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CAPITALAND LIMITED

(Registration Number : 198900036N)

2007 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

CAPITALAND LIMITED
2007 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

	Group						
	Note	3Q 2007 S$'000	3Q 2006 S$'000 (restated)	% Change	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000 (restated)	% Change
Continuing operations							
Revenue	A	**895,769**	**718,668**	**24.6**	**2,468,375**	**2,149,046**	**14.9**
Cost of sales	A	(620,479)	(510,025)	21.7	(1,621,839)	(1,572,983)	3.1
Gross profit		275,290	208,643	31.9	846,536	576,063	47.0
Other operating income	B	295,870	191,333	54.6	1,255,357	383,528	227.3
Administrative expenses	C	(142,844)	(116,803)	22.3	(367,747)	(202,344)	81.7
Other operating expenses	D	16,915	44,804	(62.2)	14,813	43,080	(65.6)
Profit from continuing operations		**445,231**	**327,977**	**35.8**	**1,748,959**	**800,327**	**118.5**
Finance costs		(100,178)	(85,634)	17.0	(288,431)	(229,241)	25.8
Share of results (net of tax)							
- associates		35,272	205,543	(82.8)	520,400	256,261	103.1
- jointly-controlled entities		278,130	31,657	778.6	533,462	46,859	NM
	E	313,402	237,200	32.1	1,053,862	303,120	247.7
Profit before taxation from continuing operations		658,455	479,543	37.3	2,514,390	874,206	187.6
Taxation	F	(56,947)	(59,326)	(4.0)	(189,441)	(125,962)	50.4
Profit after taxation from continuing operations		601,508	420,217	43.1	2,324,949	748,244	210.7
Discontinued operations							
Profit after taxation from discontinued operations	G	-	12,536	NM	-	26,869	NM
Profit after taxation		601,508	432,753	39.0	2,324,949	775,113	199.9
Attributable to:							
Equity holders of the Company ("PATMI")		**563,933**	**272,410**	**107.0**	**2,084,661**	**559,152**	**272.8**
Minority interests ("MI")		37,575	160,343	(76.6)	240,288	215,961	11.3
		601,508	432,753	39.0	2,324,949	775,113	199.9

NM : Not meaningful

Note : The comparative income statement for 3Q 2006 and YTD September 2006 had been restated to take into account the retrospective adjustments relating to FRS 16 – Property, Plant and Equipment. Please refer to Item 4.

1(a)(ii) Explanatory Notes to Income Statement – 3Q 2007 vs 3Q 2006

(A) Revenue, Cost of Sales

The higher revenue in 3Q 2007 was largely attributable to higher sales from China's development projects and revenue from Raffles City Shanghai, which became a subsidiary in September 2006. The increases were partially offset by lower fee-based income and the deconsolidation of Ascott Residence Trust ("ART")'s revenue as ART ceased to be a subsidiary following the reduction of the Group's stake in March 2007.

Cost of sales was also higher in tandem with higher sales but the increase was partially offset by higher write back of provisions for foreseeable losses due to the strong recovery of residential property prices in Singapore.

(B) Other Operating Income

		Group		
		3Q 2007 S$'000	**3Q 2006 S$'000**	**% Change**
Other Operating Income		**295,870**	**191,333**	**54.6**
Investment income	(i)	3,359	6,887	(51.2)
Interest income	(ii)	26,776	35,818	(25.2)
Other income (including portfolio gains)	(iii)	220,644	149,038	48.0
Fair value gains of investment properties	(iv)	56,073	–	NM
Foreign exchange loss	(v)	(10,982)	(410)	NM

NM : Not meaningful

(i) Investment income of $3.4 million arose mainly from the Group's investments in Singapore, Japan and Hong Kong. 3Q 2006's higher investment income came from an investment in China which has yet to declare dividend this year.

(ii) Interest income was lower as an interest bearing loan to an associate had been repaid in September 2006.

(iii) Other income included portfolio gains of $213.1 million. The portfolio gains came mainly from the divestment of stakes in an associated company and a jointly-controlled entity, owners of Chevron House and Raffles Hospital respectively, as well as Hotel Asia.

(iv) The fair value gains of $56.1 million came mainly from one of the Group's commercial buildings.

(v) The foreign exchange loss of $11.0 million arose mainly from the revaluation of USD and AUD denominated loan receivables as the USD and AUD have weakened against the SGD.

(C) Administrative Expenses

	Group		
	3Q 2007 S$'000	**3Q 2006 S$'000 (restated)**	**% Change**
Administrative Expenses	**(142,844)**	**(116,803)**	**22.3**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,908)	(10,736)	(7.7)
Allowance for doubtful receivables	(811)	(12,903)	(93.7)

Administrative expenses comprise staff costs, depreciation expenses, operating lease expenses and other administrative expenses. The increase was largely attributable to higher staff costs as a result of the increased staff headcount to meet the Group's growing business operations. Share-based expenses have also increased due to higher market value of CapitaLand's share which resulted in higher fair value for the employee share plans. These increases were partially offset by the absence of impairment and allowances made in 3Q 2006 in relation to some assets in Malaysia.

(D) Other Operating Expenses

Included in other operating expenses for 3Q 2007 were write backs of provision of $7.0 million for profit warranty and penalty provision of $12.5 million relating to a tax dispute in United Kingdom which were no longer required.

3Q 2006's other operating expenses included a $41.0 million write back of assets revaluation reserves previously charged to the income statement and a $9.7 million write back of provision for profit warranty which was no longer required.

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

The share of associates' results was lower than 3Q 2006 as 3Q 2006 included a share of gain of $186.0 million from the sale of Raffles City Singapore.

The higher share of jointly-controlled entities' results was largely attributable to the share of fair value gain from the AIG Tower in Hong Kong and divestment gain from Somerset Baywater.

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

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

Tax expense of $56.9 million in 3Q 2007 is net of a $12.7 million over-provision of tax for prior years (3Q 2006: over-provision of $5.1 million).

(G) Discontinued Operations

In 3Q 2006, Raffles Holdings Limited recorded an additional gain of $12.5 million upon finalisation of the divestment accounts of the hotel's business.

(H) Gain from the sale of investments

Included in the Group's profit after tax and minority interests ("PATMI") for 3Q 2007 were the following net gains from the sale of investments / property, plant and equipment:

	S$M
Savu Properties Ltd (owner of Chevron House)	150.3
CapitaLand-Raffles Properties Pte Ltd	26.0
Hotel Asia	14.8
Somerset Baywater (accounted for in share of jointly–controlled entities' results – refer to item E)	11.7
Jiulong Mall	5.9
Others	2.6
Total Group's share of gain after tax & MI for 3Q 2007	**211.3**

1(b)(i) Balance Sheet

As at 30/09/2007 vs 31/12/2006

	Group			Company		
	30/09/2007 S$'000	**31/12/2006 S$'000 (restated)**	**% Change**	**30/09/2007 S$'000**	**31/12/2006 S$'000**	**% Change**
Non-Current Assets						
Property, Plant & Equipment	1,425,995	1,448,302	(1.5)	4,440	1,761	152.1
Intangible Assets	39,877	38,757	2.9	–	–	–
Investment Properties	5,381,407	5,372,184	0.2	–	–	–
Properties Under Devt	260,744	296,116	(11.9)	–	–	–
Interests in Subsidiaries	–	–	–	2,282,608	2,895,750	(21.2)
Interests in Associates & Jointly-Controlled Entities	6,327,106	4,747,291	33.3	–	–	–
Other Assets	409,930	363,248	12.9	1,605,495	231	NM
	13,845,059	**12,265,898**	**12.9**	**3,892,543**	**2,897,742**	**34.3**
Current Assets						
Devt Properties for Sale	*3,915,922*	*3,622,665*	*8.1*	–	–	–
Trade & Other Receivables	*1,494,385*	*2,024,538*	*(26.2)*	*1,954,968*	*1,544,600*	*26.6*
Cash & Cash Equivalents	*3,815,290*	*2,684,851*	*42.1*	*639,665*	*1,477,510*	*(56.7)*
Other Current Assets	*300,310*	*806*	*NM*	–	–	–
	9,525,907	**8,332,860**	**14.3**	**2,594,633**	**3,022,110**	**(14.1)**
Less: Current Liabilities						
Trade & Other Payables	*2,259,755*	*1,862,377*	*21.3*	*245,680*	*472,861*	*(48.0)*
Short-Term Borrowings	*1,613,953*	*1,793,390*	*(10.0)*	*187,607*	*208,939*	*(10.2)*
Finance Leases	*3,839*	*3,594*	*6.8*	–	–	–
Other Current Liabilities	*397,877*	*316,827*	*25.6*	*9,940*	*6,980*	*42.4*
	4,275,424	**3,976,188**	**7.5**	**443,227**	**688,780**	**(35.7)**
Net Current Assets	**5,250,483**	**4,356,672**	**20.5**	**2,151,406**	**2,333,330**	**(7.8)**
Less: Non-Current Liabilities						
Long-Term Borrowings	7,278,767	6,288,159	15.8	1,289,035	461,679	179.2
Finance Leases	43,080	44,685	(3.6)	–	–	–
Other Non-Current Liabilities	636,341	825,277	(22.9)	49,994	34,972	43.0
	7,958,188	**7,158,121**	**11.2**	**1,339,029**	**496,651**	**169.6**
Net Assets	**11,137,354**	**9,464,449**	**17.7**	**4,704,920**	**4,734,421**	**(0.6)**
Representing:						
Share Capital	4,347,725	4,304,907	1.0	4,347,725	4,304,907	1.0
Reserves	4,958,854	3,063,392	61.9	357,195	429,514	(16.8)
Equity attributable to Equity Holders of the Company	9,306,579	7,368,299	26.3	4,704,920	4,734,421	(0.6)
Minority Interests	1,830,775	2,096,150	(12.7)	–	–	–
Total Equity	**11,137,354**	**9,464,449**	**17.7**	**4,704,920**	**4,734,421**	**(0.6)**

NM : Not meaningful

Note : The Group's comparative balance sheet as at 31 December 2006 had been restated to take into account the retrospective adjustments relating to FRS 16 – Property, Plant and Equipment. Please refer to Item 4.

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

	Group	
	As at 30/09/2007 S$'000	**As at 31/12/2006 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	427,840	244,525
Unsecured	1,189,952	1,552,459
Sub-Total 1	**1,617,792**	**1,796,984**
Amount repayable after one year:-		
Secured	2,754,696	2,889,854
Unsecured	4,567,151	3,442,990
Sub-Total 2	**7,321,847**	**6,332,844**
Total Debt	**8,939,639**	**8,129,828**

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 Statement of Cash Flows

	Group			
	3Q 2007 S$'000	**3Q 2006 S$'000 (restated)**	**YTD 2007 S$'000**	**YTD 2006 S$'000 (restated)**
Cash Flows from Operating Activities				
Profit after taxation	**601,508**	**432,753**	**2,324,949**	**775,113**
Adjustments for :				
Amortisation and impairment of intangible assets	874	514	1,235	523
Negative goodwill on acquisition	–	–	–	(77,000)
(Write back)/Allowance for:				
- Foreseeable losses on development properties for sale	(46,390)	(3,997)	(115,556)	(17,713)
- Loans to associates and jointly-controlled entities	–	11,500	84	11,500
- Non-current portion of financial assets	1,135	13	1,134	2
Share-based expenses	12,476	7,339	39,767	17,634
Changes in fair value of financial instruments and assets	(3,097)	(3,665)	(3,530)	(7,992)
Depreciation of property, plant and equipment	9,041	10,221	28,288	29,669
Loss/(Gain) on disposal/Write off of property, plant and equipment	4,917	774	(114,125)	650
Gains on disposal of investment properties and property under development	(27,553)	(128,464)	(74,416)	(145,772)
Valuation gain on investment properties	(56,073)	(40,996)	(642,078)	(40,996)
Gain on disposal of non-current financial assets	(819)	–	(8,375)	(8,937)
Gain on disposal/dilution of subsidiaries and associates	(188,520)	(38,691)	(274,837)	(100,825)
Share of results of associates, jointly-controlled entities	(313,402)	(237,200)	(1,053,862)	(303,120)
Accretion of deferred income	(562)	(1,153)	(2,021)	(3,499)
Interest expense	100,178	85,634	288,431	229,241
Interest income	(26,776)	(35,818)	(87,866)	(103,155)
Tax expense	56,947	59,326	189,441	125,962
	(477,624)	**(314,663)**	**(1,828,286)**	**(393,828)**
Operating profit before working capital changes	**123,884**	**118,090**	**496,663**	**381,285**
(Increase)/Decrease in working capital				
Inventories, trade and other receivables	(78,028)	107,723	(146,111)	27,669
Development properties for sale	132,877	(31,345)	(59,771)	60,594
Trade and other payables	129,206	112,260	(67,879)	98,106
Financial assets	11,739	(331)	(272,948)	(100)
	195,794	**188,307**	**(546,709)**	**186,269**
Cash generated from/(used in) operations	**319,678**	**306,397**	**(50,046)**	**567,554**
Income tax paid	(38,306)	(21,206)	(80,657)	(74,545)
Customer deposits and other non-current payables received/(refunded)	2,772	(956)	5,083	1,986
Net cash generated from/(used in) Operating Activities	**284,144**	**284,235**	**(125,620)**	**494,995**

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

	Group			
	3Q 2007 S$'000	3Q 2006 S$'000 Restated	YTD 2007 S$'000	YTD 2006 S$'000 Restated
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	(13,037)	2,229	219,640	11,438
Purchase of property, plant and equipment	(45,468)	(12,428)	(139,317)	(39,674)
(Increase)/Decrease in associates and jointly controlled entities	(311,893)	44,600	(520,957)	(553,771)
Decrease in amounts owing by investee companies and other receivable	482	9,257	2,332	4,329
Deposit for new investments	(54,262)	–	(75,609)	–
Acquisition of investment properties and properties under development	(82,118)	(414,485)	(298,348)	(949,817)
Proceeds from disposal of investment properties and property under development	181,683	257,533	1,548,913	431,662
Acquisition of non-current financial assets (net)	(6,149)	(43,187)	(38,217)	(26,132)
Dividends received from associates and jointly-controlled entities	213,993	564,502	264,091	597,210
(Acquisition)/Disposal of subsidiaries (net)	(447,030)	(23,688)	(118,180)	111,299
Interest income received	24,236	34,922	76,695	96,708
Net cash (used in)/generated from Investing Activities	**(539,563)**	**419,255**	**921,043**	**(316,748)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	2,611	4,420	42,384	35,148
Proceeds from amounts owing to/by minority interests	77,470	21,743	37,502	33,655
(Return of capital to)/Contribution from minority interests (net)	(6,031)	51,539	119,608	273,123
Proceeds from/(Repayment of) sales of future receivables	240,909	(116,944)	256,720	142,966
Proceeds from borrowings net of repayments	40,807	744,200	783,628	1,254,640
Repayment of finance lease payables	(993)	(772)	(2,897)	(2,551)
Dividends paid to minority interests	(190,291)	(37,384)	(270,201)	(124,015)
Dividends paid to shareholders	–	–	(317,065)	(399,089)
Interest expense paid	(88,725)	(93,633)	(313,120)	(251,175)
Net cash generated from Financing Activities	**75,757**	**573,169**	**336,559**	**962,702**
Net (decrease)/increase in cash and cash equivalents	**(179,662)**	**1,276,659**	**1,131,982**	**1,140,949**
Cash and cash equivalents at beginning of the year	3,995,682	1,957,188	2,684,851	2,105,015
Effect of exchange rate changes on cash balances held in foreign currencies	(730)	5,219	(1,543)	(6,898)
Cash and cash equivalents at end of the period	**3,815,290**	**3,239,066**	**3,815,290**	**3,239,066**

Cash at banks and in hand at end of the period	3,815,290	3,239,066	3,815,290	3,239,066
Bank overdraft at end of the period	–	–	–	–
Cash and cash equivalents in the consolidated balance sheet	**3,815,290**	**3,239,066**	**3,815,290**	**3,239,066**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $3,815.3 million as at 30/09/2007 included $2,712.7 million in fixed deposits and $121.9 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 30/09/2007 vs 30/09/2006 – GROUP

S$'000	Share Capital	Accumulated Profits	Other Reserves*	Total	Minority Interests	Total Equity
Balance as at 01/07/2007	**4,345,114**	**2,779,353**	**1,620,661**	**8,745,128**	**1,991,036**	**10,736,164**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans			13,040	**13,040**	(4,571)	**8,469**
Changes in fair value of available-for-sale investments			(19,943)	**(19,943)**	-	**(19,943)**
Effective portion of changes in fair value of cash flow hedge			(4,900)	**(4,900)**	3,186	**(1,714)**
Realisation of foreign exchange reserves transferred to income statement			(3,175)	**(3,175)**	287	**(2,888)**
Realisation of available-for-sale reserve transferred to income statement			(694)	**(694)**	-	**(694)**
Net losses recognised directly in equity			(15,672)	**(15,672)**	(1,098)	**(16,770)**
Profit for 3Q 2007		563,933		**563,933**	37,575	**601,508**
Total recognised gains/(losses) for the period		**563,933**	**(15,672)**	**548,261**	**36,477**	**584,738**
Issue of shares under share option plan	2,611			**2,611**	**-**	**2,611**
Cost of share-based payment			10,579	**10,579**	1,102	**11,681**
Effects of acquisition/ disposal, dilution and liquidation of subsidiaries (net)				**-**	(1,518)	**(1,518)**
MI Contribution (net)				**-**	(6,031)	**(6,031)**
Dividends paid to MI				**-**	(190,291)	**(190,291)**
Others		(100)	100	-	-	-
Balance as at 30/09/2007	**4,347,725**	**3,343,186**	**1,615,668**	**9,306,579**	**1,830,775**	**11,137,354**

* 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 30/09/2007 vs 30/09/2006 – GROUP

S$'000	Share Capital	Revaluation Reserve	Accumulated Profits	Other Reserves*	Total	Minority Interests	Total Equity
Balance as at 01/07/2006	**4,296,467**	**209,287**	**596,533**	**1,378,321**	**6,480,608**	**2,580,870**	**9,061,478**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans				10,031	**10,031**	9,654	**19,685**
Changes in fair value of available-for-sale investments				16,009	**16,009**	-	**16,009**
Effective portion of changes in fair value of cash flow hedge				(9,559)	**(9,559)**	(3,959)	**(13,518)**
Realisation of reserves transferred to income statement		(2,552)		(497)	**(3,049)**	(1,034)	**(4,083)**
Net (losses)/gains recognised directly in equity		(2,552)		15,984	**13,432**	4,661	**18,093**
Profit for 3Q 2006 (restated)			272,410		**272,410**	160,343	**432,753**
Total recognised (losses)/gains for the period		**(2,552)**	**272,410**	**15,984**	**285,842**	**165,004**	**450,846**
Issue of shares under share option plan	4,420				**4,420**	-	**4,420**
Cost of share-based payment				6,299	**6,299**	209	**6,508**
Effects of acquisition/ disposal, dilution and liquidation of subsidiaries (net)					**-**	43,491	**43,491**
MI Contribution (net)					**-**	51,539	**51,539**
Dividends paid to MI					**-**	(37,384)	**(37,384)**
Others		50	1,309	10	**1,369**	1	**1,370**
Balance as at 30/09/2006	**4,300,887**	**206,785**	**870,252**	**1,400,614**	**6,778,538**	**2,803,730**	**9,582,268**

* 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 30/09/2007 vs 30/09/2006 – COMPANY

S$'000	Share Capital	Capital Reserve	Accumulated Profits	Equity Comp. Res	Total
Balance as at 01/07/2007	**4,345,114**	**117,271**	**157,986**	**29,480**	**4,649,851**
Profit for 3Q 2007			48,908		**48,908**
Total recognised gains for the period			**48,908**		**48,908**
Issue of shares under share option plan	2,611				**2,611**
Cost of share-based payment				3,550	**3,550**
Balance as at 30/09/2007	**4,347,725**	**117,271**	**206,894**	**33,030**	**4,704,920**
Balance as at 01/07/2006	**4,296,467**	**–**	**244,058**	**26,802**	**4,567,327**
Profit for 3Q 2006			3,784		**3,784**
Total recognised gains for the period			**3,784**		**3,784**
Issue of shares under share option plan	4,420				**4,420**
Cost of share-based payment				5,662	**5,662**
Others			(34)	34	**-**
Balance as at 30/09/2006	**4,300,887**	**–**	**247,808**	**32,498**	**4,581,193**

1(d)(ii) Changes in the Company's issued share capital

Issued Share Capital

As at 30/09/2007, the issued and fully paid-up share capital of the Company was $4,347.7 million (30/09/2006: $4,300.9 million). Movements in the Company's issued and fully paid-up share capital during 3Q 2007 were as follows:

	$'000
As at 01/07/2007	4,345,114
Issue of shares under CapitaLand Share Option Plan	2,611
As at 30/09/2007	**4,347,725**

As at 30/09/2007, the issued ordinary shares of the Company numbered 2,805,088,558 (30/09/2006: 2,776,377,521). During the quarter, the Company issued 1,608,997 ordinary shares under the Share Option Plan.

Share Options

As at 30/09/2007, the number of outstanding share options under the Company's Share Option Plan was 32,253,943 (30/09/2006: 60,947,447).

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

Performance Shares

As at 30/09/2007, the number of outstanding performance shares under the Company's Performance Share Plan was 8,678,065 (30/09/2006: 9,003,801).

The final number of performance shares given will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. 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.

Shares under Restricted Stock Plan

As at 30/09/2007, the number of shares awarded and outstanding under the Company's Restricted Stock Plan was 4,597,346 (30/09/2006: Nil), of which 632,245 are to be cash settled.

The final number of shares to be released will depend on the achievement of threshold performance level at the end of one-year performance period and the release shall be over a vesting period of two to three years. No shares will be released if the threshold targets are not met at the end of the one-year performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150% of the baseline award.

Convertible Bonds

As at 30/09/2007, there existed $1 billion of Convertible Bonds due in 2022 which are convertible by holders into ordinary shares of the Company at any time on or after 20 June 2008 at a conversion price of $13.8871 per share.

In addition, there also existed $430 million of Convertible Bonds due in 2016 which are convertible by holders into ordinary shares of the Company at any time on or after 26 December 2006 at a conversion price of $7.2611 per share.

Based on the respective conversion prices, and assuming the Bonds are fully converted, the number of new ordinary shares to be issued would be 131,228,952, representing a 4.7% increase over the total number of issued shares of the Company as at 30/09/2007.

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

Adoption of New & Revised Financial Reporting Standards

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31/12/2006, except for the adoption of the following Financial Reporting Standard ("FRS") or Interpretation of Financial Reporting Standard ("INT FRS") that became effective for financial years beginning on or after 1 January 2007.

FRS 40 – Investment Property

FRS 40 *Investment Property*, which became mandatory for the Group 2007's financial statements, permits investment properties to be stated at either fair value or cost less accumulated depreciation and impairment losses.

With the adoption of FRS 40, the Group continues to classify its investment properties which met the recognition criteria under FRS 40 as investment properties and states them at fair value. Investment properties which do not meet the FRS 40 recognition criteria are reclassified as property, plant and equipment under FRS 16 *Property, Plant and Equipment*. This change has resulted in the Group measuring its serviced residences properties at cost less accumulated depreciation and impairment losses, after considering the serviced residences properties' residual values.

In accordance with the transitional provisions of FRS 40, the Group has elected to recognise the effects of FRS 40 adoption as an adjustment to the opening balance of retained earnings as at 1 January 2007. In respect of the Group's serviced residences properties accounted under the cost model of FRS 16, the change in accounting policy was recognised retrospectively in accordance with the provisions of FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and the comparatives have been restated.

Accordingly, subject to year end audit, the effects on the Group's financial statements arising from the change in accounting policy and the adoption of FRS 40 are as follows:

	Increased/(Decreased)	
Change in accounting policy - FRS 16	**2007 S$M**	**2006 S$M**
Equity - as at 1 January		
Assets Revaluation Reserve	(17.8)	4.5
Accumulated Profits	(14.0)	(20.4)
Minority Interests	(16.5)	(9.8)
Income Statement		
Year-to-date September PATMI	(3.3)	(3.0)

	Increased /(Decreased)
	2006 S$M
Non-Current Assets - as at 31 December	
Investment Properties	(1,181.5)
Properties under Development	(117.6)
Property, Plant and Equipment	1,266.3
Other Assets	(15.5)
Adoption of new accounting standard – FRS 40	**2007 S$M**
Equity - as at 1 January	
Assets Revaluation Reserve	(271.2)
Accumulated Profits	241.6
Income Statement	
Year-to-date September PATMI	1,407.5[1]
Non-Current Assets - as at 1 January	
Interest in Associates	(29.6)

[1] *Includes fair value gains of $430.7 million from Temasek Tower which was divested in April 2007 and $261.3 million from AIG Tower, which would be divested in November 2007. The fair value gains would have been recorded as divestment gains if FRS 40 was not adopted.*

Other Improvements to FRS applicable from 1 January 2007

Apart from FRS 40, the Group also adopted various revised or new FRS and INT FRS, applicable from 1 January 2007. These do not have a significant financial impact on the Group.

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 :

		Group			
		3Q 2007	**3Q 2006 (restated)**	**YTD Sep 2007**	**YTD Sep 2006 (restated)**
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents) from:				
	- continuing operations	20.1 cents	9.6 cents	74.4 cents	19.6 cents
	- discontinued operations	-	0.3 cents	-	0.6 cents
	Total	**20.1 cents**	**9.9 cents**	**74.4 cents**	**20.2 cents**
	- weighted average number of ordinary shares (in million)	2,804.3	2,774.7	2,800.8	2,766.6
6(b)	EPS based on fully diluted basis (in cents) from:				
	- continuing operations	19.3 cents	9.4 cents	72.1 cents	19.4 cents
	- discontinued operations	-	0.3 cents	-	0.5 cents
	Total	**19.3 cents**	**9.7 cents**	**72.1 cents**	**19.9 cents**
	- weighted average number of ordinary shares (in million)	2,979.2	2,817.9	2,923.0	2,807.9

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

	Group		Company	
	30/09/2007	**31/12/2006 (restated)**	**30/09/2007**	**31/12/2006**
NAV per ordinary share	$3.32	$2.65	$1.68	$1.70
NTA per ordinary share	$3.31	$2.64	$1.68	$1.70

8. Review of the performance of the group

GROUP OVERVIEW

S$M	3Q 2007	3Q 2006 (restated)	Variance %	YTD Sep 2007	YTD Sep 2006 (restated)	Variance %
Revenue	895.8	718.7	24.6	2,468.4	2,149.0	14.9
EBIT	758.6	565.2	34.2	2,802.8	1,103.4	154.0
Finance costs	(100.2)	(85.6)	(17.0)	(288.4)	(229.2)	(25.8)
PBT	658.5	479.5	37.3	2,514.4	874.2	187.6
PATMI	563.9[(2)]	272.4[(1)]	107.0	2,084.7[(2)]	559.2[(1)]	272.8

[(1)] Includes profit from discontinued operations. (Please refer to Item 1(a)(ii)(G)).
[(2)] Includes unrealised fair value gains of $55.8 million and $650.6 million in 3Q 2007 and YTD September 2007 respectively.

3Q 2007 vs 3Q 2006

The Group achieved yet another set of sterling results in this quarter. This was achieved on the back of fair value gains, portfolio gains and higher sales of development projects in China.

Revenue was boosted by the sales from China's development projects and the revenue from Raffles City Shanghai. The increases were partially offset by lower fee-based income and the deconsolidation of revenue from ART, following the reduction of the Group's beneficial interest in ART to 37.5% with effect from March 2007.

Earnings before interest and tax ("EBIT") were also higher, mainly attributable to fair value gains and divestment gains as mentioned above.

YTD Sep 2007 vs YTD Sep 2006

Revenue growth was mainly attributable to higher sales from China's development projects and the consolidation of revenue from Raffles City Shanghai. Overseas revenue constitutes 71.7% of the Group's revenue, up from 66.2% a year ago on account of higher contributions from China.

The record-breaking EBIT was driven by higher profits from development projects, the recognition of fair value gains from the Group's investment properties portfolio as well as higher portfolio gains. Overseas EBIT contribution in YTD September 2007 increased by 73.7% to $1,086.0 million from $625.1 million in the same period last year.

The higher finance costs were mainly attributable to higher gross debt and higher interest rates.

The Group's net debt and gearing (net debt to equity ratio) as at end September 2007 were $5.1 billion and 0.46 respectively compared to a net debt of $4.7 billion and gearing of 0.49 as at end September 2006. The increase in net debt of about $0.4 billion was mainly to fund new investments.

Segment Performance

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

S$M	3Q 2007	3Q 2006 (restated)	Variance %	YTD Sep 2007	YTD Sep 2006 (restated)	Variance %
Revenue	664.5	509.5	30.4	1,821.6	1,584.8	14.9
EBIT	136.5	140.1	(2.6)	629.1	427.1	47.3

The increase in 3Q 2007's revenue was mainly due to higher revenue contributions from China operations. 3Q 2007's EBIT of $136.5 million was comparable to previous corresponding period.

In Singapore, CRL successfully securitised the future receivables of two residential projects, The Metropolitan Condominium and Scotts HighPark.

In China, CRL acquired a 20,310 square metre commercial site in Shanghai's Zhabei District, for quality offices and a high-end hotel or serviced residence. This acquisition further augments CapitaLand's multi-sector presence in Shanghai.

CRL also acquired two residential sites in District 9 of Ho Chi Minh City, through joint venture agreements. With these projects, CRL will be building approximately 2,800 homes in Vietnam.

The revenue increase for YTD September 2007 was contributed mainly by China operations.

EBIT for YTD September 2007 was higher as a result of improvement in all sectors' performance on the back of stronger sales, write back of previous provisions and fair value gains.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

S$M	3Q 2007	3Q 2006 (restated)	Variance %	YTD Sep 2007	YTD Sep 2006 (restated)	Variance %
Revenue	49.1	30.6	60.1	143.1	91.7	56.1
EBIT	525.9	20.1	NM	1,636.4	121.5	NM

NM : Not meaningful

The increase in revenue for 3Q 2007 and YTD September 2007 was mainly due to the consolidation of Raffles City Shanghai which became a subsidiary in September 2006, and higher property management fee income, partially offset by lower rental income due to the divestment of Temasek Tower in April 2007.

The increase in EBIT for 3Q 2007 was mainly due to the gain from the divestment of stake in Chevron House and the fair value gain from the revaluation of AIG Tower, Hong Kong. These, together with the fair value gains arising from the revaluation of investment properties in 1H 2007 and the fair value gain of Temasek Tower which was divested in April 2007, boosted the EBIT for YTD September 2007. Other contributing factors were the improvement in operating results and the consolidation of Raffles City Shanghai.

Retail SBU: CapitaLand Retail Limited ("CRTL")

S$M	3Q 2007	3Q 2006	Variance %	YTD Sep 2007	YTD Sep 2006	Variance %
Revenue	33.1	21.2	56.3	83.7	60.4	38.7
EBIT	25.5	28.4	(10.3)	169.7	68.3	148.3

The improved revenue in 3Q 2007 was due to higher fee income and higher revenue from Clarke Quay.

Despite the increase in revenue, EBIT for 3Q 2007 was lower than 3Q 2006 as 3Q 2006 included a dilution gain of $21.8 million. Excluding this dilution gain, EBIT increased by 286.4% or $18.9 million in 3Q 2007.

Revenue for YTD September 2007 was higher for the same reasons as mentioned above.

EBIT for YTD September 2007 increased due mainly to the share of fair value gains from Singapore properties and higher fee income.

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

S$M	3Q 2007	3Q 2006	Variance %	YTD Sep 2007	YTD Sep 2006	Variance %
Revenue	31.9	39.4	(19.1)	87.0	76.6	13.5
EBIT	5.9	24.5	(76.1)	51.2	50.0	2.5

The decrease in 3Q 2007's revenue was mainly due to the one-off acquisition fee of $21.6 million from the joint-acquisition of Raffles City Singapore by CapitaMall Trust and CapitaCommercial Trust in September 2006. Excluding this one-off acquisition fee, revenue increased by 79.4% or $14.1 million in 3Q 2007 mainly due to higher fund management fees. The Assets Under Management ("AUM"), excluding Ascott Residence Trust and Ascott Serviced Residence (China) Fund, as at end September 2007 were $14.3 billion, an increase of $3.2 billion from $11.1 billion a year ago.

EBIT for 3Q 2007 was lower due to the lower revenue and increased operating expenses, but partially offset by higher share of profits from associates.

Revenue and EBIT for YTD September 2007 was higher than the corresponding period. Revenue was higher due to higher recurring fee on an enlarged AUM while EBIT was further boosted by higher share of profits from associates, which more than offset the higher operating expenses.

Serviced Residences SBU: The Ascott Group & Ascott Residence Trust ("TAG & ART")

S$M	3Q 2007	3Q 2006 (restated)	Variance %	YTD Sep 2007 S$'000	YTD Sep 2006 (restated)	Variance %
Revenue	117.9	121.7	(3.1)	344.4	349.7	(1.5)
EBIT	59.6	115.0	(48.2)	229.9	178.2	29.0

The decreases in revenue for 3Q 2007 and YTD September 2007 were mainly attributable to the deconsolidation of ART but mitigated by the higher revenue from the serviced residences in Europe, North Asia, Singapore and South East Asia. In Europe, the higher revenue for 3Q 2007 was mainly boosted by increase in revenue per available unit ("REVPAU") which was a result of TAG's initiatives on yield maximisation coupled with the growing popularity and demand for serviced residences. In North Asia, Singapore and South East Asia, the higher revenue was mainly due to increase in fee-based income from management contracts and REIT management fees.

EBIT for 3Q 2007 decreased due mainly to the deconsolidation of ART and lower divestment gains recorded by TAG. However, EBIT for YTD September 2007 was higher and this was underpinned by the realisation of portfolio gains and strong operating performances as mentioned above.

9. Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the second quarter 2007 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")

The property sector in Singapore is expected to remain buoyant for the rest of the year. CRL plans to launch a residential project named "Latitude" at Jalan Mutiara in 4Q 2007.

CRL will continue to source for prime sites in key gateways as well as the inner cities of China and targets to launch two new projects in Hangzhou and Chengdu by the end of this year.

In Thailand, following the success of Villa Sathorn, which is more than 80% sold since its launch in 3Q 2007, another residential project, North Park Place, will be launched by the end of the year.

In Vietnam, CRL expects to launch its second project in Ho Chi Minh City in 2008.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

In Singapore, demand for office space continues to be strong. Average prime office rents have surpassed the 1990 historical peak of $11.50 psf per month to reach $12.60 psf per month in 3Q 2007, representing a 82.6% increase year-on-year. Grade A office rents average $14.90 psf per month, an increase of 96.1% year-on-year. After two years of unprecedented rental growth, the office market rental is expected to grow moderately as the government released more land sites for office developments.

The industrial sector remains strong as the economy continues to outperform forecasts. In the next few months, demand for business parks is expected to be fuelled by more office tenants re-locating to lower cost locations. We expect our office and industrial properties in Singapore to perform well for the rest of 2007.

CCL also expects its overseas properties in China and the United Kingdom to continue to do well as the global economic growth remains buoyant. In Shanghai, rentals of Grade A office space continue their upward trend due to limited supply and strong Shanghai GDP growth of 13% year-on-year. In the United Kingdom, investment activity in Central London registered one of the highest quarterly growth on strong interest from overseas investors.

Retail SBU: CapitaLand Retail Limited ("CRTL")

With Singapore's strong economic growth and the anticipated growth in tourist arrivals as well as the $40 million Orchard Road makeover plan, many foreign brands are keen to establish their presence here by setting up flagship stores despite the tight retail space. Hence, we expect the Singapore retail scene to continue to be vibrant.

Over in China, we expect similar growth trends as more multinational corporations make China their regional headquarters and set up distribution and logistic centres to complete their downstream operational chain there. Against this backdrop, CRTL will continue to expand its China retail mall business through acquisitions and development of malls across varied tiered cities in China, including malls anchored by Wal-Mart and Beijing Hualian Group under our joint venture arrangements. As of end September 2007, CRTL owns, manages and secured pipeline of over 70 retail malls across 28 cities in China.

Besides China, CRTL is looking to expand in Japan, India and Malaysia. In Japan, CRTL will continue to actively pursue acquisition opportunities to further strengthen its presence there.

CapitaLand is in the process of establishing the CapitaRetail India Development Fund ("the Fund") which will invest primarily in retail development projects in India. CRTL will take a 40% stake in the Fund.

In Malaysia, CRTL will be acquiring Gurney Plaza and Mines Shopping Fair and plans to form a Malaysia REIT eventually.

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

CFL currently manages four REITs and thirteen private equity funds across Singapore, China, Japan, Malaysia and the Gulf Cooperation Council (GCC) region. CFL will continue to focus on strengthening its fund management business in 2007 by growing its AUM.

In September 2007, CFL closed the CapitaRetail China Development Fund II which has a fund size of $900 million and will invest in retail mall development projects in China.

Serviced Residences Group: The Ascott Group & Ascott Residence Trust ("Serviced Residences Group")

TAG is well-positioned strategically to benefit from the growing demand for serviced residences from business travellers who need quality residential accommodation and services for extended periods.

TAG will continue to execute its strategy of acquiring and incubating properties to build up a strong pipeline for portfolio gains in the future. With the establishment of the Ascott Serviced Residence (China) Fund ("ACF") in 2Q 2007, ACF will propel TAG's expansion in China. TAG is also expected to benefit from higher fee-based income through new serviced residence management contracts and REIT management fees.

GROUP OVERALL PROSPECTS FOR 2007

The Group continues to see healthy and sustainable growth trends in Asia. Given CapitaLand's substantial financial capacity and capital efficient business model, the Group is well-positioned to carry out its growth plans. The Group has also been able to secure competitive rates and terms for long term financing of five to twelve years despite the current credit environment.

In Singapore, we expect an excellent full year performance, underpinned by the strength across all property sectors. Our multi-sector expansion in China is delivering results as evidenced by the strong year-to-date financial figures. In Vietnam, we have successfully launched our maiden residential project and have a pipeline to build 2,800 homes.

We continue to reconstitute our office portfolio with the acquisition of the remaining 50% stake in 1 George Street and the divestment of our part stakes in Chevron House and AIG Tower. The retail operation is gaining traction with expansion plans further boosted by the co-operative agreement with China Vanke Co., Ltd and additional capital resources following the successful closure of the $900 million CapitaRetail China Development Fund II. We will also be investing in retail development projects in India with the launch of the CapitaRetail India Development Fund.

11. Dividend

11(a) Any dividend declared for the present financial period? Nil
11(b) Any dividend declared for the previous corresponding period? Nil
11(c) Date payable : Not applicable
11(d) Books closing date : Not applicable

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

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

13. Segmental Revenue & Results

13(a)(i) By Strategic Business Units (SBUs) – 3Q 2007 vs 3Q 2006

	Revenue			Earnings before interest & tax		
	3Q 2007 S$'000	3Q 2006 S$'000 (restated)	Variance %	3Q 2007 S$'000	3Q 2006 S$'000 (restated)	Variance %
Continuing operations						
Residential [1] [2]	664,531	509,545	30.4	136,533	140,145	(2.6)
Commercial [1]	49,068	30,640	60.1	525,895	20,059	NM
Retail	33,064	21,150	56.3	25,475	28,416	(10.3)
Financial Services	31,859	39,392	(19.1)	5,861	24,531	(76.1)
TAG & ART	117,948	121,742	(3.1)	59,563	115,009	(48.2)
Others and Consolidation adjms [3]	(701)	(3,801)	81.6	5,306	237,017	(97.8)
Total	**895,769**	**718,668**	**24.6**	**758,633**	**565,177**	**34.2**

13(a)(ii) By Strategic Business Units (SBUs) – YTD Sep 2007 vs YTD Sep 2006

	Revenue			Earnings before interest & tax		
	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000 (restated)	Variance %	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000 (restated)	Variance %
Continuing operations						
Residential [1] [2]	1,821,564	1,584,825	14.9	629,069	427,071	47.3
Commercial [1]	143,115	91,692	56.1	1,636,355	121,476	NM
Retail	83,723	60,377	38.7	169,692	68,331	148.3
Financial Services	86,989	76,631	13.5	51,237	49,988	2.5
TAG & ART	344,355	349,690	(1.5)	229,898	178,162	29.0
Others and Consolidation adjms [3]	(11,371)	(14,169)	19.7	86,570	258,419	(66.5)
Total	**2,468,375**	**2,149,046**	**14.9**	**2,802,821**	**1,103,447**	**154.0**

NM : Not meaningful

Note : [1] The comparatives have been restated due to the Group's internal restructuring.
[2] Includes Australand's commercial operations and certain commercial assets in China.
[3] Includes start up costs of the new businesses of the Group. The comparatives included results from Raffles Holdings Limited Group which had ceased operations and was delisted from the official list of the Singapore Exchange Securities Trading Limited on 13 December 2006.

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

	Revenue			Earnings before interest & tax		
	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000	Variance %	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000 (restated)	Variance %
The Ascott Group	318,757	303,723	4.9	200,285	241,699	(17.1)

13(b)(i) By Geographical Location – 3Q 2007 vs 3Q 2006

	Revenue			Earnings before interest & tax		
	3Q 2007 S$'000	3Q 2006 S$'000	Variance %	3Q 2007 S$'000	3Q 2006 S$'000 (restated)	Variance %
Continuing operations						
Singapore	222,375	224,464	(0.9)	302,776	322,088	(6.0)
China [(1)]	329,197	179,277	83.6	365,165	63,673	473.5
Asia / GCC [(2)]	16,981	18,756	(9.5)	6,243	(774)	NM
Australia & New Zealand	245,975	228,101	7.8	32,531	52,012	(37.5)
Europe	75,970	68,032	11.7	52,752	128,205	(58.9)
Others	5,271	38	NM	(834)	(27)	NM
Total	**895,769**	**718,668**	**24.6**	**758,633**	**565,177**	**34.2**

13(b)(ii) By Geographical Location – YTD Sep 2007 vs YTD Sep 2006

	Revenue			Earnings before interest & tax		
	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000	Variance %	YTD Sep 2007 S$'000	YTD Sep 2006 S$'000 (restated)	Variance %
Continuing operations						
Singapore	698,201	727,341	(4.0)	1,716,822	478,368	258.9
China [(1)]	776,080	417,289	86.0	714,579	301,862	136.7
Asia / GCC [(2)]	50,558	61,032	(17.2)	34,023	18,500	83.9
Australia & New Zealand	731,139	759,000	(3.7)	229,577	151,457	51.6
Europe	207,126	184,322	12.4	107,966	153,384	(29.6)
Others	5,271	62	NM	(146)	(124)	(17.7)
Total	**2,468,375**	**2,149,046**	**14.9**	**2,802,821**	**1,103,447**	**154.0**

NM : Not meaningful

Note : [(1)] Greater China including Macau and Hong Kong.
[(2)] Excludes Singapore and China.

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

Not applicable.

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

Not applicable.

17. Confirmation Pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of changes in equity and consolidated cash flows statement, together with their accompanying notes) as at 30 September 2007 and the results of the business, changes in equity and cash flows of the Group for the nine months ended on that date, to be false or misleading in any material respect.

On behalf of the Board

Dr Hu Tsu Tau
Chairman

Liew Mun Leong
Director

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
26 October 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.