CAPITALAND LIMITED

(Registration Number : 198900036N)

2007 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

CAPITALAND LIMITED
2007 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

	Group						
	Note	**4Q 2007 S$'000**	**4Q 2006 S$'000 (restated)**	**% Change**	**FY 2007 S$'000**	**FY 2006 S$'000 (restated)**	**% Change**
Continuing operations							
Revenue	**A**	**1,324,328**	**998,679**	**32.6**	**3,792,703**	**3,147,725**	**20.5**
Cost of sales	**A**	(843,818)	(661,402)	27.6	(2,465,657)	(2,234,385)	10.4
Gross profit		480,510	337,277	42.5	1,327,046	913,340	45.3
Other operating income	**B**	298,067	175,267	70.1	1,553,424	558,795	178.0
Administrative expenses	**C**	(193,263)	(145,678)	32.7	(561,010)	(348,022)	61.2
Other operating expenses	**D**	(22,353)	45,338	NM	(7,540)	88,418	NM
Profit from continuing operations		**562,961**	**412,204**	**36.6**	**2,311,920**	**1,212,531**	**90.7**
Finance costs		(115,118)	(98,754)	16.6	(403,549)	(327,995)	23.0
Share of results (net of tax)							
- associates		387,340	206,184	87.9	907,740	462,445	96.3
- jointly-controlled entities		70,920	92,293	(23.2)	604,382	139,152	334.3
	E	458,260	298,477	53.5	1,512,122	601,597	151.4
Profit before taxation from continuing operations		906,103	611,927	48.1	3,420,493	1,486,133	130.2
Taxation	**F**	(78,606)	(104,392)	(24.7)	(268,047)	(230,354)	16.4
Profit after taxation from continuing operations		827,497	507,535	63.0	3,152,446	1,255,779	151.0
Discontinued operations							
Profit after taxation from discontinued operations	**G**	–	25	NM	–	26,894	NM
Profit after taxation		827,497	507,560	63.0	3,152,446	1,282,673	145.8
Attributable to:							
Equity holders of the Company ("PATMI")		**674,652**	**453,525**	**48.8**	**2,759,313**	**1,012,677**	**172.5**
Minority interests ("MI")		152,845	54,035	182.9	393,133	269,996	45.6
		827,497	507,560	63.0	3,152,446	1,282,673	145.8

NM : Not meaningful

Note : The comparative income statement for 4Q 2006 and full year 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 – 4Q 2007 vs 4Q 2006

(A) Revenue, Cost of Sales

The increase in 4Q 2007's revenue was largely attributable to higher sales of development projects in China and Australia, the progressive recognition of sale for the Wilkie Edge project and the consolidation of revenue from 1 George Street which became a subsidiary following our acquisition of the remaining stake in Eureka Office Fund in September 2007.

The increases were partially offset by 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 increased in tandem with the higher revenue. However, the increase was partially offset by the write back of prior years' provisions for foreseeable losses as residential property prices rebounded in Singapore.

(B) Other Operating Income

		Group		
		4Q 2007 S$'000	**4Q 2006 S$'000**	**% Change**
Other Operating Income		**298,067**	**175,267**	**70.1**
Investment income	(i)	9,746	6,836	42.6
Interest income	(ii)	36,692	43,185	(15.0)
Other income (including portfolio gains)	(iii)	94,907	115,928	(18.1)
Fair value gains of investment properties	(iv)	136,754	–	NM
Foreign exchange gain	(v)	19,968	9,318	114.3

NM : Not meaningful

(i) Investment income of $9.7 million arose mainly from the Group's investments in Singapore, and Hong Kong. The increase in investment income came from an investment in Singapore which was made in 2Q 2007.

(ii) Interest income on surplus funds was lower due to the weakening of interest rates.

(iii) Other income included portfolio gains of $74.8 million which comprised mainly the gains from the dilution of the Group's stake in CapitaMall Trust (CMT) arising from CMT's recent equity fund raising, the liquidation of Canary Riverside group of companies and additional proceeds received from the compulsory acquisition of Master Golf & Country Club.

(iv) The fair value gains of $136.8 million came from the revaluation of the Group's portfolio of investment properties held by its subsidiaries.

(v) The foreign exchange gain of $20.0 million arose mainly from the revaluation of USD denominated loan payables as the USD weakened against the SGD and RMB respectively.

(C) Administrative Expenses

	Group		
	4Q 2007 S$'000	**4Q 2006 S$'000 (restated)**	**% Change**
Administrative Expenses	**(193,263)**	**(145,678)**	**32.7**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(11,257)	(10,909)	3.2
Allowance for doubtful receivables	(1,587)	2,081	NM

Administrative expenses comprised staff costs, depreciation expenses, operating lease expenses and other administrative expenses. The increase was largely attributable to higher staff costs and overheads as the Group expanded its operations. The increase was partially offset by the absence of a one-off expense incurred in respect of the Sentosa Integrated Resort bid in 4Q 2006.

(D) Other Operating Expenses

4Q 2007's other operating expenses of $22.4 million included a provision for write down in certain investments in Japan of approximately $15.5 million. 4Q 2006's other operating expenses was a positive balance as it included a $70.5 million write back of asset revaluation deficits previously charged to the income statement. This writeback more than offset the provision of $12.4 million made in 4Q 2006 which was in respect of a tax dispute in United Kingdom.

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

The increased contribution from the associates and jointly-controlled entities was mainly attributable to the revaluation gains of investment properties held by the associates and jointly-controlled entities.

(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 $78.6 million in 4Q 2007 is net of a $17.5 million over-provision of tax for prior years (4Q 2006: under-provision of $25.5 million).

(G) Discontinued Operations

The discontinued operations in 4Q 2006 was in respect of an adjustment for the sale of the hotel's business by Raffles Holdings Limited upon finalisation of the completion accounts.

(H) Gain from the sale of investments

Included in the Group's profit after tax and minority interests ("PATMI") for 4Q 2007 were the following net gains/(losses) from the sale of investments / property, plant and equipment:

	S$M
Liquidation gain from Canary Riverside group	13.1
Master Golf & Country Club	6.0
Gain on divestment of Xinwu Mall	4.6
Disposal of shares in Grand Design (owner of AIG Tower)	(10.2)
Others	0.7
Total Group's share of gain after tax & MI for 4Q 2007	**14.2**

1(b)(i) Balance Sheet

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

	Group			Company		
	31/12/2007 S$'000	31/12/2006 S$'000 (restated)	% Change	31/12/2007 S$'000	31/12/2006 S$'000	% Change
Non-Current Assets						
Property, Plant & Equipment	1,588,618	1,489,923	6.6	8,906	1,761	405.7
Intangible Assets	37,910	38,757	(2.2)	–	–	–
Investment Properties	6,208,211	5,372,183	15.6	–	–	–
Properties Under Devt	569,205	296,116	92.2	–	–	–
Interests in Subsidiaries	–	–	–	3,864,998	2,895,750	33.5
Interests in Associates & Jointly-Controlled Entities	6,450,733	4,749,932	35.8	–	–	–
Other Assets	723,793	363,248	99.3	10,001	231	NM
	15,578,470	**12,310,159**	**26.5**	**3,883,905**	**2,897,742**	**34.0**
Current Assets						
Devt Properties for Sale	*3,540,778*	*3,622,665*	*(2.3)*	–	–	–
Trade & Other Receivables	*2,064,350*	*1,973,731*	*4.6*	*1,681,342*	*1,544,600*	*8.9*
Cash & Cash Equivalents	*4,355,986*	*2,684,851*	*62.2*	*1,532,225*	*1,477,510*	*3.7*
Other Current Assets	*301,728*	*806*	*NM*	–	–	–
	10,262,842	**8,282,053**	**23.9**	**3,213,567**	**3,022,110**	**6.3**
Less: Current Liabilities						
Trade & Other Payables	*2,889,508*	*1,862,377*	*55.2*	*212,259*	*472,861*	*(55.1)*
Short-Term Borrowings	*1,802,805*	*1,793,390*	*0.5*	*158,213*	*208,939*	*(24.3)*
Finance Leases	*3,954*	*3,594*	*10.0*	–	–	–
Other Current Liabilities	*446,059*	*316,827*	*40.8*	*16,961*	*6,980*	*143.0*
	5,142,326	**3,976,188**	**29.3**	**387,433**	**688,780**	**(43.8)**
Net Current Assets	**5,120,516**	**4,305,865**	**18.9**	**2,826,134**	**2,333,330**	**21.1**
Less: Non-Current Liabilities						
Long-Term Borrowings	8,066,555	6,288,159	28.3	1,293,439	461,679	180.2
Finance Leases	42,835	44,685	(4.1)	–	–	–
Other Non-Current Liabilities	724,257	820,234	(11.7)	57,704	34,972	65.0
	8,833,647	**7,153,078**	**23.5**	**1,351,143**	**496,651**	**172.1**
Net Assets	**11,865,339**	**9,462,946**	**25.4**	**5,358,896**	**4,734,421**	**13.2**
Representing:						
Share Capital	4,350,058	4,304,907	1.0	4,350,058	4,304,907	1.0
Reserves	5,590,834	3,062,766	82.5	1,008,838	429,514	134.9
Equity attributable to Equity Holders of the Company	9,940,892	7,367,673	34.9	5,358,896	4,734,421	13.2
Minority Interests	1,924,447	2,095,273	(8.2)	–	–	–
Total Equity	**11,865,339**	**9,462,946**	**25.4**	**5,358,896**	**4,734,421**	**13.2**

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 31/12/2007 S$'000	**As at 31/12/2006 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	545,935	244,525
Unsecured	1,260,824	1,552,459
Sub-Total 1	**1,806,759**	**1,796,984**
Amount repayable after one year:-		
Secured	2,769,554	2,889,854
Unsecured	5,339,836	3,442,990
Sub-Total 2	**8,109,390**	**6,332,844**
Total Debt	**9,916,149**	**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			
	4Q 2007 S$'000	4Q 2006 S$'000 (restated)	FY 2007 S$'000	FY 2006 S$'000 (restated)
Cash Flows from Operating Activities				
Profit after taxation	**827,497**	**507,560**	**3,152,446**	**1,282,673**
Adjustments for :				
Amortisation and impairment of intangible assets	3,739	4,231	4,973	4,754
Negative goodwill on acquisition	-	-	-	(77,000)
(Write back)/Allowance for:				
- Foreseeable losses on development properties for sale	(107,622)	(36,819)	(223,179)	(54,532)
- Loans to associates and jointly-controlled entities	665	(2,916)	749	8,584
- Non-current portion of financial assets	16,479	1,668	17,614	1,670
Share-based expenses	13,886	7,124	53,653	24,758
Changes in fair value of financial instruments and assets	7,205	9,234	3,675	1,242
Depreciation of property, plant and equipment	11,291	10,625	39,579	40,294
(Gain)/Loss on disposal/Write off of property, plant and equipment	(24,737)	2,541	(138,862)	3,191
Gains on disposal of investment properties and property under development	(354)	(76,322)	(74,769)	(222,094)
Valuation gain on investment properties	(136,754)	(70,516)	(778,831)	(111,512)
Loss/(Gain) on disposal of non-current financial assets	74	(9,962)	(8,300)	(18,899)
Gain on disposal/dilution of subsidiaries and associates	(48,122)	(27,626)	(322,959)	(128,451)
Share of results of associates, jointly-controlled entities	(458,260)	(298,477)	(1,512,122)	(601,597)
Accretion of deferred income	(1,797)	(1,179)	(3,819)	(4,678)
Interest expense	115,118	98,754	403,549	327,995
Interest income	(36,693)	(43,185)	(124,559)	(146,340)
Tax expense	78,606	104,392	268,047	230,354
	(567,276)	**(328,433)**	**(2,395,561)**	**(722,261)**
Operating profit before working capital changes	**260,221**	**179,127**	**756,885**	**560,412**
Decrease/(Increase) in working capital				
Inventories, trade and other receivables	(427,111)	63,775	(573,222)	91,444
Development properties for sale	469,700	(21,921)	409,929	38,673
Trade and other payables	392,207	71,638	324,328	169,744
Financial assets	9	45,631	(272,939)	45,531
	434,805	**159,123**	**(111,904)**	**345,392**
Cash generated from operations	**695,026**	**338,250**	**644,981**	**905,804**
Income tax paid	(22,332)	(9,980)	(102,990)	(84,525)
Customer deposits and other non-current payables received/(refunded)	8,102	(1,656)	13,185	330
Net cash generated from Operating Activities	**680,796**	**326,614**	**555,176**	**821,609**

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

	Group			
	4Q 2007 S$'000	**4Q 2006 S$'000 Restated**	**FY 2007 S$'000**	**FY 2006 S$'000 Restated**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	16,574	2,354	236,214	13,792
Purchase of property, plant and equipment	(70,730)	(23,838)	(210,047)	(63,512)
Decrease/(Increase) in associates and jointly-controlled entities	393,498	(278,931)	(127,459)	(832,702)
Increase in amounts owing by investee companies and other receivables	(13,308)	(4,722)	(10,975)	(393)
Deposit for new investments	(7,977)	(28,172)	(83,586)	(28,172)
Acquisition of investment properties and properties under development	(1,088,088)	(646,147)	(1,386,435)	(1,595,964)
Proceeds from disposal of investment properties and property under development	37,702	152,958	1,586,615	584,620
(Acquisition)/Disposal of non-current financial assets (net)	(272,041)	17,960	(310,258)	(8,172)
Dividends received from associates and jointly-controlled entities	112,118	58,809	376,209	656,019
(Acquisition)/Disposal of subsidiaries (net)	(17,625)	242,627	(135,806)	353,926
Interest income received	26,355	49,011	103,049	145,719
Net cash (used in)/generated from Investing Activities	**(883,522)**	**(458,091)**	**37,521**	**(774,839)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	2,334	4,019	44,718	39,167
Repayment of loan from minority interests	(60,590)	(33,743)	(23,088)	(88)
Contribution from/(Return of capital to) minority interests (net)	229	(315,861)	119,837	(42,738)
Proceeds from sales of future receivables	7,386	13,975	264,106	156,941
Proceeds from borrowings net of repayments	1,011,288	384,172	1,794,916	1,638,812
Repayment of finance lease payables	(1,039)	(868)	(3,936)	(3,419)
Dividends paid to minority interests	(48,953)	(336,450)	(319,155)	(460,465)
Dividends paid to shareholders	-	-	(317,065)	(399,089)
Interest expense paid	(164,912)	(131,002)	(478,032)	(382,177)
Net cash generated from/(used in) Financing Activities	**745,743**	**(415,758)**	**1,082,301**	**546,944**
Net increase/(decrease) in cash and cash equivalents	**543,017**	**(547,235)**	**1,674,998**	**593,714**
Cash and cash equivalents at beginning of the year	3,815,290	3,239,066	2,684,851	2,105,015
Effect of exchange rate changes on cash balances held in foreign currencies	(2,321)	(6,980)	(3,863)	(13,878)
Cash and cash equivalents at end of the period	**4,355,986**	**2,684,851**	**4,355,986**	**2,684,851**

Cash and cash equivalents at end of the period
The cash and cash equivalents of about $4,356.0 million as at 31/12/2007 included $3,304.0 million in fixed deposits and $157.1 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 31/12/2007 vs 31/12/2006 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Accumulated Profits	Other Reserves*	**Total**	Minority Interests	**Total Equity**
Balance as at 01/01/2007, as previously reported	**4,304,907**	**–**	**289,043**	**1,348,156**	**1,458,040**	**7,400,146**	**2,112,604**	**9,512,750**
Effect of change in accounting policy #			(23,607)	(8,866)		**(32,473)**	(17,331)	**(49,804)**
Balance as at 01/01/2007, as restated	**4,304,907**	**–**	**265,436**	**1,339,290**	**1,458,040**	**7,367,673**	**2,095,273**	**9,462,946**
Effect of adopting FRS 40 #			(265,436)	235,877		**(29,559)**	–	**(29,559)**
Balance as at 01/01/2007, as restated	**4,304,907**	**–**	**–**	**1,575,167**	**1,458,040**	**7,338,114**	**2,095,273**	**9,433,387**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans					18,895	**18,895**	62,173	**81,068**
Change in fair value of available-for-sale investments					(14,953)	**(14,953)**	**–**	**(14,953)**
Transfer of available-for-sale reserve to income statement					9,849	**9,849**	–	**9,849**
Effective portion of changes in fair value of cash flow hedge					4,608	**4,608**	10,586	**15,194**
Realisation of foreign exchange reserves transferred to income statement					(7,705)	**(7,705)**	4,771	**(2,934)**
Realisation of available-for-sale reserve transferred to income statement					(6,752)	**(6,752)**	–	**(6,752)**
Realisation of hedging reserve transferred to income statement					(5)	**(5)**	–	**(5)**
Realisation of other capital reserve transferred to income statement					(1,126)	**(1,126)**	–	**(1,126)**
Net gains/(losses) recognised directly in equity					2,811	**2,811**	77,530	**80,341**
Profit for 2007				2,759,313		**2,759,313**	393,133	**3,152,446**
Total recognised gains/(losses) for the year				**2,759,313**	**2,811**	**2,762,124**	**470,663**	**3,232,787**
Dividends paid				(317,065)		**(317,065)**	–	**(317,065)**
Issue of shares under share option and performance share plans	45,151				(556)	**44,595**	123	**44,718**
Equity portion of convertible bonds					65,441	**65,441**	–	**65,441**
Cost of share-based payment					46,928	**46,928**	3,487	**50,415**
Effects of acquisition/ disposal, dilution and liquidation of subsidiaries (net)						**–**	(444,796)	**(444,796)**
MI Contribution (net)						**–**	119,837	**119,837**
Dividends paid to MI						**–**	(319,155)	**(319,155)**
Others				(6,236)	6,991	**755**	(985)	**(230)**
Balance as at 31/12/2007	**4,350,058**	**–**	**–**	**4,011,179**	**1,579,655**	**9,940,892**	**1,924,447**	**11,865,339**

* Includes foreign currency translation reserve, capital reserve, available-for-sale reserve, equity compensation reserve and hedging reserve.
# Please refer to Note 4.

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

As at 31/12/2007 vs 31/12/2006 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Accumulated Profits	Other Reserves*	Total	Minority Interests	Total Equity
Balance as at 01/01/2006, as previously reported	**2,750,503**	**2,780,247**	**246,921**	**730,439**	**149,600**	**6,657,710**	**2,370,658**	**9,028,368**
Effect of change in accounting policy #			(11,118)	(3,558)		**(14,676)**	(9,708)	**(24,384)**
Balance as at 01/01/2006, as restated	**2,750,503**	**2,780,247**	**235,803**	**726,881**	**149,600**	**6,643,034**	**2,360,950**	**9,003,984**
Revaluation surplus of investment properties & share of assoc/jointly-controlled entities' revaluation reserves			415,674			**415,674**	13,031	**428,705**
Realisation of revaluation reserve transferred to income statement			(77,942)			**(77,942)**	–	**(77,942)**
Net revaluation surplus credited to income statement			(308,099)			**(308,099)**	–	**(308 099)**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans					(58,726)	**(58,726)**	(29,392)	**(88,118)**
Change in fair value of available-for-sale investments					30,381	**30,381**	–	**30,381**
Effective portion of changes in fair value of cash flow hedge					7,927	**7,927**	11,114	**19,041**
Realisation of reserves transferred to income statement					(3,340)	**(3,340)**	(665)	**(4,005)**
Net gains/(losses) recognised directly in equity			29,633		(23,758)	**5,875**	(5,912)	**(37)**
Profit for 2006 (restated)				1,012,677		**1,012,677**	269,996	**1,282,673**
Total recognised gains/(losses) for the year			**29,633**	**1,012,677**	**(23,758)**	**1,018,552**	**264,084**	**1,282,636**
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 and performance share plans	42,076				(2,909)	**39,167**	–	**39,167**
Equity portion of convertible bonds					41,831	**41,831**	–	**41,831**
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)**
MI Contribution (net)						–	(42,738)	**(42,738)**
Dividends paid to MI						–	(460,465)	**(460,465)**
Others				(1,179)	716	**(463)**	(4,153)	**(4,616)**
Balance as at 31/12/2006	**4,304,907**	**–**	**265,436**	**1,339,290**	**1,458,040**	**7,367,673**	**2,095,273**	**9,462,946**

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

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

Please refer to Note 4.

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

As at 31/12/2007 vs 31/12/2006 – COMPANY

S$M	Share Capital	Share Premium	Capital Reserve	Capital Redem. Res.	Accumulated Profits	Equity Comp. Res	Total
Balance as at 01/01/2007	**4,304,907**	**–**	**41,831**	–	**363,353**	**24,330**	**4,734,421**
Profit for 2007					808,656		**808,656**
Total recognised gains for the year					808,656		**808,656**
Dividends paid					(317,065)		**(317,065)**
Issue of shares under share option and performance share plans	45,151					(298)	**44,853**
Equity portion of convertible bonds			75,441				**75,441**
Cost of share-based payment						12,590	**12,590**
Others							
Balance as at 31/12/2007	**4,350,058**	**–**	**117,272**	**–**	**854,944**	**36,622**	**5,358,896**
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 year					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 and performance share plans	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**

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

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

Issued Share Capital

As at 31 December 2007, the issued and fully paid-up share capital of the Company was $4,350.1 million (31 December 2006: $4,304.9 million). Movements in the Company's issued and fully paid-up share capital during the financial year were as follows:

	$'000
As at 01/01/2007	4,304,907
Issue of shares under CapitaLand Share Option Plan	44,718
Issue of shares under CapitaLand Performance Share Plan	433
As at 31/12/2007	**4,350,058**

As at 31 December 2007, the issued ordinary shares of the Company numbered 2,805,969,493 (31 December 2006: 2,779,346,107). During the financial year, the Company issued 26,623,386 ordinary shares, of which 24,703,638 shares were issued under the Share Option Plan and 1,919,748 shares under the Performance Share Plan.

Share Options

As at 31 December 2007, the number of outstanding share options under the Company's Share Option Plan was 31,126,830 (31 December 2006: 57,754,808).

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

Performance Shares

As at 31 December 2007, the number of outstanding shares under the Company's Performance Share Plan was 8,808,558 (31 December 2006: 9,003,801).

The final number of 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 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 31 December 2007, the number of shares awarded and outstanding under the Company's Restricted Stock Plan was 4,552,277 (31 December 2006: Nil), of which 625,404 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 a 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 31 December 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 131,228,951, representing a 4.7% increase over the total number of issued shares of the Company as at 31/12/2007.

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 year compared with the audited financial statements for the year ended 31 December 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 residence properties at cost less accumulated depreciation and impairment losses, after taking into account the serviced residence 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 residence 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, the effects on the Group's financial statements arising from the change in accounting policy and the adoption of FRS 40 are as follows:

Change in accounting policy - FRS 16	**2007 S$000**	**2006 S$000**
Balance sheet as at 1 January		
Decrease in assets revaluation reserve	(23,607)	(11,118)
Decrease in accumulated profits	(8,866)	(3,558)
Decrease in minority interests	(17,331)	(9,708)
Balance sheet as at 31 December		
Decrease in investment properties	-	(1,181,459)
Decrease in properties under development	-	(117,618)
Increase in property, plant and equipment	-	1,307,879
Decrease in other assets	-	(63,648)
Income statement for the year ended 31 December		
Increase in administrative and other operating expenses	(5,695)	(7,916)
Decrease in minority interests	1,906	2,608
Decrease in profit attributable to equity holders of the Company	(3,789)	(5,308)
Adoption of FRS 40		
Balance sheet as at 1 January		
Decrease in assets revaluation reserve	(265,436)	-
Increase in accumulated profits	235,877	-
Decrease in interest in associates	(29,559)	-
		-
Income statement for the year ended 31 December		
Increase in other operating income	778,801	-
Increase in share of results of associates & jointly-controlled entities	1,197,160	-
Increase in taxation	(39,870)	-
Increase in minority interests	(134,023)	-
Increase in profit attributable to equity holders of the Company	1,802,068[(1)]	-

Adoption of FRS 40 (cont'd)	**2007**	**2006**
Earnings per share		
Increase / (decrease) in basic earnings per share (S cents)	64.4	(0.2)
Increase / (decrease) in diluted earnings per share (S cents)	61.3	(0.2)

[1] Includes fair value gains of $436.4 million from Temasek Tower which was divested in April 2007 and $248.5 million from AIG Tower, which was divested in November 2007. The fair value gains would have been recorded as divestment gains if FRS 40 had not been 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			
		4Q 2007	**4Q 2006 (restated)**	**FY 2007**	**FY 2006 (restated)**
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents) from:				
	- continuing operations	24.0	16.3	98.6	36.0
	- discontinued operations	-	-	-	0.6
	Total	**24.0**	**16.3**	**98.6**	**36.6**
	- weighted average number of ordinary shares (in million)	2,805.5	2,777.9	2,799.1	2,769.4
6(b)	EPS based on fully diluted basis (in cents) from:				
	- continuing operations	23.1	16.0	95.0	35.3
	- discontinued operations	-	-	-	0.6
	Total	**23.1**	**16.0**	**95.0**	**35.9**
	- weighted average number of ordinary shares (in million)	2,978.4	2,833.1	2,938.6	2,819.4

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**	
	31/12/2007	**31/12/2006 (restated)**	**31/12/2007**	**31/12/2006**
NAV per ordinary share	3.54	2.65	1.91	1.70
NTA per ordinary share	3.53	2.64	1.91	1.70

8. Review of the performance of the group

GROUP OVERVIEW – Continuing operations

S$M	4Q 2007	4Q 2006 (restated)	Variance %	FY 2007	FY 2006 (restated)	Variance %
Revenue	1,324.3	998.7	32.6	3,792.7	3,147.7	20.5
EBIT	1,021.2	710.7	43.7	3,824.0	1,814.1	110.8
Finance costs	(115.1)	(98.8)	(16.6)	(403.5)	(328.0)	(23.0)
PBT	906.1	611.9	48.1	3,420.5	1,486.1	130.2
PATMI	674.7 [(2)]	453.5 [(1)]	48.8	2,759.3 [(2)]	1,012.7 [(1)]	172.5

(1) Includes profit from discontinued operations (Please refer to Item 1(a)(ii)(G)) and write back of assets revaluation deficits of $276.0 million in 4Q 2006 and FY 2006.
(2) Includes unrealised fair value gains of $401.6 million and $1,052.2 million in 4Q 2007 and FY 2007 respectively.

4Q 2007 vs 4Q 2006

The Group delivered yet another set of sterling results for this quarter. The robust results were bolstered mainly by the strong recovery in property prices in Singapore which enabled the Group to recognise fair value gains on its investment properties as well as higher profits from the development projects in China, Australia and Singapore.

Revenue in 4Q 2007 was boosted by the higher sales from China and Australia, the progressive recognition of sale of Wilkie Edge and the consolidation of 1 George Street. These increases were partially offset by the deconsolidation of ART's revenue since March 2007.

4Q 2007's earnings before interest and tax (EBIT) were also higher at $1.02 billion. During the quarter, most of the Group's core businesses performed well, particularly the residential business. The Group's strong operating performance coupled with the fair value gains on investment properties boosted EBIT to cross the $1.0 billion mark.

FY 2007 vs FY 2006

For the full year, revenue grew to $3.8 billion. The revenue growth was fuelled by strong sales of development projects in China and Australia and the consolidation of revenue from Raffles City Shanghai and 1 George Street which became the Group's subsidiaries from 4Q 2006 and 4Q 2007 respectively.

As a result of the strong sales registered by our China and Australia operations, overseas revenue accounted for 76.4% of the Group's revenue, up from 71.2% a year ago. Revenue from China grew substantially by 66.3% to $1.1 billion while revenue from Australia was 16.0% higher at $1.4 billion.

EBIT for the full year was $3.8 billion; more than double that of last year. Underlying the strong EBIT were higher profits from the development projects, the recognition of fair value gains from the Group's investment properties portfolio, higher portfolio gains and improved operating performance from the Group's core businesses.

The Group has adopted FRS 40 with effect from this financial year. As a result, the appreciation in value of investment properties is recognised as fair value gains in the income statement. The Group had benefited from the strong recovery in property prices this year, particularly in Singapore, and recognised revaluation gains of about $1.1 billion from its investment portfolio.

Overseas EBIT contribution in FY 2007 rose by 69.0% to $1.5 billion from $883.2 million, with China and Australia being the two key contributors.

Finance costs for FY 2007 were higher as a result of higher gross debt. After taking into account cash, the Group's net debt as at December 2007 was $5.6 billion compared to $5.4 billion in December 2006. However, the Group's net debt to equity ratio was lower at 0.47 as at December 2007 compared to 0.58 a year ago.

Segment Performance

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

S$M	4Q 2007	4Q 2006 (restated)	Variance %	FY 2007	FY 2006 (restated)	Variance %
Revenue	1,042.2	771.2	35.1	2,863.7	2,356.0	21.5
EBIT	444.6	276.6	60.8	1,073.7	703.7	52.6

In 4Q 2007, the increase in revenue was mainly due to higher contributions from Australia and China operations while the improved EBIT was contributed by Singapore, Australia and China operations.

In Singapore, Temporary Occupation Permit was obtained for CityLights at Jellicoe Road.

In China, CRL acquired three sites in Chengdu with its joint venture partner, Chengdu Zhixin Industrial Co., Ltd, to develop an integrated township comprising approximately 7,400 homes, a theme park, retail facilities, a five-star hotel and luxurious serviced villas. CRL also acquired a 90% stake in a company which owns a residential site in Changping District, Beijing.

A prime commercial site in Hangzhou city of Zhejiang Province was also secured to build Raffles City Hangzhou. This will be the fourth Raffles City in China.

In Vietnam, CRL released the second phase of units at The Vista for bookings and received overwhelming buyers' response. This brings the two phases of bookings, comprising over 500 units to be fully booked.

For FY 2007, the increase in revenue was due to higher contributions from China and Australia operations while the EBIT was contributed by Singapore, Australia and China. The improvements in the three sectors' operation arose from stronger sales and fair value gains from Australia and China as well as write back of previous provisions from Singapore. Singapore operations recorded a significant increase in EBIT and higher profit margins, in line with the strong recovery of the Singapore residential market. This is not reflected in the revenue growth as some of the development projects were joint ventures for which the Group only accounts for its share of results.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

S$M	4Q 2007	4Q 2006 (restated)	Variance %	FY 2007	FY 2006 (restated)	Variance %
Revenue	98.7	47.5	107.7	241.8	139.2	73.7
EBIT	326.6	239.5	36.4	1,962.9	361.0	443.8

The increase in revenue for 4Q 2007 was mainly due to the consolidation of 1 George Street which became a subsidiary in September 2007, sales revenue recognised for Wilkie Edge and higher property management fee income. The increases were partially offset by lower rental income due to the divestment of Temasek Tower in April 2007.

FY 2007's revenue was also higher for the same reasons mentioned above as well as the consolidation of Raffles City Shanghai.

The increase in EBIT for 4Q 2007 was mainly due to the fair value gains arising from the revaluation of investment properties and the consolidation of 1 George Street.

For FY 2007, EBIT was significantly higher and this was mainly attributable to the fair value gains from investment properties, divestment gains, improvement in operating results as well as the consolidation of Raffles City Shanghai and 1 George Street. During the year, CCL divested Temasek Tower, Chevron House (Singapore) and AIG Tower (Hong Kong).

Retail SBU: CapitaLand Retail Limited ("CRTL")

S$M	4Q 2007	4Q 2006	Variance %	FY 2007	FY 2006	Variance %
Revenue	40.5	34.2	18.4	124.2	94.6	31.3
EBIT	128.2	152.8	(16.1)	297.9	221.1	34.7

Revenue for 4Q 2007 was higher due mainly to higher fee income, higher revenue from Clarke Quay and revenue from Gurney Plaza in Malaysia which was acquired recently.

EBIT for 4Q 2007 was lower despite the higher revenue mainly because of lower divestment gains in this quarter. 4Q 2006 results included the divestment gain of Hotel InterContinental of $44.1 million and gains of $27.8 million from the divestments of China companies to CapitaRetail China Trust as well as the China development and incubator funds.

Revenue for FY 2007 was higher due to higher revenue from Clarke Quay and the malls in China and property management fees from the China funds. Clarke Quay's revenue was significantly boosted by the increased customer traffic following the completion of its enhancements in 4Q 2006.

FY 2007 EBIT was higher mainly attributable to higher fair value gains from the revaluation of investment properties.

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

S$M	4Q 2007	4Q 2006	Variance %	FY 2007	FY 2006	Variance %
Revenue	32.2	24.6	30.9	119.2	101.2	17.7
EBIT	18.5	11.6	59.5	69.7	61.6	13.2

The revenue increase in 4Q 2007 was due to the higher fund management fees from the enlarged Assets Under Management ("AUM") and higher acquisition fees.

EBIT for 4Q 2007 was significantly higher compared to the same period last year, mainly attributable to higher fund management revenue and higher share of profits from the associates, but partially offset by impairment loss made on investments and increased operating expenses.

The higher recurring fees on the enlarged AUM also accounted for the increase in revenue for FY 2007.

EBIT for FY 2007 was also higher than last year for the same reasons mentioned above.

For the year 2007, CFL's AUM grew by $2.6 billion to $15.9 billion[*] as at 31 December 2007. The growth came from new funds and real estate investment trust ("REIT") set up during the year, acquisitions by the funds under management and increase in valuation of existing funds' portfolio. The newly set up funds and REIT are CapitaRetail China Development Fund II, CapitaLand AIF, Raffles City Bahrain Fund, Malaysia Commercial Development Fund and Quill Capita Trust.

[*] *excludes Ascott Residence Trust ("ART") and Ascott Serviced Residence (China) Fund ("ARC"). If ART and ARC are included, Group's AUM was $17.7 billion.*

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

S$M	4Q 2007	4Q 2006 (restated)	Variance %	FY 2007 S$'000	FY 2006 (restated)	Variance %
Revenue	115.1	128.4	(10.4)	459.5	478.1	(3.9)
EBIT	107.3	24.4	340.2	337.2	202.5	66.5

The decreases in revenue for 4Q 2007 and FY 2007 were mainly due to the deconsolidation of ART but mitigated by the increased revenue from the Group's serviced residence operations in Europe, North Asia (comprising China, Hong Kong, Japan and Korea) and Singapore. In Europe, the higher revenue was driven by the growth in revenue per available unit ("REVPAU"). This was the result of the Group's initiatives on yield maximisation combined with the growing popularity and demand for serviced residence which contributed to the increase in REVPAU.

In North Asia and Singapore, the increases in revenue were mainly attributable to the increase in fee-based income. The higher fee-based income was mainly due to the fund management fees from Ascott Serviced Residence (China) Fund and higher management fees from ART due to better operating performance.

Higher EBIT for 4Q 2007 was attributable to stronger profit from operating assets as well as fair value gains from investment properties.

EBIT for FY 2007 was also higher for the same reasons mentioned above as well as portfolio gains.

9. Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the third 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 continue to see steady growth amidst a more challenging environment in view of uncertainties in the broader global arena. The residential projects slated for launch in 2008 include the Latitude condominium and the former Silver Tower site.

In China, CRL remains confident of the growth potential of China's real estate industry and will continue its strategic expansion into second tier cities and pursue new acquisitions in key gateway cities. Several projects in Beijing, Shanghai, Chengdu, Foshan and Hangzhou are slated for launch in 2008.

Australand maintains a positive outlook for 2008 and expects a continued contribution from its Residential business, growth in recurrent income from the high quality investment portfolio and continued growth in its Commercial & Industrial business.

It is envisaged that residential sales in Singapore, China and Australia will continue to perform reasonably well in 2008. CRL has also made significant progress in New Markets like Vietnam, India, Kazakhstan and Thailand, which will be targeting new launches in 2008.

In Vietnam, CRL intends to launch 3 projects in Ho Chi Minh City and will continue to seek opportunities to extend in depth and reach of its residential footprint in view of the growing demand for quality homes due to strong economic growth.

In Thailand, CRL, through T.C.C. Capital Land, intends to launch 2 projects in Bangkok and Krabi.

CRL also intends to launch its maiden residential project in Almaty, Kazakhstan.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

The Singapore office property market registered its strongest quarterly growth in rental over the past ten years. Prime rents averaged $15.00 psf per month in 4Q 2007, reflecting an increase of 19.0% quarter-on-quarter and 92.4% increase year-on-year, far exceeding the 50.0% growth rate set in 2006. Similarly, Grade A rents grew 15.1% quarter-on-quarter and 96.5% year-on-year to average $17.15 psf per month in 4Q 2007. Following 2 years of strong increases, the market is experiencing some tenants' resistance to rental escalations and is seeing more decentralisation to business parks. As a result, growth in Grade A rents is expected to moderate to 10.0% to 15.0% over 2007. We expect our office properties to perform well in 2008 in view of the current tight office supply.

Rental levels and occupancy rates for high-tech industrial space improved in 2007 as demand was boosted by traditional office tenants seeking cheaper alternative spaces due to the steep rise in office rents. Our industrial properties stand to benefit from the spillover demand from office tenants.

In 2008, CCL expects its overseas properties in China, Malaysia and United Kingdom to continue to do well, albeit at a slower growth rate in line with a downward revision of the global economic growth forecasts.

On 15 January 2008, CCL announced that it would sell its entire 50.0% stake in Hitachi Tower and is expected to recognise a gain of approximately $110.1 million upon completion of the transaction in 1Q 2008.

Retail SBU: CapitaLand Retail Limited ("CRTL")

Despite the lingering sub-prime issue in the United States ("US") affecting global growth, retail rents in Singapore are expected to rise in 2008, especially in prime areas such as Orchard Road, fuelled by strong demand and limited prime space. Retail rental rates in the Orchard area are expected to rise between 4.5% and 4.8% while those of the suburban malls are expected to go up by 2% to 5%.

In China, the consumer sector is expected to remain buoyant supported by rising purchasing power of Chinese consumers. Demand for retail space should remain strong, as evidenced by strong pre-leasing activity, expansions and renewals from major retailers, both international and domestic. CRTL will continue to build on its strong brand name as a premier retail mall developer and manager in China. 2008 will be a year where focus is on accelerating the opening of malls to ride on the rising momentum in consumerism and injecting more malls into the REITs.

CapitaLand has established the CapitaRetail India Development Fund with a fund size of $880 million of which CRTL has a 45% stake amounting to $400 million.

CRTL acquired Gurney Plaza and Mines Shopping Fair in Malaysia in 2007 and plans to use these as seed assets for a Malaysia REIT to be formed eventually.

Japan remains a key retail property market for CapitaLand. 2 additional malls were acquired in 2007 through CapitaRetail Japan Fund, making a total of 7 malls in the fund's portfolio. The fund will continue to actively pursue acquisition opportunities to further strengthen its presence there.

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

CFL will continue to strengthen its fund management business by focusing on growing its AUM through accretive acquisitions and asset enhancement for the existing 4 REITs and 14 private equity funds. CFL has approximately $11.8 billion of investible capital yet to be deployed under existing private equity funds, which have mandates to invest in South East Asia, China, India, Japan and the Gulf Cooperation Council (GCC) countries.

In addition, CFL plans to originate new REIT/property funds following the increased institutional and private investors' interest for real estate investments in Asia.

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

The Group expects its serviced residence business to be profitable in 2008. On 8 January 2008, DBS Bank Ltd announced, for and on behalf of Somerset Capital Pte Ltd ("Offeror"), a wholly-owned subsidiary of the Group, its intention to make a voluntary unconditional cash offer for the remaining shares in The Ascott Group Limited ("Ascott") that the Offeror, Somerset Land Pte Ltd and Areca Investment Pte Ltd do not already own at $1.73 in cash for each Ascott share. The Offeror intends to privatise Ascott. If it is entitled to do so, the Offeror intends to exercise any rights of compulsory acquisition that it may have in connection with the offer.

GROUP OVERALL PROSPECTS FOR 2008

The Group had an exceptional 2007, with very strong business performance in our core markets of Singapore, China and Australia, and continuing expansion into our newer growth markets. Our multi-local, multi-sector strategy delivered strong and balanced results. At the same time, we also took the opportunity in 2007 to strengthen our financial position by continuing to unlock capital through recycling of our stabilised assets, and managing our debt profile.

Looking forward, the current weakness in the US housing market and economy and the tight credit environment will likely cast a cloudy outlook over the general economic and business conditions for at least the first half of 2008. However, the Group, with its strong cash reserves and low gearing is well positioned to capitalise on opportunities that could arise during this period and to further grow its well-diversified portfolio. We remain confident of Asia's healthy and sustainable growth trends and will continue to actively pursue business opportunities. The Group's prospects continue to be underpinned by the following key drivers:

- Developing the Group's geographic footprint;
- Maintaining focus on the following core real estate sectors: residential, retail, commercial and integrated development and serviced residence business;
- Growing our AUM through our REIT and private equity fund management business;
- Stringent focus on capital management and recycling capital to achieve optimal risk-adjusted returns for shareholders, underpinned by our disciplined and independent risk management processes;
- Investing in human capital with an emphasis on nurturing the spirit of innovation, creativity and entrepreneurship amongst our more than 9,000 strong global staff under our international brand name.

The Group is confident that it will be profitable in 2008 given its strong business momentum and financial position, although the level of profitability will be dependent on the impact that the prevailing global economic environment has on our business.

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

Not applicable.

13. Segmental Revenue & Results

13(a)(i) By Strategic Business Units (SBUs) – 4Q 2007 vs 4Q 2006

	Revenue			Earnings before interest & tax		
	4Q 2007 S$'000	4Q 2006 S$'000 (restated)	Variance %	4Q 2007 S$'000	4Q 2006 S$'000 (restated)	Variance %
Continuing operations						
Residential [1] [2]	1,042,152	771,222	35.1	444,624	276,584	60.8
Commercial [1]	98,678	47,503	107.7	326,579	239,491	36.4
Retail	40,524	34,237	18.4	128,173	152,806	(16.1)
Financial Services	32,183	24,591	30.9	18,488	11,588	59.5
TAG & ART	115,120	128,430	(10.4)	107,271	24,368	340.2
Others and Consolidation adjms [3]	(4,329)	(7,304)	40.7	(3,914)	5,844	NM
Total	**1,324,328**	**998,679**	**32.6**	**1,021,221**	**710,681**	**43.7**

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

	Revenue			Earnings before interest & tax		
	FY 2007 S$'000	FY 2006 S$'000 (restated)	Variance %	FY 2007 S$'000	FY 2006 S$'000 (restated)	Variance %
Continuing operations						
Residential [1] [2]	2,863,716	2,356,047	21.5	1,073,693	703,655	52.6
Commercial [1]	241,793	139,195	73.7	1,962,934	360,967	443.8
Retail	124,247	94,614	31.3	297,865	221,137	34.7
Financial Services	119,172	101,222	17.7	69,725	61,576	13.2
TAG & ART	459,475	478,120	(3.9)	337,169	202,530	66.5
Others and Consolidation adjms [3]	(15,700)	(21,473)	26.9	82,656	264,263	(68.7)
Total	**3,792,703**	**3,147,725**	**20.5**	**3,824,042**	**1,814,128**	**110.8**

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 group's new businesses. 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		
	FY 2007 S$'000	FY 2006 S$'000	Variance %	FY 2007 S$'000	FY 2006 S$'000 (restated)	Variance %
The Ascott Group	435,277	405,866	7.2	281,338	269,733	4.3

13(b)(i) By Geographical Location – 4Q 2007 vs 4Q 2006

	Revenue			Earnings before interest & tax		
	4Q 2007 S$'000	4Q 2006 S$'000	Variance %	4Q 2007 S$'000	4Q 2006 S$'000 (restated)	Variance %
Continuing operations						
Singapore	197,043	178,971	10.1	614,166	452,512	35.7
China [1]	318,121	240,565	32.2	164,676	107,033	53.9
Asia / GCC [2]	17,663	24,515	(28.0)	(34,560)	5,260	NM
Australia & New Zealand	715,167	488,151	46.5	220,649	128,335	71.9
Europe	73,055	66,539	9.8	53,771	17,417	208.7
Others	3,279	(62)	NM	2,519	124	NM
Total	**1,324,328**	**998,679**	**32.6**	**1,021,221**	**710,681**	**43.7**

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

	Revenue			Earnings before interest & tax		
	FY 2007 S$'000	FY 2006 S$'000	Variance %	FY 2007 S$'000	FY 2006 S$'000 (restated)	Variance %
Continuing operations						
Singapore	895,244	906,312	(1.2)	2,330,988	930,880	150.4
China [1]	1,094,201	657,854	66.3	879,255	408,895	115.0
Asia / GCC [2]	68,221	85,547	(20.3)	(537)	23,760	NM
Australia & New Zealand	1,446,306	1,247,151	16.0	450,226	279,792	60.9
Europe	280,181	250,861	11.7	161,737	170,801	(5.3)
Others	8,550	-	NM	2,373	-	NM
Total	**3,792,703**	**3,147,725**	**20.5**	**3,824,042**	**1,814,128**	**110.8**

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

	2007 S$'000	2006 S$'000 (restated)	Increase / (Decrease) %
(a) Revenue (Continuing operations)			
- first half	1,572,606	1,430,378	9.9
- second half	2,220,097	1,717,347	29.3
Full year revenue	**3,792,703**	**3,147,725**	**20.5**
(b) Profit after tax before deducting minority interests ("PAT")			
- first half	1,032,703	342,360	201.6
- second half	2,119,743	940,313	125.4
Full year PAT	**3,152,446**	**1,282,673**	**145.8**

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

16(a)

	Current financial year ended 31/12/2007		
Name of Dividend	**First & Final (One-tier)**	**Special (One-tier)**	**Total**
Type of Dividend	Cash	Cash	Cash
Dividend Per share	8.0 cents	7.0 cents	15.0 cents
Annual Dividend (S$'000)	**224,478**	**196,417**	**420,895**

16(b)

	Previous 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	3.81 cents	3.19 cents	5.0 cents	12.0 cents
Tax Rate	18%	-	-	-
Annual Dividend after tax (S$'000)	**87,552**	**89,395**	**140,118**	**317,065**

Note : *The Board of Directors has recommended the above dividends for the financial year ended 31 December 2007. 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 2007. The actual dividend payment can only be determined on books closure dates.*

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
22 February 2008

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.