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CAPITALAND LIMITED

(Registration Number : 198900036N)

2006 FULL YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

CapitaLand

CAPITALAND LIMITED
2006 FULL YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

1(a)(i) Income Statement

	Note	Group					
		4Q 2006 S$'000	**4Q 2005 S$'000**	**% Change**	**FY 2006 S$'000**	**FY 2005 S$'000**	**% Change**
Continuing operations							
Revenue	**A**	**998,679**	**898,796**	**11.1**	**3,147,725**	**3,845,637**	**(18.1)**
Cost of sales	**A**	(661,402)	(708,971)	(6.7)	(2,234,385)	(3,036,173)	(26.4)
Gross profit		337,277	189,825	77.7	913,340	809,464	12.8
Other operating income	**B**	224,103	174,467	28.5	558,795	361,655	54.5
Administrative expenses	**C**	(144,165)	(116,383)	23.9	(342,021)	(390,295)	(12.4)
Other operating expenses	**D**	47,254	(38,423)	NM	90,333	(43,632)	NM
Profit from continuing operations		**464,469**	**209,486**	**121.7**	**1,220,447**	**737,192**	**65.6**
Finance costs		(98,755)	(82,385)	19.9	(327,995)	(274,581)	19.5
Share of results (net of tax) of:							
- associates		206,184	41,702	394.4	462,445	108,905	324.6
- jointly-controlled entities		92,293	3,855	NM	139,152	14,293	873.6
- partnership		–	(628)	NM	–	(114)	NM
	E	298,477	44,929	564.3	601,597	123,084	388.8
Profit before taxation from continuing operations		664,191	172,030	286.1	1,494,049	585,695	155.1
Taxation	**F**	(153,226)	(71,877)	113.2	(230,354)	(152,020)	51.5
Profit after taxation from continuing operations		510,965	100,153	410.2	1,263,695	433,675	191.4
Discontinued operations							
Profit after taxation from discontinued operations		25	50,761	(100.0)	26,894	741,963	(96.4)
Profit for the period		510,990	150,914	238.6	1,290,589	1,175,638	9.8
Attributable to:							
Equity holders of the Company ("PATMI")	**G**	**455,817**	**93,179**	**389.2**	**1,017,985**	**750,510**	**35.6**
Minority interests ("MI")		55,173	57,735	(4.4)	272,604	425,128	(35.9)
Profit for the period		510,990	150,914	238.6	1,290,589	1,175,638	9.8

NM : Not meaningful

1(a)(ii) Explanatory Notes to Income Statement – 4Q 2006 vs 4Q 2005

(A) Revenue, Cost of Sales

Revenue increases by 11.1% in 4Q 2006. The increases were largely attributable to higher sales from development projects, revenue from the China retail malls, consolidation of Raffles City, Shanghai, as well as higher contribution from serviced residences operations. The higher sales from development projects during this quarter were mainly from our China operations.

Despite the higher revenue, the cost of sales was $47.6 million lower than 4Q 2005 mainly attributable to the higher write back of provisions for foreseeable losses during the quarter, on account of the improved property prices in Singapore.

(B) Other Operating Income

		Group		
		4Q 2006 S$'000	**4Q 2005 S$'000**	**% Change**
Other Operating Income		**224,103**	**174,467**	**28.5**
Investment income	(i)	6,836	2,069	230.4
Interest Income	(ii)	43,185	37,782	14.3
Other income (including portfolio gains)	(iii)	164,764	130,659	26.1
Foreign exchange (loss)/gain	(iv)	9,318	3,957	135.5

(i) Investment income of $6.8 million arose mainly from the Group's investments in Hong Kong.

(ii) The increase in interest income was mainly due to higher average fixed deposit rates achieved for the Group's surplus funds.

(iii) Included in other income are portfolio gains amounting to $163.8 million. The portfolio gains were mainly from the sale of CapitaRetail China Trust units in connection with its Initial Public Offering, the sale of properties to CapitaRetail China Incubator Fund and CapitaRetail China Development Fund, the sale of investment properties in Hong Kong and Australia as well as the sale of office space in Springleaf Tower. There was also a reclassification of taxation expenses in relation to previous quarter's divestment gains from other operating income to taxation expenses. (please refer to note (F))

(iv) The foreign exchange gain of $9.3 million arose mainly from the revaluation of certain USD denominated loans, as a result of the RMB strengthening against the USD during the quarter.

(C) Administrative Expenses

	Group		
	4Q 2006 S$'000	**4Q 2005 S$'000**	**% Change**
Administrative Expenses	**(144,165)**	**(116,383)**	**23.9**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,396)	(6,754)	39.1
Allowance for doubtful receivables	2,081	(1,522)	NM
Negative goodwill on acquisition	–	10,764	NM

Administrative expenses comprise staff costs, depreciation expenses, rental expenses, travelling and other miscellaneous expenses. 4Q 2006's administrative expenses were $144.2 million or 23.9% higher than the $116.4 million in the same quarter last year. The increase was mainly attributable to a one-off charge for the expenses incurred in respect of the Sentosa Integrated Resort bid, higher professional fees incurred for due diligence exercises as well as a write off of goodwill in respect of one of the subsidiaries' acquisition.

(D) Other Operating Expenses

	Group		
	4Q 2006 S$'000	4Q 2005 S$'000	% Change
Other Operating Expenses	**47,254**	**(38,423)**	**NM**
Comprising:			
Write back of asset revaluation deficits previously charged to income statement	72,041	–	NM
Revaluation deficits of investments properties	–	(32,025)	NM
Reduction in value of investments	(1,672)	(5,054)	(66.9)
Provision for interest and tax penalties	(12,400)	–	NM
Others	(10,715)	(1,344)	697.2

4Q 2006's other operating expenses recorded positive balances mainly due to a write back of certain asset revaluation deficits previously charged to the Profit and Loss account which amounted to $72.0 million. This write back was mainly in respect of the Singapore investment property portfolio which saw higher year end valuations as property prices rebounded. There was also a provision of $12.4 million for tax and interest penalties pending settlement of a tax dispute with an overseas tax jurisdiction.

(E) Share of results (net of tax) of Associates and Jointly-Controlled Entities

The higher contribution by associates and jointly-controlled entities to the results in 4Q 2006 was mainly attributable to the Group's share of the write back of asset revaluation deficits as well as divestment gains from the sale of Hotel Inter-Continental by an associated company.

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

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

The higher tax expenses ($153.2 million in 4Q 2006 vs $71.9 million in 4Q 2005) was mainly due to a reclassification of capital gains tax of $49.2 million from the divestment gains recorded in the previous quarter and an under-provision of prior years' tax of $25.5 million (4Q 2005: $35.0 million). Disregarding the tax reclassification and the under-provision of tax, the tax expenses were $41.6 million higher than the same quarter last year. This is due to higher operating profits and capital gains tax in respect of certain divestments during the quarter.

(G) Gain from sale of investments

Included in the Group's profit after tax and minority interests ("PATMI") for 4Q 2006 were the following gains (net) from the sale of investments:

	$M
Interest in Hotel Inter-Continental (accounted for in Share of Associates' results – refer to Item E)	44.1
CapitaRetail China Trust and other private funds	27.8
Springleaf Tower	26.3
Investment properties in Australia	15.2
Greentown China Holdings Limited's shares	7.1
15 units of Hong Kong Parkview apartments	5.6
Others (net)	1.3
Total Group's share of gain after tax & MI for 4Q 2006	**127.4**

1(a)(iii) Discontinued Operations

The discontinued operations comprised PREMAS International Limited and the hotel business of Raffles Holdings Limited ("discontinued operations") which were divested in May 2005 and September 2005 respectively. A summary of the 4Q and FY results of the discontinued operations is as follows:

	Group – Discontinued operations			
	4Q 2006 S$'000	4Q 2005 S$'000	FY 2006 S$'000	FY 2005 S$'000
Revenue	**–**	**–**	**–**	**458,171**
Cost of sales	–	–	–	(237,388)
Gross profit	–	–	–	220,783
Other operating income	–	–	–	6,233
Administrative expenses	–	–	–	(179,807)
Other operating expenses	–	–	–	(1,952)
Profit from discontinued operations	**–**	**–**	**–**	**45,257**
Finance costs	–	–	–	(5,693)
Share of results (net of tax) of associates	–	–	–	96
Profit before taxation from discontinued operations	**–**	**–**	**–**	**39,660**
Taxation	–	–	–	(9,399)
Profit after taxation before gain on sale of discontinued operations	**–**	**–**	**–**	**30,261**
Gain on sale of discontinued operations	25	50,761	26,894	711,702
Profit after taxation from discontinued operations	**25**	**50,761**	**26,894**	**741,963**

1(b)(i) Balance Sheet

As at 31/12/2006 vs 31/12/2005

	Group			Company		
	31/12/2006 S$'000	**31/12/2005 S$'000**	**% Change**	**31/12/2006 S$'000**	**31/12/2005 S$'000**	**% Change**
Non-Current Assets						
Property, Plant & Equipment	182,044	201,465	(9.6)	1,761	1,588	10.9
Intangible Assets	38,757	33,651	15.2	–	–	–
Investment Properties	6,553,643	5,914,905	10.8	–	–	–
Properties Under Devt	413,734	634,004	(34.7)	–	–	–
Interests in Subsidiaries	–	–	–	2,895,750	3,773,558	(23.3)
Interests in Associates & Jointly-Controlled Entities	4,762,773	3,930,413	21.2	–	–	–
Other Assets	363,248	323,874	12.2	231	4,211	(94.5)
	12,314,199	**11,038,312**	**11.6**	**2,897,742**	**3,779,357**	**(23.3)**
Current Assets						
Devt Properties for Sale	*3,622,665*	*3,542,494*	*2.3*	–	–	–
Trade & Other Receivables	*2,024,538*	*1,417,790*	*42.8*	*1,544,600*	*1,101,118*	*40.3*
Cash & Cash Equivalents	*2,684,851*	*2,111,277*	*27.2*	*1,477,510*	*987,736*	*49.6*
Other Current Assets	*806*	*73,180*	*(98.9)*	–	–	–
	8,332,860	**7,144,741**	**16.3**	**3,022,110**	**2,088,854**	**44.7**
Less: Current Liabilities						
Trade & Other Payables	*1,862,377*	*2,005,739*	*(7.1)*	*472,861*	*206,882*	*128.6*
Short-Term Borrowings	*1,793,390*	*2,383,844*	*(24.8)*	*208,939*	*692,735*	*(69.8)*
Finance Leases	*3,594*	*3,448*	*4.2*	–	–	–
Other Current Liabilities	*316,827*	*237,664*	*33.3*	*6,980*	–	*NM*
	3,976,188	**4,630,695**	**(14.1)**	**688,780**	**899,617**	**(23.4)**
Net Current Assets	**4,356,672**	**2,514,046**	**73.3**	**2,333,330**	**1,189,237**	**96.2**
Less: Non-Current Liabilities						
Long-Term Borrowings	6,288,159	4,228,011	48.7	461,679[1]	125,500	267.9
Finance Leases	44,685	48,683	(8.2)	–	–	–
Other Non-Current Liabilities	825,277	247,296	233.7	34,972	149,597	(76.6)
	7,158,121	**4,523,990**	**58.2**	**496,651**	**275,097**	**80.5**
Net Assets	**9,512,750**	**9,028,368**	**5.4**	**4,734,421**	**4,693,497**	**0.9**
Representing:						
Share Capital*	4,304,907	2,750,503	56.5	4,304,907	2,750,503	56.5
Reserves	3,095,239	3,907,207	(20.8)	429,514	1,942,994	(77.9)
Equity attributable to equity holders of the Company	7,400,146	6,657,710	11.1	4,734,421	4,693,497	0.9
Minority Interests	2,112,604	2,370,658	(10.9)	–	–	–
Total Equity	**9,512,750**	**9,028,368**	**5.4**	**4,734,421**	**4,693,497**	**0.9**

Note : * Following the changes in the Companies (Amendment) Act 2005, the par value concept was abolished on 30/01/2006. As such, share premium and capital redemption reserve of the Company were transferred to the share capital with effect from 31/01/2006.

(1) Increase is due mainly to issue of $430 million convertible bonds in November 2006.

1(b)(ii) Aggregate amount of group's borrowings (including finance leases)

	Group	
	As at 31/12/2006 S$'000	**As at 31/12/2005 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	244,525	438,546
Unsecured	1,552,459	1,948,746
Sub-Total 1	**1,796,984**	**2,387,292**
Amount repayable after one year:-		
Secured	2,889,854	2,270,382
Unsecured	3,442,990	2,006,312
Sub-Total 2	**6,332,844**	**4,276,694**
Total Debt	**8,129,828**	**6,663,986**

Details of any collateral

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

1(c) Consolidated Cash Flows Statement

	Group			
	4Q 2006 S$'000	4Q 2005 S$'000	FY 2006 S$'000	FY 2005 S$'000
Cash Flows from Operating Activities				
Profit after taxation from continuing operations	**510,965**	**100,153**	**1,263,695**	**433,675**
Profit after taxation from discontinued operations	**25**	**50,761**	**26,894**	**741,963**
Total profit after taxation	**510,990**	**150,914**	**1,290,589**	**1,175,638**
Adjustments for :				
Amortisation and write off of:				
- Intangible assets	4,694	350	5,218	1,102
Negative goodwill on acquisition	–	–	(77,000)	(820)
(Write back)/Allowance for:				
- Foreseeable losses on development properties for sale	(36,819)	(636)	(54,532)	(36,805)
- Loans to associates	(2,916)	–	8,584	–
- Non-current portion of financial assets	1,668	5,013	1,670	4,130
Share-based expenses	7,124	7,778	24,758	19,374
Changes in fair value of financial derivatives and assets	9,233	(19,702)	1,242	(29,998)
Depreciation of property, plant and equipment	9,113	8,171	34,294	71,781
Loss/(Gain) on disposal/Write off of property, plant and equipment	2,150	(19,095)	2,800	(23,635)
Gain on disposal of investment properties	(125,156)	(6,108)	(222,094)	(13,141)
(Write back)/Write down in value of investment properties	(72,041)	33,074	(113,037)	33,074
Gain on disposal of financial assets	(9,962)	–	(18,899)	(2,101)
Gain on disposal, liquidation and dilution of subsidiaries	(27,626)	(104,719)	(128,451)	(812,218)
Share of results of associates, jointly-controlled entities and partnership	(298,477)	(44,929)	(601,597)	(123,180)
Accretion of deferred income	(1,179)	(2,868)	(4,678)	(4,913)
Reversal of provision for obligation no longer required	–	(11,140)	–	(11,140)
Interest expense	98,755	82,385	327,995	280,274
Interest income	(43,185)	(37,782)	(146,340)	(108,099)
Tax expense	153,226	71,877	230,354	161,419
	(331,398)	**(38,331)**	**(729,713)**	**(594,896)**
Operating profit before working capital changes	**179,592**	**112,583**	**560,876**	**580,742**
Decrease/(Increase) in working capital				
Inventories, trade and other receivables	64,963	71,999	90,980	(46,334)
Development properties for sale	(21,922)	(291,818)	38,673	683,575
Trade and other payables	69,985	347,306	169,744	45,616
Amount due from related corporations	–	4	–	(3,232)
Financial assets	45,632	(48,332)	45,531	(44,224)
	158,658	**79,159**	**344,928**	**635,401**
Cash generated from operations	**338,250**	**191,742**	**905,804**	**1,216,143**
Income tax paid	(9,980)	(4,001)	(84,525)	(86,255)
Customer deposits and other non-current payables (refunded)/received	(1,656)	2,726	330	6,943
Net cash generated from Operating Activities	**326,614**	**190,467**	**821,609**	**1,136,831**

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

	Group			
	4Q 2006 S$'000	**4Q 2005 S$'000**	**FY 2006 S$'000**	**FY 2005 S$'000**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	2,353	152,046	13,792	173,767
Purchase of property, plant and equipment	(23,838)	(18,323)	(63,512)	(77,503)
Increase in associates and jointly-controlled entities	(278,931)	(3,994)	(832,702)	(70,841)
(Increase)/Decrease in amounts owing by investee companies and other non-current receivables	(4,722)	3,723	(393)	(5,252)
Deposits placed for new investments	(28,172)	(184,368)	(28,172)	(184,368)
Acquisition of investment properties and properties under development	(646,147)	(368,478)	(1,595,964)	(1,042,486)
Proceeds from disposal of investment properties	152,957	20,963	584,620	101,922
Proceeds from disposal /(Acquisition) of non-current financial assets	17,960	(153,777)	(8,172)	(151,892)
Dividends received from associates and jointly-controlled entities	58,809	89,502	656,019	161,470
Disposal/(Acquisition) of subsidiaries (net)	292,176	(301,639)	403,475	1,182,480
Acquisition of remaining interest in a subsidiary	(49,549)	–	(49,549)	(21,315)
Interest income received	49,012	41,152	145,719	96,981
Settlement of derivative	–	(846)	–	(15,849)
Net cash (used in)/generated from Investing Activities	**(458,092)**	**(724,039)**	**(774,839)**	**147,114**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	4,019	7,000	39,167	49,968
(Repayment of)/Proceeds from loans from minority shareholders	(26,491)	(7,591)	(88)	36,448
(Return of capital to)/Contribution from minority shareholders (net)	(323,112)	(20,584)	(42,738)	314,630
Proceeds from/(Repayment of) sales of future receivables	13,974	–	156,941	(277,640)
Proceeds from/(Repayment of) borrowings	384,174	516,408	1,638,812	(262,380)
Repayment of finance lease payables	(868)	(921)	(3,419)	(3,447)
Dividends paid to minority shareholders	(336,450)	(399,923)	(460,465)	(497,179)
Dividends paid to shareholders	–	–	(399,089)	(126,526)
Interest expense paid	(131,002)	(84,262)	(382,177)	(319,902)
Net cash (used in)/generated from Financing Activities	**(415,756)**	**10,127**	**546,944**	**(1,086,028)**
Net (decrease)/increase in cash and cash equivalents	**(547,234)**	**(523,445)**	**593,714**	**197,917**
Cash and cash equivalents at beginning of the period	3,239,065	2,626,458	2,105,015	1,904,831
Effect of exchange rate changes on cash balances held in foreign currencies	(6,980)	2,002	(13,878)	2,267
Cash and cash equivalents at end of the period	**2,684,851**	**2,105,015**	**2,684,851**	**2,105,015**

Cash and cash equivalents	2,684,851	2,111,277	2,684,851	2,111,277
Bank overdraft	–	(6,262)	–	(6,262)
Cash and cash equivalents at end of the period	**2,684,851**	**2,105,015**	**2,684,851**	**2,105,015**

Cash and cash equivalents at end of the period
The cash and cash equivalents of about $2,684.9 million as at 31/12/2006 included $2,238.1 million in fixed deposits and $30.6 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

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

As at 31/12/2006 vs 31/12/2005 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Revenue Reserve	Other Reserves*	Total	Minority Interest	Total Equity
Balance as at 01/01/2006	**2,750,503**	**2,780,247**	**246,921**	**730,439**	**149,600**	**6,657,710**	**2,370,658**	**9,028,368**
Revaluation surplus of investment properties & share of assoc/jointly controlled entities revaluation reserve			428,163			**428,163**	18,046	**446,209**
Realised revaluation reserve transferred to P/L			(77,942)			**(77,942)**	-	**(77,942)**
Net revaluation surplus credited to P/L			(308,099)			**(308,099)**	-	**(308,099)**
Effective portion of changes in fair value of cash flow hedge					7,927	**7,927**	11,114	**19,041**
Change in fair value of available-for-sale investments					30,381	**30,381**	-	**30,381**
Foreign currency translation differences					(58,726)	**(58,726)**	(29,392)	**(88,118)**
Realised other reserves transferred to P/L					(3,340)	**(3,340)**	(4,818)	**(8,158)**
Net gains/(losses) recognised directly in equity			42,122		(23,758)	**18,364**	(5,050)	**13,314**
Profit for 2006				1,017,985		**1,017,985**	272,604	**1,290,589**
Total recognised gains/(losses) for the year			42,122	1,017,985	(23,758)	**1,036,349**	**267,554**	**1,303,903**
Transfer (to)/from @	1,512,328	(2,780,247)			1,267,919	-	-	**-**
Dividends paid				(399,089)		**(399,089)**	-	**(399,089)**
Issue of shares under Share Option Plan & Performance Share Plan	42,076				(2,909)	**39,167**	-	**39,167**
Convertible bonds					41,495	**41,495**	-	**41,495**
Cost of share-based payment					24,641	**24,641**	1,534	**26,175**
Effects of acquisition/ (disposal), dilution and liquidation of subsidiaries (net)						**-**	(23,939)	**(23,939)**
Return of capital to MI						**-**	(42,738)	**(42,738)**
Dividend paid to MI						**-**	(460,465)	**(460,465)**
Others				(1,179)	1,052	**(127)**	-	**(127)**
Balance as at 31/12/2006	**4,304,907**	**–**	**289,043**	**1,348,156**	**1,458,040**	**7,400,146**	**2,112,604**	**9,512,750**

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

As at 31/12/2006 vs 31/12/2005 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Revenue Reserve	Other Reserves*	Total	Minority Interest	Total Equity
Balance as at 01/01/2005	**2,524,795**	**2,544,823**	**55,568**	**107,353**	**102,658**	**5,335,197**	**2,051,565**	**7,386,762**
Revaluation surplus of investment properties, properties under devt. & share of assoc/jointly controlled entities revaluation reserve			151,576			**151,576**	40,796	**192,372**
Realised revaluation reserve transferred to P/L			7,585			**7,585**	-	**7,585**
Net revaluation deficit charged to P/L			32,192			**32,192**	-	**32,192**
Effective portion of changes in fair value of cash flow hedge					21,100	**21,100**	-	**21,100**
Change in fair value of available-for-sale investments					62,902	**62,902**	-	**62,902**
Foreign currency translation differences					28,587	**28,587**	222	**28,809**
Realised foreign currency translation reserve transferred to P/L					(43,761)	**(43,761)**	-	**(43,761)**
Net gains/(losses) recognised directly in equity			191,353		68,828	**260,181**	41,018	**301,199**
Profit for 2005				750,510		**750,510**	425,128	**1,175,638**
Total recognised gains/(losses) for the period			191,353	750,510	68,828	**1,010,691**	466,146	**1,476,837**
Dividends paid				(126,526)		**(126,526)**	-	**(126,526)**
Issue of shares under Share Option Plan & Performance Share Plan	35,422	16,081			(1,535)	**49,968**	-	**49,968**
Conversion of convertible bonds	190,286	219,343			(30,381)	**379,248**	-	**379,248**
Cost of share-based payment					17,517	**17,517**	1,369	**18,886**
Effects of acquisitions/ (disposals)/ dilution and liquidation of subsidiaries						**-**	28,089	**28,089**
Capital contribution from MI						**-**	314,630	**314,630**
Dividend paid to MI						**-**	(497,179)	**(497,179)**
Others				(898)	(7,487)	**(8,385)**	6,038	**(2,347)**
Balance as at 31/12/2005	**2,750,503**	**2,780,247**	**246,921**	**730,439**	**149,600**	**6,657,710**	**2,370,658**	**9,028,368**

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

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

As at 31/12/2006 vs 31/12/2005 – COMPANY

S$M	Share Capital	Share Premium	Capital Reserve	Capital Redem. Res.	Revenue Reserve	Equity Comp. Res	Total
Balance as at 01/01/2006	**2,750,503**	**1,512,015**	**–**	**313**	**411,225**	**19,441**	**4,693,497**
Profit for 2006					352,666		**352,666**
Total recognised gains for the period					352,666		**352,666**
Transfer (to)/from @	1,512,328	(1,512,015)		(313)			**-**
Dividends paid					(399,089)		**(399,089)**
Issue of shares under Share Option Plan and Performance Share Plan	42,076					(2,909)	**39,167**
Cost of share-based payment						6,349	**6,349**
Convertible bonds			41,831				**41,831**
Others					(1,449)	1,449	**-**
Balance as at 31/12/2006	4,304,907	–	41,831	–	363,353	24,330	**4,734,421**
Balance as at 01/01/2005	**2,524,795**	**1,276,591**	**30,381**	**313**	**293,044**	**7,776**	**4,132,900**
Profit for 2005					245,108		**245,108**
Total recognised gains for the period					245,108		**245,108**
Dividends paid					(126,526)		**(126,526)**
Issue of shares under Share Option & Performance Share Plan	35,422	16,081				(1,535)	**49,968**
Conversion of convertible Bonds	190,286	219,343	(30,381)				**379,248**
Cost of share-based payment						12,799	**12,799**
Others					(401)	401	**-**
Balance as at 31/12/2005	**2,750,503**	**1,512,015**	**–**	**313**	**411,225**	**19,441**	**4,693,497**

@ The transfer of share premium and capital redemption reserve of the Company to share capital is due to the abolishment of the par value concept with effect from 30/01/2006.

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

Issued Share Capital

As at 31/12/2006, the issued and fully paid-up share capital of the Company was $4,304.9 million (31/12/2005: $2,750.5 million). Movements in the Company's issued and fully paid-up share capital during the financial year were as follows:

	$'000
As at 01/01/2006	2,750,503
Transfer of share premium and capital redemption reserve of the Company due to the abolishment of the par value concept with effect from 30/01/2006	1,512,328
Issue of shares under CapitaLand Share Option Plan	39,167
Issue of shares under CapitaLand Performance Share Plan	2,909
As at 31/12/2006	**4,304,907**

As at 31/12/2006, the issued ordinary shares of the Company numbered 2,779,346,107 (31/12/2005: 2,750,502,800). During the financial year, the Company issued 28,843,307 ordinary shares, of which 25,397,307 shares were issued under the Share Option Plan and 3,446,000 shares under the Performance Share Plan.

Share Options

As at 31/12/2006, the number of outstanding share options under the Company's Share Option Plan was 57,754,808 (31/12/2005: 64,118,788).

Performance Shares

As at 31/12/2006, the number of outstanding performance shares under the Company's Performance Share Plan was 9,003,801 (31/12/2005: 7,994,300).

The final number of performance shares given will depend on the achievement of pre-determined targets over a three-year performance period. Recipients who do not meet the threshold targets at the end of the performance period will not be given any performance shares. On the other hand, if superior targets are met, more performance shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.

Convertible Bonds

In November 2006, the Company issued $430 million of Convertible Bonds at 2.10% and due in 2016. These Bonds are convertible by holders into ordinary shares of the Company at any time on or after 26 December 2006 at a conversion price of $7.3136 per share. At this conversion price, and assuming the Convertible Bonds are fully converted, the number of new ordinary shares to be issued for the conversion would be 58,794,574, representing a 2.1% increase over the total number of issued shares of the Company as at 31/12/2006.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31/12/2005.

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

Please refer to Item 4 above.

6. Earnings per ordinary share (EPS) based on profit after tax & MI attributable to the equity holders of the Company after deducting any provision for preference dividends:

		Group			
		4Q 2006	4Q 2005	FY 2006	FY 2005
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents) from:				
	- continuing operations	16.4 cents	2.3 cents	36.2 cents	11.6 cents
	- discontinued operations	-	1.1 cents	0.6 cents	16.7 cents
	Total	**16.4 cents**	**3.4 cents**	**36.8 cents**	**28.3 cents**
	- weighted average number of ordinary shares (in million)	2,777.9	2,746.3	2,769.4	2,653.9
6(b)	EPS based on fully diluted basis (in cents) from:				
	- continuing operations	16.2 cents	2.3 cents	35.6 cents	11.6 cents
	- discontinued operations	-	1.0 cents	0.6 cents	16.5 cents
	Total	**16.2 cents**	**3.3 cents**	**36.2 cents**	**28.1 cents**
	- weighted average number of ordinary shares (in million)	2,833.1	2,792.7	2,819.4	2,691.1

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

	Group		Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
NAV per ordinary share	$2.67	$2.42	$1.70	$1.71
NTA per ordinary share	$2.65	$2.41	$1.70	$1.71

8. Review of the performance of the Group

GROUP OVERVIEW

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	998,679	898,796	11.1	3,147,725	3,845,637	(18.1)
EBIT	762,946	254,415	199.9	1,822,044	860,276	111.8
Finance costs	(98,755)	(82,385)	(19.9)	(327,995)	(274,581)	(19.5)
PBT	664,191	172,030	286.1	1,494,049	585,695	155.1
PATMI*	455,817	93,179	389.2	1,017,985	750,510	35.6

** Included profit for the period from discontinued operations. Please refer to Item 1(a)(iii).*

4Q 2006 vs 4Q 2005

The increase in revenue was largely attributable to higher sales from development projects, revenue from the China retail malls, consolidation of Raffles City Shanghai's revenue and higher contributions from improved serviced residences operations. The higher sales from development projects were mainly from our China operations.

EBIT for 4Q 2006 was significantly higher at $762.9 million, which is triple that of the $254.4 million recorded in the same quarter last year. Besides the higher revenue, the increase was also attributable to higher operating margins from Singapore residential operations, write back of revaluation deficits previously charged to the profit and loss account in respect of our Singapore properties which saw higher year end valuations this year, higher portfolio gains from the sale of our China retail malls, the sale of office space in Springleaf Tower and our share of gains from the sale of Hotel Inter-Continental by an associated company.

FY 2006 vs FY 2005

Revenue for 2006 at $3,147.7 million was 18.1% lower than the previous year. This decrease occurred mainly in Australia where the lower figure was primarily due to the earlier sale of properties to Australand Wholesale Property Trust No. 4 which had been completed in 2005. Overall, this was partially cushioned by a higher contribution from serviced residences operations, higher fund management fees and in China better residential sales and revenue from retail malls. Overseas operations accounted for 71.2% of revenue and 57.8% of total assets.

Despite the lower revenue, EBIT was higher at $1,822.0 million. This 111.8% increase was attributable to the writing back of revaluation deficits (as mentioned above), higher portfolio gains, recognition of $77.0 million negative goodwill on the acquisition of a 20% stake in Lai Fung Holdings Limited and higher fee-based and interest income, as well as better operating margins from Singapore residential operations. Overseas EBIT was 48.8% of the total.

Finance costs were $328.0 million, an increase of 19.5% as a result of higher foreign currency loan drawn-downs to finance new overseas investment projects. Interest rates were also higher. Net debt grew to $5.4 billion from $4.6 billion and the gearing ratio from 0.50 to 0.57 by the end of the year.

For the second year running, the Group achieved a record-breaking profit after tax and minority interests ("PATMI"). This amounted to $1,018.0 million for 2006, a 35.6% jump over the previous record of $750.5 million in 2005.

The Group expanded its footprint overseas in China (including Macau), Vietnam, Japan and India, by way of direct acquisitions and new partnerships. It is also exploring potential new markets in Russia and the Gulf states.

Segment Performance

Residential Strategic Business Unit ("SBU"): CapitaLand Residential Limited ("CRL")

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	770,086	717,450	7.3	2,354,436	3,036,808	(22.5)
EBIT	277,166	197,495	40.3	692,220	492,424	40.6

4Q 2006 revenue of $770.1 million was $52.6 million or 7.3% higher than that achieved for the same period last year, mainly attributable to higher sales from China operations. 4Q 2006's EBIT of $277.2 million was also $79.7 million or 40.3% higher than last year's corresponding quarter. The increase in EBIT came mainly from higher contributions from Singapore and China operations.

In Singapore, the launch of The Metropolitan in November 2006 attracted strong demand. This was CRL's second Singapore residential project released for the year following the private preview of Scotts HighPark, a high-end luxury development located along Scotts Road.

In China, in the fourth quarter of 2006, CRL successfully acquired four residential sites – three in Foshan, and one in Chengdu through its joint venture Sichuan Zhixin CapitaLand. In addition, CRL also secured a prime commercial site in Chengdu on which it plans to build a Raffles City complex.

In Thailand, CRL, through its joint venture, TCC Capital Land, had a pre-sale of its fifth residential project, Villa Rachatewi.

FY 2006's revenue achieved of $2,354.4 million was $682.4 million or 22.5% lower than last year. The decrease was due to higher revenue recorded in 2005 as a result of the completion of the sale of properties to Australand Wholesale Property Trust No. 4.

Despite the lower revenue, EBIT for FY 2006 of $692.2 million was 40.6% or $199.8 million higher than last year. This was primarily due to higher EBIT contributions from residential operations in Singapore and China, and the recognition of $77.0 million negative goodwill arising from the acquisition of a 20% stake in Lai Fung Holdings Limited.

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

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	48,639	27,428	77.3	140,804	122,239	15.2
EBIT	238,910	(77,469)	NM	372,402	24,727	NM

Revenue for 4Q 2006 of $48.6 million was $21.2 million or 77.3% higher than 4Q 2005. The increase in revenue was mainly due to the consolidation of revenue from Raffles City, Shanghai, which became a subsidiary from September 2006, as well as higher rental from Singapore office properties and higher property management fee income. This was partially offset by the loss of revenue from Four Seasons Hotel in London which was divested in November 2005.

EBIT for 4Q 2006 was $238.9 million as compared to a loss of $77.5 million in 4Q 2005. This was mainly attributable to a write back of revaluation deficits of investment properties previously charged to the profit and loss account. The higher properties' valuations were a result of higher rental and occupancies which were very much driven by our proactive enhancements as well as the increasing office demand. Excluding this write back of revaluation deficits, EBIT for 4Q 2006 was $18.2 million compared to $35.7 million in 4Q 2005. The decrease was mainly due to a one-off charge for expenses incurred for the Sentosa integrated resort bid in December 2006, partially offset by the divestment gain from the sale of the office space in Springleaf Tower. 4Q 2005's EBIT was also higher due to the divestment gain from Four Seasons Hotel in London.

Revenue for FY 2006 of $140.8 million was $18.6 million or 15.2% higher than FY 2005 mainly due to the consolidation of Raffles City, Shanghai, higher rental from Singapore office properties and higher property management fee income but partially offset by the loss of revenue from Pidemco Tower, Shanghai and Four Seasons Hotel in London, which were divested last year.

EBIT for FY 2006 was $372.4 million or 14.1 times higher than FY 2005, mainly attributable to a write back of revaluation deficits of investment properties previously charged to profit and loss account. Excluding the write back of revaluation deficits, EBIT for FY 2006 was $151.7 million compared to $137.9 million in FY 2005, mainly due to higher rentals from office properties, higher divestment gains from the sale of Shanghai Xin Mao Property Development Co., Ltd and office space in Springleaf Tower as compared to sale of Pidemco Tower, Shanghai and Four Seasons Hotel, London, in 2005.

Retail SBU: CapitaLand Retail Limited ("CRTL")

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	34,237	18,634	83.7	94,614	50,262	88.2
EBIT	152,806	105,502	44.8	221,137	138,381	59.8

Revenue for 4Q 2006 at $34.2 million was $15.6 million or 83.7% higher than 4Q 2005. The increase was mainly due to higher revenue from the China retail malls and Clarke Quay as well as higher property management fees from CapitaMall Trust ("CMT").

EBIT for 4Q 2006 at $152.8 million showed an increase of $47.3 million or 44.8% compared to 4Q 2005. This was mainly attributable to gains from the sale of CapitaRetail China Trust ("CRCT") units during its Initial Public Offering and sale of properties to the two private China funds as well as revaluation surplus of Singapore properties. These increases were partially offset by higher operating expenses due to business expansion, particularly in China.

Revenue for FY 2006 was $44.3 million or 88.2% higher than FY 2005 for the same reasons stated above.

In line with the higher revenue, EBIT for FY 2006 was also higher by $82.8 million or 59.8% compared to last year. The increases were mainly attributable to gains from the divestments of the China retail malls, revaluation surplus of Singapore properties as well as higher contributions from associated companies and overseas investments. These increases were partially offset by increase in operating costs as the business expanded.

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

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	24,591	29,520	(16.7)	101,222	70,633	43.3
EBIT	11,588	28,313	(59.1)	61,576	53,277	15.6

4Q 2006's revenue of $24.6 million was 16.7% or $4.9 million lower than 4Q 2005. The decrease was mainly attributable to lower acquisition fees offset by higher recurring fund management fees and advisory fees. The higher fund management fees was in tandem with the enlarged assets under management ("AUM"), which rose by $2.2 billion in the last quarter of 2006 and stood at $13.3 billion as at 31 December 2006.

EBIT for 4Q 2006 of $11.6 million was lower by 59.1% or $16.7 million compared to 4Q 2005's $28.3 million. The decrease in EBIT was mainly due to a $0.8 million marked-to-market loss in 4Q 2006 in respect of a Hong Kong investment vis-a-vis a $21.1 million marked-to-market gain in 4Q 2005 for the same investment. The decrease was mitigated by higher share of profits, higher dividend income and gain from the disposal of an investment.

Revenue for FY 2006 of $101.2 million represented an increase of 43.3% or $30.6 million compared to FY 2005. The revenue growth was largely driven by the expanded fund management business. The launch of two new private equity funds and one REIT, coupled with acquisitions by the existing funds, boosted CFL's AUM by $4.8 billion from $8.5 billion last year to $13.3 billion as at December 2006.

EBIT for FY 2006 of $61.6 million represented a 15.6% or $8.3 million increase over FY 2005. This increase is mainly due to higher fund management and acquisition fees, gains from disposal of investments, higher dividend income, higher share of results from associates and the absence of one-off impairment charge on an investment in 2006.

TAG & ART: The Ascott Group & Ascott Residence Trust

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	128,430	112,686	14.0	478,120	444,061	7.7
EBIT	76,632	26,804	185.9	210,446	121,387	73.4

Revenue for 4Q 2006 of $128.4 million increased by 14.0% over 4Q 2005. This increase was underpinned by overall revenue per available apartment unit ("REVPAU") growth of 9% from $119 in 4Q 2005 to $130 in 4Q 2006 on a same store basis. In particular, the serviced residences operations in Singapore, Indonesia, Philippines, Australia and Europe achieved double digit REVPAU increases. The consolidation of results from The Ascott Beijing in China also contributed to this increase in revenue.

EBIT for 4Q 2006 of $76.6 million increased by 185.9%. Besides better operating performance, the increase was also attributable to the reclassification of provision for tax amounting to $49.2 million, which was earlier netted from the gain on disposal, to taxation expenses.

Revenue for FY 2006 of $478.1 million has similarly increased by 7.7% over FY 2005. This increase was underpinned by overall REVPAU growth of 6% from $120 in FY 2005 to $127 in FY 2006 on a same store basis. In addition, The Ascott Beijing in China and The Ascott Mayfair in United Kingdom became wholly owned subsidiaries of the Group with effect from late December 2005. As such, revenue of The Ascott Beijing were consolidated for the full year of 2006, while the revenue of The Ascott Mayfair were consolidated for eight months till its disposal in August 2006. In 2005, both The Ascott Beijing and The Ascott Mayfair were equity accounted for as an associate and joint venture respectively.

EBIT for FY 2006 of $210.4 million increased by 73.4% over that of FY 2005. The increase in EBIT was mainly attributable to the profit from the sale of The Ascott Mayfair in United Kingdom in August 2006. In addition, the increase in EBIT was also due to the focus on optimising operational efficiency and sustaining operational excellence on the back of an improving global economic environment. This increase was partially offset by the transaction costs relating to the establishment of Ascott Residence Trust ("ART") as well as impairments and provisions made during the year which related mainly to the non-core assets in Malaysia and the impairment of goodwill in Australia.

Raffles Holdings Group ("RHL")

	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Revenue	1,067	777	37.3	4,697	145,428	(96.8)
EBIT	2,267	17,019	(86.7)	279,955	61,026	358.7

4Q 2006's revenue of $1.1 million was 37.3% or $0.3 million higher than 4Q 2005. The increase is attributable to higher management fee income.

EBIT for 4Q 2006 of $2.3 million was 86.7% or $14.8 million lower than 4Q 2005. The lower EBIT was a result of lower interest income as a result of loan repayment by an associated company in 4Q 2006.

Revenue for FY 2006 at $4.7 million was significantly lower than the $145.4 million recorded in FY 2005 as last year's revenue included those from the hotel business which had since been divested and deconsolidated in September 2005.

FY 2006's EBIT of $280.0 million improved significantly by 358.7% or $218.9 million, mainly attributable to the higher share of an associate's profit arising from the sale of Raffles City, Singapore, which was completed on 1 September 2006 as well as higher interest income.

Following the sale of Raffles City,Singapore, by its associated company, RHL has obtained its shareholders' approval on 17 November 2006 to delist RHL from the official list of the Singapore Exchange Securities Trading Limited. In conjunction with the delisting proposal, CapitaLand has also proposed an Exit Offer by way of a conditional cash offer of S$0.06 to acquire the issued shares in the capital of RHL not currently held by it.

On 4 December 2006, CapitaLand received acceptances totalling 97.19% in respect of its RHL Exit Offer and was therefore entitled to exercise the right to compulsorily acquire all the Shares of the remaining RHL shareholders who have not accepted the Exit Offer. The compulsory acquisition was completed on 20 January 2007, after which RHL became a wholly owned subsidiary of the Group.

RHL was delisted from the official list of the Singapore Exchange Securities Trading Limited on 13 December 2006.

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

The current results are broadly in line with the prospect statement made when the third quarter 2006 financial results were announced.

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

Residential SBU: CapitaLand Residential Limited ("CRL")

In Singapore, CRL expects the property market to remain buoyant especially for well-located and well-designed developments. CRL targets to launch four to five projects including the sites at Orchard Turn and Meyer Road in 2007.

In China, CRL remains confident of the long-term growth potential of China's real estate industry. In 2007, CRL expects to launch its maiden projects in Ningbo, Hangzhou and Chengdu.

In Australia, Australand's intention to increase capital allocations to the investment property and commercial and industrial division will further diversify its earnings. This is in line with the mid-term strategy of increasing the level of recurrent income.

In Thailand, CRL, through TCC Capital Land, intends to launch four projects next year, focusing on mid to high-end development in prime areas.

In both India and Vietnam, CRL intends to launch its maiden residential projects in the cities of Mumbai and Ho Chi Minh in the first half of 2007. The projects will be targeted at mid to high income households.

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

In Singapore, there was intense competition for office space, particularly prime spaces which resulted in upward rental adjustments. According to CB Richard Ellis, average prime office rents rose 50.2% to S$7.81 psf per month while average Grade A rents rose 53.1% to $8.73 psf per month in 2006. The occupancy rate of Grade A office space remained high at 99.2% despite the 760,000 sq ft of new office space entering to the market in the fourth quarter of 2006. Total take-up for Grade A office space stood at 1.744 million sq ft for 2006, representing almost five times the annual demand registered in 2005.

Fuelling the demand for office space were the financial institutions, logistics firms, oil companies and IT firms which expanded their operations as businesses and economy improved. Property consultants expect office rent to reach new highs due to surging demand from expanding firms and the tight supply situation which is likely to perpetuate for 2007 and the next two years. CCID expects its Singapore properties to benefit from the rising office rental in 2007.

CCID also expects its properties in Hong Kong, China and the United Kingdom to continue to do well.

In Hong Kong, rents for the best quality space in Central continued to increase under strong financial-related demand with Central Hong Kong and its immediate periphery in Admiralty and Sheung Wan registering the most robust quarter-on-quarter increment in rentals.

In China, particularly in Shanghai, demand in the office leasing market continued to be strong, fuelled by the deregulation of China's financial sector and expansion by multinational companies which are in the service, finance, technology and consumer goods sector.

Retail SBU: CapitaLand Retail Limited ("CRTL")

In Singapore, demand for retail space is expected to remain firm with fewer mall openings expected in 2007. This slowdown in new supply, coupled with healthy demand on the back of sustained consumer confidence, will provide rental support for our Singapore retail malls.

In China, our retail malls are benefiting from increased consumer spending. CapitaRetail China Development Fund ("CRCDF") recently signed a Memorandum of Understanding to acquire more than 35 malls in China worth about $2.1 billion. The acquisitions, when completed, will boost the number of retail malls owned by CapitaLand to over 70 and double the retail gross rental area managed in China to over 3.2 million square metres.

In Japan, our private equity fund, CapitaRetail Japan Fund, had invested 45.2 billion yen (S$607.0 million) in five malls. Japan remains a key and long term retail property market for CapitaLand and CRTL will continue to actively pursue acquisition opportunities to further expand its retail and capital management business there.

In India, CRTL will scale up its presence through the partnership with Pantaloon Retail, India's top retailer.

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

The outlook for the property market in Asia is expected to remain upbeat and favourable in 2007. This would be conducive for the deployment of $6.3 billion of investible capital under the private equity funds currently managed by CFL.

CFL will continue to further strengthen its fund management business in 2007 and targets to grow its assets under management to over $18 billion by end 2007, through accretive acquisitions for the REITs it manages and the ten private equity funds across China, Japan and Malaysia.

With strong interest from Middle East and the increased institutional and private investors' interests for real estate investments in Asia, CFL intends to launch new property funds/real estate products comprising assets in China, India, Malaysia and the Gulf Cooperation Council (GCC) region.

TAG & ART: The Ascott Group & Ascott Residence Trust

TAG and ART will continue to benefit from the strong demand for good quality accommodation in Asia and Europe.

TAG will continue to expand its global footprint in new and existing markets. In Asia, it is looking at acquiring, developing and incubating properties to build up a strong pipeline for potential injection into ART. At the same time, TAG is also charting new frontiers in Russia and emerging markets.

In 2007, both TAG and ART expect their operating performance to remain strong.

GROUP OVERALL PROSPECTS FOR 2007

In 2006, the Group achieved significant milestones in its consistent corporate strategy of (1) staying focused on the real estate value chain, (2) achieving balance by diversifying overseas into new markets, across multiple sectors and generating a variety of income streams, and (3) gaining greater scale to increase its competitive advantage.

It is worth noting that the significant expansion initiatives in 2006 for future growth were made without affecting profitability as evidenced by the record FY 2006's PATMI of $1,018.0 million.

We remain committed to this strategy for 2007.

Going forward, the Group's prospects will be underpinned by the following key areas:

- Continuing expansion of the Group's geographic footprint in China, India and other growth markets including Vietnam, while at the same time further enhancing the Singapore footprint to take full benefit of the strong property recovery.
- Remaining focused on the residential, retail, commercial and integrated development sectors, while growing our serviced residences business through The Ascott Group and Ascott Residence Trust.
- Increasing our assets under management through our strong network and reputation to attract global capital to grow our real estate investment trust ("REIT") and private equity fund management business.
- Stringent focus on capital management and recycling capital to achieve the best risk-adjusted returns for our shareholders, underpinned by our disciplined and independent risk management processes.
- Investment in human capital with an emphasis on nurturing the spirit of innovation, creativity and entrepreneurship among our more than 6,000 strong global staff under our international brand name.

The Group is confident that it will be profitable in 2007.

11. Dividend

11(a) Any dividend declared for the present financial period? Yes. Please refer to Note 16.

11(b) Any dividend declared for the previous corresponding period? Yes.

11(c) Date payable : To be announced at a later date.

11(d) Books closing date : To be announced at a later date.

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

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

13. Segmental Revenue & Results

13(a) By Strategic Business Units (SBUs) – 4Q 2006 vs 4Q 2005

	Revenue			Earnings before interest & tax		
	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	4Q 2006 S$'000	4Q 2005 S$'000	Variance %
Continuing operations						
Residential	770,086	717,450	7.3	277,166	197,495	40.3
Commercial & Integrated Devt.	48,639	27,428	77.3	238,910	(77,469)	NM
Retail	34,237	18,634	83.7	152,806	105,502	44.8
Financial Services	24,591	29,520	(16.7)	11,588	28,313	(59.1)
TAG & ART	128,430	112,686	14.0	76,632	26,804	185.9
RHL Group	1,067	777	37.3	2,267	17,019	(86.7)
Others and Consolidation adjms	(8,371)	(7,699)	(8.7)	3,577	(43,249)	NM
Total – Continuing operations	**998,679**	**898,796**	**11.1**	**762,946**	**254,415**	**199.9**
Total – Discontinued operations	**–**	**–**	**NM**	**25**	**50,761**	**(100.0)**

The Ascott Group's ("TAG") results as shown above are different from that reported by TAG due to the following :

(a) ART is an associate of TAG, but its results are consolidated at the CapitaLand Group level due to additional holding that CapitaLand Limited has in ART; and

(b) adjustment of the gain recognised by TAG on the disposal of properties and investments to ART, as ART remains a subsidiary of the Group.

13(b) By Strategic Business Units (SBUs) – FY 2006 vs FY 2005

	Revenue			Earnings before interest & tax		
	FY 2006 S$'000	FY 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Continuing operations						
Residential	2,354,436	3,036,808	(22.5)	692,220	492,424	40.6
Commercial & Integrated Devt.	140,804	122,239	15.2	372,402	24,727	NM
Retail	94,614	50,262	88.2	221,137	138,381	59.8
Financial Services	101,222	70,633	43.3	61,576	53,277	15.6
TAG & ART	478,120	444,061	7.7	210,446	121,387	73.4
RHL Group	4,697	145,428	(96.8)	279,955	61,026	358.7
Others and Consolidation adjms	(26,168)	(23,794)	(10.0)	(15,692)	(30,946)	49.3
Total – Continuing operations	**3,147,725**	**3,845,637**	**(18.1)**	**1,822,044**	**860,276**	**111.8**
Total - Discontinued operations	**–**	**458,171**	**NM**	**26,894**	**757,055**	**(96.4)**

The Ascott Group's ("TAG") results as shown above are different from that reported by TAG due to the following :

(a) ART is an associate of TAG, but its results are consolidated at the CapitaLand Group level due to additional holding that CapitaLand Limited has in ART;
(b) adjustment of the gain recognised by TAG on the disposal of properties and investments to ART, as ART remains a subsidiary of the Group; and
(c) adjustment of the revaluation surplus by TAG on the sale of the Liang Court Shopping Centre as this net revaluation surplus was not realisable at the Group level.

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

	Revenue			Earnings before interest & tax		
	FY 2006 S$'000	FY 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Ascott Residence Trust	89,811	NA	–	50,085	NA	–
The Ascott Group	405,866	444,061	(8.6)	257,404	121,525	111.8

NA : ART was established in March 2006

13(c) By Geographical Location – 4Q 2006 vs 4Q 2005

	Revenue			Earnings before interest & tax		
	4Q 2006 S$'000	4Q 2005 S$'000	Variance %	4Q 2006 S$'000	4Q 2005 S$'000	Variance %
Continuing operations						
Singapore	178,972	190,829	(6.2)	473,638	(3,606)	NM
Australia & New Zealand	488,151	532,443	(8.3)	128,335	113,680	12.9
China	235,235	81,779	187.6	91,847	25,345	262.4
Asia (excl. S'pore/China)	29,714	30,741	(3.3)	21,015	78,407	(73.2)
Europe	66,539	63,004	5.6	48,194	40,700	18.4
Others	68	–	NM	(83)	(111)	25.2
Total	**998,679**	**898,796**	**11.1**	**762,946**	**254,415**	**199.9**

13(d) By Geographical Location – FY 2006 vs FY 2005

	Revenue			Earnings before interest & tax		
	FY 2006 S$'000	FY 2005 S$'000	Variance %	FY 2006 S$'000	FY 2005 S$'000	Variance %
Continuing operations						
Singapore	906,312	1,002,002	(9.5)	932,433	179,370	419.8
Australia & New Zealand	1,247,151	2,041,002	(38.9)	279,792	253,324	10.4
China	635,462	441,407	44.0	366,186	201,947	81.3
Asia (excl. S'pore/China)	107,809	85,122	26.7	67,038	128,443	(47.8)
Europe	250,861	276,104	(9.1)	176,802	97,303	81.7
Others	130	–	NM	(207)	(111)	(86.5)
Total	**3,147,725**	**3,845,637**	**(18.1)**	**1,822,044**	**860,276**	**111.8**

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

Please refer to Item 8.

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

	2006 S$'000	2005 S$'000	Increase / (Decrease) %
(a) Revenue (Continuing operations)			
- first half	1,430,378	2,095,518	(31.7)
- second half	1,717,347	1,750,119	(1.9)
Full year revenue	**3,147,725**	**3,845,637**	**(18.1)**
(b) Profit after tax before deducting minority interests			
- first half	345,332	278,296	24.1
- second half	945,257	897,342	5.3
Full year PAT	**1,290,589**	**1,175,638**	**9.8**

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

16(a)

	Current financial year ended 31/12/2006			
Name of Dividend	**First & Final (Franked)**	**First & Final (One-tier)**	**Special (One-tier)**	**Total**
Type of Dividend	Cash	Cash	Cash	Cash
Dividend Per share	3.5 cents	3.5 cents	5.0 cents	12 cents
Tax Rate	20%	-	-	-
Annual Dividend after tax (S$'000)	**79,533**	**95,138**	**138,967**	**313,638**

16(b)

	Previous financial year ended 31/12/2005		
Name of Dividend	**First & Final (Franked)**	**Special (Franked)**	**Total**
Type of Dividend	Cash	Cash	Cash
Dividend Rate	6.0 cents	12.0 cents	18 cents
Tax Rate	20%	20%	20%
Annual Dividend after tax (S$'000)	**133,030**	**266,059**	**399,089**

Note : *The Board of Directors has recommended the above dividends for the financial year ended 31 December 2006. Payment of the said dividends is subject to the approval of shareholders at the forthcoming Annual General Meeting. The above dividend amounts are estimated based on the number of issued shares as at 31 December 2006. In addition, the amount of franked dividend is based on the availability of Section 44 credit balance which is subject to finalisation by the Inland Revenue Authority of Singapore. The actual dividend payment can only be determined on books closure dates.*

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
14 February 2007

This announcement 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.