



Full Year Financial Statement Announcement for the Period Ended 31 December 2008

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	2008 \$'000	2007 \$'000	+ / (-) %
Revenue	1	355,290	271,012	31
Cost of sales	2	(144,691)	(107,831)	34
Gross profit		210,599	163,181	29
Investment income	3	4,571	5,172	(12)
Other gains/(losses) - net		58	2,620	(98)
Selling and distribution costs		(13,771)	(8,939)	54
Administrative expenses		(10,488)	(8,141)	29
Finance expenses		(10,179)	(12,230)	(17)
Share of results of associated companies		45,078	84,745	(47)
		225,868	226,408	(0)
Fair value (loss)/gain on investment properties	4	(319,740)	1,463,470	n.m.
(Loss)/Profit before income tax	5	(93,872)	1,689,878	n.m.
Income tax credit/(expense)	6	18,915	(264,813)	n.m.
Net (loss)/profit		(74,957)	1,425,065	n.m.
Attributable to:				
Equity holders of the Company		(117,444)	1,357,309	n.m.
Minority interests		42,487	67,756	(37)
		(74,957)	1,425,065	n.m.
The above net (loss)/profit attributable to equity holders of the Company can be analysed as follows:				
Net profit before fair value (loss)/gain on investment properties		158,494	137,471	15
Net fair value (loss)/gain on investment properties held by subsidiary and associated companies		(275,938)	1,219,838	n.m.
Net attributable (loss)/profit		(117,444)	1,357,309	n.m.

n.m. - not meaningful

Notes to the income statement

	2008	2007
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	231,776	187,425
Gross revenue from hotel operations	117,414	77,879
Car parking income and property management fees	6,100	5,708
	<u>355,290</u>	<u>271,012</u>
<u>2. Cost of sales</u>		
Property operating expenses	72,079	56,579
Cost of sales from hotel operations	72,612	51,252
	<u>144,691</u>	<u>107,831</u>
<p>The increase in property operating expenses was due mainly to higher property tax. The higher cost of sales from hotel operations was due mainly to the full year consolidation of the results of The Pan Pacific Singapore hotel (see paragraph 8).</p>		
<u>3. Investment income</u>		
Interest income	1,775	3,086
Dividend income	2,796	2,086
	<u>4,571</u>	<u>5,172</u>
<p>4. This relates to the year end revaluation of the investment properties held by subsidiary companies (see paragraph 8).</p>		
<u>5. (Loss)/Profit before income tax</u>		
(Loss)/Profit before income tax is stated after charging:		
Depreciation	11,431	8,286
<u>6. Income tax credit/(expense)</u>		
Income tax credit/(expense) includes the following:		
Deferred income tax credit/(expense) provided on fair value (loss)/gain on investment properties held by subsidiary companies	57,553	(249,580)
(Under)/Overprovision in preceding financial years	(3,711)	9,011

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
ASSETS					
Non-current assets					
Other receivables	1	85,066	84,510	174,393	341,662
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		351,720	336,590	350	350
Investment in subsidiary companies		-	-	972,442	965,698
Investment properties	2	4,406,687	4,702,961	-	-
Property, plant and equipment		396,750	400,716	-	-
		<u>5,252,268</u>	<u>5,536,822</u>	<u>1,147,185</u>	<u>1,307,710</u>
Current assets					
Cash and cash equivalents		46,849	25,675	198	170
Properties held for sale		423,190	385,751	-	-
Trade and other receivables		10,951	13,088	152	211
Inventories, at cost		1,031	984	-	-
Tax recoverable		-	4,999	-	4,999
Other current assets		627	532	-	-
		<u>482,648</u>	<u>431,029</u>	<u>350</u>	<u>5,380</u>
Total assets		5,734,916	5,967,851	1,147,535	1,313,090
LIABILITIES					
Current liabilities					
Trade and other payables		79,966	64,510	1,316	1,323
Current income tax liabilities		33,940	25,953	424	-
Borrowings		236,825	259,472	60,624	192,624
		<u>350,731</u>	<u>349,935</u>	<u>62,364</u>	<u>193,947</u>
Non-current liabilities					
Trade and other payables	3	45,030	37,706	25,591	61,651
Borrowings		452,879	479,000	-	-
Deferred income tax liabilities		505,080	556,821	-	-
		<u>1,002,989</u>	<u>1,073,527</u>	<u>25,591</u>	<u>61,651</u>
Total liabilities		1,353,720	1,423,462	87,955	255,598
NET ASSETS		4,381,196	4,544,389	1,059,580	1,057,492
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,055,410	3,252,642	219,231	217,143
		<u>3,895,759</u>	<u>4,092,991</u>	<u>1,059,580</u>	<u>1,057,492</u>
Minority interests		485,437	451,398	-	-
TOTAL EQUITY		4,381,196	4,544,389	1,059,580	1,057,492

Notes to the balance sheet

1. The Company's other receivables, comprising mainly amounts due from subsidiary companies, decreased due mainly to intercompany funding.
2. Investment properties decreased due mainly to the \$319.7 million fair value loss on the Group's investment properties.
3. The Company's trade and other payables, comprising mainly amounts due to subsidiary companies, decreased due mainly to intercompany funding.

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

Amount repayable in one year or less, or on demand

At 31.12.2008		At 31.12.2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	236,825	-	259,472

Amount repayable after one year

At 31.12.2008		At 31.12.2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
247,379	205,500	231,000	248,000

Details of any collateral

The \$247.4 million (31 December 2007: \$231.0 million) loan is secured by way of a legal mortgage over a residential property development project.

1(c)

A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	(93,872)	1,689,878
Adjustments for :		
Depreciation of property, plant and equipment	11,431	8,286
Employee share option expense	568	328
Loss on disposal of property, plant and equipment	1,654	2,027
Share of results of associated companies	(45,078)	(84,745)
Fair value loss/(gain) on investment properties	319,740	(1,463,470)
Investment income	(4,571)	(5,172)
Interest expense	10,179	12,230
Operating cash flow before working capital changes	<u>200,051</u>	<u>159,362</u>
Changes in operating assets and liabilities, net of effects from acquisition of a subsidiary company:		
Properties held for sale	(26,771)	(385,976)
Inventories	(46)	(29)
Trade and other receivables	2,041	4,280
Trade and other payables	22,516	14,255
Cash generated from/(used in) operations	<u>197,791</u>	<u>(208,108)</u>
Interest paid	(18,444)	(11,425)
Income tax paid	(19,840)	(28,251)
Net cash provided by/(used in) operating activities	<u>159,507</u>	<u>(247,784)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,145)	(12,837)
Proceeds from disposal of property, plant and equipment	26	64
Acquisition of a subsidiary company, net of cash acquired	-	(139,479)
Development and upgrading of investment properties	(23,466)	(16,386)
Loans to associated companies	(56)	(1,355)
Repayment of loans by associated companies	985	57,186
Proceeds from distribution by an investee company	-	662
Dividends received from unquoted equity investments	2,796	2,086
Dividends received from associated companies	29,950	9,555
Interest received	289	385
Net cash provided by/(used in) investing activities	<u>1,379</u>	<u>(100,119)</u>
Cash flows from financing activities		
Repayment of borrowings	(65,147)	-
Proceeds from borrowings	16,379	514,816
Dividends paid to shareholders	(82,496)	(152,204)
Dividends paid to minority shareholders	(8,448)	(6,927)
Net cash (used in)/provided by financing activities	<u>(139,712)</u>	<u>355,685</u>
Net increase in cash and cash equivalents	21,174	7,782
Cash and cash equivalents at beginning of financial year	<u>25,675</u>	<u>17,893</u>
Cash and cash equivalents at end of financial year	<u>46,849</u>	<u>25,675</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<u>Equity holders of the Company</u>				
Beginning of financial year	4,092,991	2,848,011	1,057,492	1,116,927
Surplus on revaluation of property, plant and equipment (see note *)	-	39,706	-	-
Exchange gain on translation of financial statement of a foreign entity	2,708	169	-	-
Net income recognised directly in equity	2,708	39,875	-	-
Net (loss)/profit	(117,444)	1,357,309	84,584	92,769
Total recognised (loss)/income	(114,736)	1,397,184	84,584	92,769
Dividends paid	(82,496)	(152,204)	(82,496)	(152,204)
End of financial year	3,895,759	4,092,991	1,059,580	1,057,492
<u>Minority interests</u>				
Beginning of financial year	451,398	355,457	-	-
Surplus on revaluation of property, plant and equipment (see note *)	-	35,112	-	-
Net income recognised directly in equity	-	35,112	-	-
Net profit	42,487	67,756	-	-
Total recognised income	42,487	102,868	-	-
Dividends paid by a subsidiary company	(8,448)	(6,927)	-	-
End of financial year	485,437	451,398	-	-
<u>Total equity</u>				
Beginning of financial year	4,544,389	3,203,468	1,057,492	1,116,927
Surplus on revaluation of property, plant and equipment (see note *)	-	74,818	-	-
Exchange gain on translation of financial statement of a foreign entity	2,708	169	-	-
Net income recognised directly in equity	2,708	74,987	-	-
Net (loss)/profit	(74,957)	1,425,065	84,584	92,769
Total recognised (loss)/income	(72,249)	1,500,052	84,584	92,769
Dividends paid	(82,496)	(152,204)	(82,496)	(152,204)
Dividends paid by a subsidiary company to minority shareholders	(8,448)	(6,927)	-	-
End of financial year	4,381,196	4,544,389	1,059,580	1,057,492

* The revaluation surplus arose from the fair value adjustment of the property, plant and equipment of Hotel Marina City Pte Ltd upon acquisition in April 2007.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

NIL.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The same accounting policies and methods of computation as in the 2007 audited annual financial statements have been applied for the current reporting period.

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.**

NIL.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Latest year 31.12.2008	Previous year 31.12.2007
(Loss)/Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value (loss)/gain on investment properties	38.4 cents	33.3 cents
- including fair value (loss)/gain on investment properties	(28.5) cents	329.1 cents
(b) <u>On a fully diluted basis</u> Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as the Company has not issued any options or warrants which would have a dilutive effect on (loss)/earnings per share when exercised.		

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	At 31.12.2008	At 31.12.2007
Net asset value per ordinary share		
Group	\$9.44	\$9.92
Company	\$2.57	\$2.56

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Gross revenue increased by \$84.3 million (31%) to \$355.3 million due mainly to higher rental income and revenue from The Pan Pacific Singapore hotel. Gross rental income at \$231.8 million was higher by \$44.4 million (24%) attributable to higher rental rates. A full year consolidation of the revenue of The Pan Pacific Singapore hotel (a wholly-owned subsidiary since April 2007) and the improved room rates contributed to a \$39.5 million increase to \$117.4 million in gross revenue from the hotel.

Excluding the Group's share of fair value loss on investment properties held by associated companies of \$8.1 million (2007: \$44.0 million fair value gain), share of results of associated companies increased by \$12.5 million (31%) due mainly to higher contribution from One Amber and The Sixth Avenue Residences residential projects with the progressive recognition of development profits on percentage of completion basis.

Based on year end valuation by professional valuers on the investment properties held by subsidiary companies, a fair value loss of \$319.7 million (2007: \$1,463.5 million fair value gain) was charged to the profit and loss account.

In 2008, minority interests include \$5.7 million fair value gain (2007: \$38.1 million) attributable to the investment property, Marina Square Complex, owned by Marina Centre Holding Pte Ltd ("MCH"). The decrease in minority interests was partially offset by higher operating profit in MCH, which the Group has a 53% interest.

In summary, net profit from operations increased by \$21.0 million (15%) to \$158.5 million (2007: \$137.5 million). A deduction of the fair value loss net of deferred income tax and minority interests of \$275.9 million (2007: \$1,219.8 million net fair value gain) resulted in an overall net loss of \$117.4 million (2007: net profit of \$1,357.3 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and 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.

Given the poor economic outlook, the office and retail rental market as well as the private housing market are expected to continue to be weak.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	20.0 cents per ordinary share
Tax rate	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	20.0 cents per ordinary share
Tax rate	Tax exempt (One-tier)

(c) Date payable

The proposed dividend is payable on 20 May 2009.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 5 May 2009 to 6 May 2009, both dates inclusive, for the preparation of dividend warrants. Registrable transfers received by the Registrars, Messrs Tricor Barbinder Share Registration Services at 8 Cross Street #11-00, PWC Building, Singapore 048424, up to 5.00 pm on 4 May 2009 will be registered before entitlements to the dividend are determined. In respect of shares registered in securities accounts with Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP for distribution to the respective shareholders.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Property investment	Property trading	Hotel operations	Group
Year ended 31 December 2008	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	237,876	-	117,414	355,290
Segment result	160,692	(4,310)	32,423	188,805
Unallocated costs				(2,407)
Investment income				4,571
Finance expenses				(10,179)
Share of results of associated companies	4,697	22,500	17,881	<u>45,078</u>
				225,868
Fair value loss on investment properties	(319,740)	-	-	<u>(319,740)</u>
Loss before income tax				(93,872)
Income tax credit				<u>18,915</u>
Net loss				<u>(74,957)</u>

	Property investment	Property trading	Hotel operations	Group
Year ended 31 December 2007	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	193,133	-	77,879	271,012
Segment result	133,867	-	16,604	150,471
Unallocated costs				(1,750)
Investment income				5,172
Finance expenses				(12,230)
Share of results of associated companies	54,659	13,407	16,679	<u>84,745</u>
				226,408
Fair value gain on investment properties	1,463,470	-	-	<u>1,463,470</u>
Profit before income tax				1,689,878
Income tax expense				<u>(264,813)</u>
Net profit				<u>1,425,065</u>

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

Share of results of associated companies in the property investment segment was lower this year due mainly to the share of fair value loss on investment properties held by associated companies of \$8.1 million (2007: fair value gain of \$44.0 million).

Earnings for the property trading segment registered a loss due mainly to the showflat costs incurred for a residential development project. Share of results of associated companies in the property trading segment was higher this year due to higher contribution from One Amber and The Sixth Avenue Residences residential projects.

Revenue and earnings in the hotel operations segment were higher due to the full year consolidation of the results of The Pan Pacific Singapore hotel (which became a 100% owned subsidiary in April 2007) and higher room rates.

15. A breakdown of sales.

	2008	2007	+ / (-)
	\$'000	\$'000	%
(a) Sales reported for the first half year	172,329	116,688	48
(b) Operating profit after tax before deducting minority interests reported for the first half year	141,400	76,243	85
(c) Sales reported for the second half year	182,961	154,324	19
(d) Operating (loss)/profit after tax before deducting minority interests reported for the second half year	(216,357)	1,348,822	n.m.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000) Recommended	Previous Full Year (S\$'000) Declared
Ordinary	82,496	82,496
Preference	-	-
Total	82,496	82,496

The Directors propose to recommend a First and Final Dividend (one-tier tax exempt) of 20.0 cents per share (2007: 20.0 cents per share) amounting to \$82.5 million (2007: \$82.5 million) in respect of the financial year ended 31 December 2008. The proposed dividend if approved at the forthcoming Annual General Meeting, will be paid on 20 May 2009. The 45th Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Friday, 24 April 2009, at 2.00 pm.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
12/2/2009