings Pte Ltd (“STH”) is deemed by virtue of Section 7 of the Companies Act, Cap. 50 to have an interest in the 1,526,548,771 Ordinary Shares in which STPL has or is deemed to have an interest in.*
- 3)
- Temasek Holdings (Private) Limited (“Temasek”) holds 100% of the shares of STH and 78.6% of the shares of STPL. By virtue of Section 7 of the Companies Act, Cap. 50, Temasek is deemed to be interested in (i) the 1,197,123,933 Ordinary Shares held by STPL; (ii) the 328,344,838 Ordinary Shares held by STPI and over which STPL and STH have a deemed interest; (iii) the 1,080,000 Ordinary Shares held by other companies within the Singapore Technologies Group and over which STPL and STH have a deemed interest; and (iv) the 58,987,500 Ordinary Shares held by other companies within the Temasek Group. Temasek is wholly-owned by the Minister for Finance, Incorporated.*

Size of Holdings

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares	% of shares
1 – 999	1,002	2.39	460,046	0.02
1,000 – 10,000	35,488	84.49	124,490,831	4.94
10,001 – 1,000,000	5,486	13.06	179,477,324	7.13
1,000,001 and above	24	0.06	2,212,921,697	87.91
Total	42,000	100.00	2,517,349,898	100.00

Approximately 37.02% of the issued Ordinary Shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

9C That approval be and is hereby given to the Directors to:

- (a) offer and grant options in accordance with the provisions of the CapitaLand Share Option Plan (“Share Option Plan”) and/or to grant awards in accordance with the provisions of the CapitaLand Performance Share Plan (“Performance Share Plan”) and/or the CapitaLand Restricted Stock Plan (“Restricted Stock Plan”) (the Share Option Plan, the Performance Share Plan and the Restricted Stock Plan, together the “Share Plans”); and

(b) allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Share Option Plan and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Stock Plan,

provided that the aggregate number of shares to be issued pursuant to the Share Plans shall not exceed fifteen per cent. (15%) of the issued share capital of the Company from time to time.

By Order of the Board

TAN WAH NAM
Company Secretary

Singapore
26 March 2003

Notes:

A member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 168 Robinson Road #30-01, Capital Tower, Singapore 068912 not less than 48 hours before the time appointed for holding the meeting.

Additional information relating to the Notice of Annual General Meeting:

Resolution 9A is to alter the Articles of Association of the Company in the manner described in the Company’s Letter to Shareholders dated 26 March 2003. Please refer to the Company’s Letter to Shareholders dated 26 March 2003 for details.

Resolution 9B is to empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments. Please refer to the Company’s Letter to Shareholders dated 26 March 2003 for details.

Resolution 9C is to empower the Directors to offer and grant options and/or grant awards under the CapitaLand Share Option Plan, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan, and to allot and issue shares pursuant to the exercise of such options and/or vesting of such awards, provided that the aggregate number of shares to be issued does not exceed fifteen per cent. (15%) of the issued share capital of the Company from time to time.

Directors

Mr Philip Yeo Liat Kok – Chairman
Mr Hsuan Owyang – Deputy Chairman
Mr Liew Mun Leong – President & CEO
Sir Alan Cockshaw
Mr Richard Edward Hale
Mr Lim Chin Beng
Mr Peter Seah Lim Huat
Mr Sum Soon Lim
Mr Jackson Peter Tai
Mr Lucien Wong Yuen Kuai

Registered Office

168 Robinson Road, #30-01
Capital Tower
Singapore 068912

26 March 2003

To: The Shareholders of
CapitaLand Limited

Dear Sir/Madam

1 Introduction

- 1.1
- AGM.** We refer to the Notice of Annual General Meeting (the “**Notice**”) of the shareholders of CapitaLand Limited (the “**Company**”) dated 26 March 2003, accompanying the Annual Report 2002 of the Company, convening the Annual General Meeting (“**AGM**”) to be held on 9 May 2003, and Special Resolution 9A (“**Special Resolution 9A**”) and Ordinary Resolution 9B (“**Ordinary Resolution 9B**”) under the heading “Special Business” set out in the Notice. Special Resolution 9A relates to the proposed alterations to the Articles of Association of the Company (the “**Articles**”) and Ordinary Resolution 9B relates to the proposed share issue mandate.

1.2

Letter to Shareholders. The purpose of this Letter is to provide shareholders with information relating to Special Resolution 9A and Ordinary Resolution 9B.

1.3

SGX-ST. The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made in this Letter.

2 The Proposed Alterations to the Articles

- 2.1
- Changes in New Listing Manual.** The new Listing Manual of the SGX-ST (the “**New Listing Manual**”) became effective on 1 July 2002. The New Listing Manual contains, *inter alia*, various continuing listing requirements relating to matters such as the contents of articles of association of listed companies, administration matters relating to certificates for shares (such as registration of transfers of physical scrip), and the issue of securities or additional securities (such as by way of a general share issue mandate), which differ in some respects from the previous corresponding rules of the SGX-ST. The Company is therefore proposing, *inter alia*, to update the Articles generally to reflect the current requirements of the SGX-ST.

2.2

Articles Proposed for Alterations. The following Articles are proposed for alterations:

2.2.1 Article 4

Under Article 4(a), no Director can participate in any issue of shares to employees unless the members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity. Under Article 4(b), no shares can be issued to transfer a controlling interest in the Company except with the prior approval of the Company in general meeting. These provisions are no longer required to be included in the Articles under the New Listing Manual, and are therefore proposed to be deleted accordingly.

Notwithstanding that Article 4(b) is no longer required to be included in the Articles, it will still be necessary for the Company to obtain the prior approval of members in general meeting in order to issue securities to transfer a controlling interest under Rule 803 of the New Listing Manual.

2.2.2 Article 9(B)

Article 9(B) currently provides that the Company may by ordinary resolution give the Directors a general authority to issue shares and to make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including the creation and issue of warrants, debentures or other instruments convertible into shares, and (notwithstanding that such authority may have ceased to be in force) to issue shares in pursuance of any Instrument made or granted while the authority was in force. The aggregate number of shares that may be issued pursuant to the ordinary resolution cannot exceed 50% of the issued share capital of the Company (the “**50% Limit**”), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders does not exceed 20% of the issued share capital of the Company (the “**20% Sub-Limit**”).

Article 9(B) is proposed to be updated to be in line with Rule 806 of the New Listing Manual, which was amended by the SGX-ST with effect from 3 January 2003.

The proposed alterations to Article 9(B) will make it clear that the general authority to make or grant Instruments can include the authority to make adjustments. However, any shares to be issued pursuant to adjustments have to be included under the 50% Limit and the 20% Sub-Limit. In addition, under Article 9(B) as proposed to be altered, the 50% Limit and 20% Sub-Limit will be based on the issued share capital of the Company at the time that the ordinary resolution is passed, after adjusting for:

- (a)

new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the ordinary resolution is passed; and
- (b)

any subsequent consolidation or subdivision of shares.

2.2.3 Article 19

Article 19 is proposed to be altered to reflect the present requirements under the New Listing Manual relating to the time-line (which has been reduced from 15 market days to 10 market days) by which a share certificate has to be issued and ready for delivery following lodgement of a registrable transfer of physical scrip.

2.2.4 Article 148

Article 148 relates to the obtaining of members’ prior approval for the payment of any commission or fee to the liquidator in a voluntary winding up of the Company. This provision is no longer required to be included in the Articles under the New Listing Manual, and is therefore proposed to be deleted accordingly.

Notwithstanding the deletion of Article 148 from the Articles, where so required by the Companies Act, Cap. 50, the New Listing Manual or other applicable laws and regulations, the relevant authorisation or clearance (including shareholders’ approval) would have to be sought by the Company in respect of the payment of any fee or commission to the liquidator in a members’ voluntary winding up of the Company.

2.2.5 Article 152

Article 152 relates to the obtaining of the SGX-ST’s prior written approval for any alterations to the Articles. This provision is no longer required to be included in the Articles under the New Listing Manual, and is therefore proposed to be deleted accordingly.

- Notwithstanding that the provision is no longer required to be included in the Articles, it will still be necessary for the Company to obtain the prior written approval of the SGX-ST for any deletions, amendments or additions to its Articles under Rule 729 of the New Listing Manual.
- 2.3 **The Appendix.** The proposed alterations to the Articles are set out in the Appendix to this Letter and for shareholders’ ease of reference, the main proposed alterations are highlighted in bold. The proposed alterations to the Articles are subject to shareholders’ approval at the AGM.
- 3 **The Proposed Share Issue Mandate**
- 3.1 **Proposed Share Issue Mandate.** Subject to Article 9(B) being amended as proposed in paragraph 2.2.2 above, the Company is seeking approval of shareholders at the AGM for a mandate (the “**Share Issue Mandate**”) to be given to the Directors to:
- (a) issue shares whether by way of rights, bonus or otherwise; and/or
- (b) make or grant Instruments that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- and (notwithstanding that the authority so conferred may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force.
- 3.2 **Limit on Shares.** The aggregate number of shares to be issued pursuant to the Share Issue Mandate, including shares to be issued in pursuance of Instruments made or granted pursuant thereto, will be subject to the 50% Limit and the 20% Sub-Limit. The 50% Limit and the 20% Sub-Limit will be calculated based on the issued share capital of the Company at the time of the passing of the Share Issue Mandate, after adjusting for:
- (a) new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of the Share Issue Mandate; and
- (b) any subsequent consolidation or subdivision of shares.
- The share options and share awards referred to in sub-paragraph (a) above are to those granted by the Company pursuant to share plans governed by Part VIII of Chapter 8 of the New Listing Manual.
- In exercising the authority conferred under the Share Issue Mandate, the Company will comply with the provisions of the New Listing Manual, unless such compliance has been waived by the SGX-ST.
- 3.3 **Duration of Share Issue Mandate.** The Share Issue Mandate will take effect from the passing of the resolution approving the Share Issue Mandate at the AGM and will continue in force until the conclusion of the next AGM unless prior thereto, issues of shares are made to the full extent permitted by the Share Issue Mandate or the Share Issue Mandate is revoked or varied by the Company in general meeting. The Share Issue Mandate, in the form proposed, is intended to be placed before shareholders for renewal at each subsequent AGM of the Company.
- 3.4 **Rationale for Share Issue Mandate.** If approved, the Share Issue Mandate will, in addition to the usual authority to issue shares, enable the Company to make or grant Instruments during the validity period of the Share Issue Mandate, and to issue shares in pursuance of such Instruments subject to the specified limits. A general (as opposed to specific) approval for the Directors to make or grant Instruments will also enable the Company to act quickly and take advantage of market conditions. The expense and delay of otherwise having to convene general meetings of the Company to approve the making or granting of each specific Instrument would thus be avoided.
- It is for the above reasons that the Directors believe that the Share Issue Mandate, in the form as proposed, would be in the best interests of the Company and its shareholders.

4 **Directors’ Recommendations**

- 4.1 **Alterations to Articles.** The Directors are of the opinion that the proposed alterations to the Articles are in the best interests of the Company. Accordingly, they recommend that shareholders vote in favour of Special Resolution 9A, being the Special Resolution relating to the proposed alterations to the Articles.
- 4.2 **Share Issue Mandate.** The Directors are of the opinion that the proposed Share Issue Mandate is in the best interests of the Company. Accordingly, they recommend that shareholders vote in favour of Ordinary Resolution 9B, being the Ordinary Resolution relating to the proposed Share Issue Mandate.

5 **Inspection of Documents**

A copy of the Memorandum and Articles of Association of the Company is available for inspection at the registered office of the Company at 168 Robinson Road #30-01, Capital Tower, Singapore 068912 during normal business hours from the date of this Letter up to the date of the AGM.

6 **Directors’ Responsibility Statement**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Letter are fair and accurate and that there are no material facts the omission of which would make any statement in this Letter misleading.

Yours faithfully

PHILIP YEO LIAT KOK
Chairman
CapitalLand Limited

The Appendix

The Proposed Alterations to the Articles

The alterations which are proposed to be made to the Articles are set out below. For ease of reference and, where appropriate, the full text of the Articles proposed to be altered has also been reproduced.

Existing Article 4

“4. Subject to the Statutes and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 9, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:-

- (a) no Director shall participate in any issue of shares to employees unless the members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity;
- (b) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;
- (c) no shares shall be issued at a discount except in accordance with the Statutes;
- (d) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 9(A) with such adaptations as are necessary shall apply; and
- (e) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 9(B), shall be subject to the approval of the Company in General Meeting.”

Proposed Alterations to Existing Article 4

By deleting Article 4 in its entirety and by substituting therefor the following:

“4. Subject to the Statutes and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 9, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:-

- (a) no shares shall be issued at a discount except in accordance with the Statutes;
- (b) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 9(A) with such adaptations as are necessary shall apply; and
- (c) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 9(B), shall be subject to the approval of the Company in General Meeting.”

Existing Article 9(B)

“9. (B) Notwithstanding Article 9(A) above but subject to the Statutes, the Company may, by Ordinary Resolution in General Meeting, give the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being;
- (2) for the purpose of determining the aggregate number of shares that may be issued under (1) above, in relation to an Instrument, the number of shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;
- (3) in exercising the power to make or grant Instruments (including the making of any adjustments under any relevant Instrument), the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and these Articles; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).”

Proposed Alterations to Existing Article 9(B)

By deleting Article 9(B) in its entirety and by substituting therefor the following:

“9. (B) Notwithstanding Article 9(A) above but subject to the Statutes, the Company may, by Ordinary Resolution in General Meeting, give the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 50 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company **(as calculated in accordance with sub-paragraph (2) below)**, of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 20 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company **(as calculated in accordance with sub-paragraph (2) below)**;
- (2) **(subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for:-**
- (i) new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the Ordinary Resolution is passed; and**
- (ii) any subsequent consolidation or subdivision of shares;**
- (3) in exercising **the authority conferred by the Ordinary Resolution**, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and these **presents**; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest)."

Existing Article 19

“19. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within ten market days of the closing date of any application for shares (or such other period as may be approved by any stock exchange upon which the shares of the Company may be listed) or within fifteen market days after the date of lodgement of a registrable transfer (or such other period as may be approved by any stock exchange upon which the shares of the Company may be listed) one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of \$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed.”

Proposed Alterations to Existing Article 19

By deleting Article 19 in its entirety and substituting therefor the following:

“19. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within ten market days (or such other period as may be approved by any stock exchange upon which the shares of the Company may be listed) **of the closing date of any application for shares or, as the case may be,** the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of \$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed.”

Existing Article 148

“148. On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the members in General Meeting. The amount of such commission or fee shall be notified to all members not less than seven days prior to the General Meeting at which it is to be considered.”

Proposed Alterations to Existing Article 148 and Re-numbering of Existing Articles 149, 150 and 151

By deleting Article 148 in its entirety and by re-numbering Articles 149, 150 and 151 as Articles 148, 149 and 150 respectively.

Existing Heading “ALTERATION OF ARTICLES” and Article 152

“ALTERATION OF ARTICLES

152. Where these presents have been approved by any stock exchange upon which the shares in the Company may be listed, no provisions of these presents shall be deleted, amended or added without the prior written approval of such stock exchange which had previously approved these presents.”

Proposed Alterations to the Existing Heading “ALTERATION OF ARTICLES” and Existing Article 152

By deleting the heading “ALTERATION OF ARTICLES” before Article 152 and Article 152 in their entirety.

Notes to Proxy Form

- 1
- A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
- 2
- Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3
- A proxy need not be a member of the Company.
- 4
- A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the form of proxy will be deemed to relate to all the shares held by the member.
- 5
- The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 168 Robinson Road #30-01, Capital Tower, Singapore 068912 not less than 48 hours before the time set for the Meeting.
- 6
- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7
- Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 8
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CapitaLand Limited

(Incorporated in the Republic of Singapore)

IMPORTANT:
1 For investors who have used their CPF monies to buy CapitaLand shares, the Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominee and is sent solely FOR INFORMATION ONLY.
2 This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Proxy Form – Annual General Meeting

I/We, _____ (Name)
of _____ (Address)

being a member/members of CAPITALAND LIMITED hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of shareholdings	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of shareholdings	
			No. of shares	%

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be held on 9 May 2003, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions Relating To:	For	Against
ORDINARY BUSINESS			
1	Adoption of Directors' Report, Audited Accounts and Auditors' Report		
2	Declaration of Dividend		
3	Approval of Directors' Fees		
4(i)	Re-election of Mr Philip Yeo Liat Kok as Director		
4(ii)	Re-election of Mr Sum Soon Lim as Director		
4(iii)	Re-election of Mr Liew Mun Leong as Director		
5	Re-election of Mr Richard Edward Hale as Director		
6(i)	Re-appointment of Mr Hsuan Owyang as Director		
6(ii)	Re-appointment of Mr Lim Chin Beng as Director		
7	Re-appointment of Auditors		
8	Any Other Business		
SPECIAL BUSINESS			
9A	Alterations to the Articles of Association of the Company		
9B	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50		
9C	Authority for Directors to offer and grant options and/or grant awards, and to allot and issue shares, pursuant to the CapitaLand Share Option Plan, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan		

* Please indicate your vote "For" or "Against" with a "✓" within the box provided.

Dated this day of 2003.

Signature(s) of Member(s) / Common Seal

Total number of shares held:

3rd fold here & fold flap

Affix
postage
stamp

The Company Secretary

CapitaLand Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

2nd fold here

1st fold here

Main Contacts

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www.premas.com
contactcentre@premas.com

Auditors
KPMG
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: (65) 6213 3388
Fax: (65) 6225 6157
(Engagement Partner since financial
year-end 31 December 2001:
Martha Tan Hui Keng)

Registrar
Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Tel: (65) 6536 5355
Fax: (65) 6536 1360

This Annual Report 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.

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