



## Full Year Financial Statement Announcement for the Period Ended 31 December 2007

**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	2007 \$'000	2006 \$'000	+ / (-) %
Revenue	1	271,012	202,955	34
Cost of sales	2	(107,831)	(77,788)	39
Gross profit		163,181	125,167	30
Investment income	3	5,172	9,612	(46)
Fair value gain on investment properties	4	1,463,470	-	n.m.
Other gains/(losses) - net		2,620	2,033	29
Selling and distribution costs		(8,939)	(9,840)	(9)
Administrative expenses	5	(8,141)	(3,599)	126
Finance expenses		(12,230)	(8,992)	36
Share of results of associated companies		84,745	25,715	230
Profit before income tax	6	1,689,878	140,096	1,106
Income tax expense	7	(264,813)	(18,742)	1,313
Net profit		1,425,065	121,354	1,074
Attributable to:				
Equity holders of the Company		1,357,309	100,360	1,252
Minority interests		67,756	20,994	223
		1,425,065	121,354	1,074

The above net profit attributable to equity holders of the Company can be analysed as follows:

Net profit before fair value gain on investment properties	137,471	100,360
Net fair value gain on investment properties held by subsidiary and associated companies	1,219,838	-
Net attributable profit	1,357,309	100,360

n.m. - not meaningful

Notes to the income statement

	<b>2007</b>	<b>2006</b>
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	187,425	156,817
Gross revenue from hotel operations	77,879	-
Sales of properties held for sale	-	40,658
Car parking income and property management fees	5,708	5,480
	<u>271,012</u>	<u>202,955</u>

<u>2. Cost of sales</u>		
Property operating expenses	56,579	50,053
Cost of sales from hotel operations	51,252	-
Cost of properties held for sale sold	-	33,226
Writeback of allowance for foreseeable losses on properties held for sale	-	(5,491)
	<u>107,831</u>	<u>77,788</u>

The increase in property operating expenses was due mainly to higher property tax.

<u>3. Investment income</u>		
Interest income	3,086	6,105
Dividend income	2,086	3,507
	<u>5,172</u>	<u>9,612</u>

4. This relates to the revaluation of the investment properties held by subsidiary companies (see paragraphs 4 and 8).

5. The increase in administrative expenses was due mainly to the consolidation of the results of Hotel Marina City Pte Ltd (see paragraph 8).

<u>6. Profit before income tax</u>		
Profit before income tax is stated after charging:		
Depreciation	<u>8,286</u>	<u>604</u>

The increase in depreciation charge was due mainly to the consolidation of the results of Hotel Marina City Pte Ltd (see paragraph 8).

<u>7. Income tax expense</u>		
Income tax expense includes the following:		
Deferred income tax expense provided on fair value gain on investment properties held by subsidiary companies (see paragraph 4)	249,580	-
Overprovision in preceding financial years	<u>(9,011)</u>	<u>(2,279)</u>

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	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	84,510	138,015	341,662	300,822
Financial assets, available-for-sale		12,045	12,706	-	-
Investment in associated companies		336,590	340,595	350	350
Investment in subsidiary companies		-	-	965,698	965,514
Investment properties	2	4,702,961	3,223,068	-	-
Property, plant and equipment	3	400,716	3,592	-	-
		<u>5,536,822</u>	<u>3,717,976</u>	<u>1,307,710</u>	<u>1,266,686</u>
<b>Current assets</b>					
Cash and cash equivalents		25,675	21,055	170	93
Properties held for sale	4	385,751	-	-	-
Trade and other receivables		13,088	5,752	211	45
Inventories, at cost		984	481	-	-
Tax recoverable		4,999	-	4,999	-
Other current assets		532	2,909	-	-
		<u>431,029</u>	<u>30,197</u>	<u>5,380</u>	<u>138</u>
<b>Total assets</b>		5,967,851	3,748,173	1,313,090	1,266,824
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		64,510	35,974	1,323	1,327
Current income tax liabilities		25,953	24,810	-	1,152
Borrowings		259,472	107,318	192,624	92,600
		<u>349,935</u>	<u>168,102</u>	<u>193,947</u>	<u>95,079</u>
<b>Non-current liabilities</b>					
Trade and other payables		37,706	36,377	61,651	54,818
Borrowings		479,000	56,000	-	-
Deferred income tax liabilities	5	556,821	15,552	-	-
		<u>1,073,527</u>	<u>107,929</u>	<u>61,651</u>	<u>54,818</u>
<b>Total liabilities</b>		1,423,462	276,031	255,598	149,897
<b>NET ASSETS</b>		<u>4,544,389</u>	<u>3,472,142</u>	<u>1,057,492</u>	<u>1,116,927</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,252,642	2,251,371	217,143	276,578
		<u>4,092,991</u>	<u>3,091,720</u>	<u>1,057,492</u>	<u>1,116,927</u>
Minority interests		451,398	380,422	-	-
<b>TOTAL EQUITY</b>		<u>4,544,389</u>	<u>3,472,142</u>	<u>1,057,492</u>	<u>1,116,927</u>

Notes to the balance sheet

1. The Group's other receivables decreased due mainly to the partial repayment of shareholder's loan granted to an associated company for a residential development project. The Company's other receivables, comprising mainly amounts due from subsidiary companies, increased due mainly to intercompany funding.

2. Investment properties increased due mainly to the \$1,463.5 million fair value gain on the Group's investment properties (see paragraph 1(a) note 4).

3. Property, plant and equipment ("PPE") increased mainly due to the inclusion of PPE (mainly leasehold land and building) of Hotel Marina City Pte Ltd (see paragraph 8).

4. Properties held for sale increased due to the purchase of land for residential property development projects.

5. Deferred income tax liabilities increased mainly due to deferred income tax expense provided on the fair value gain on the Group's investment properties (see paragraph 4).

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

**Amount repayable in one year or less, or on demand**

At 31.12.2007		At 31.12.2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	259,472	-	107,318

**Amount repayable after one year**

At 31.12.2007		At 31.12.2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
231,000	248,000	-	56,000

**Details of any collateral**

The \$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.**

	<b>2007</b>	<b>2006</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	1,689,878	140,096
Adjustments for :		
Depreciation of property, plant and equipment	8,286	604
Employee share option expense	328	-
Loss/(Gain) on disposal of property, plant and equipment	2,027	(38)
Share of results of associated companies	(84,745)	(25,715)
Fair value gain on investment properties	(1,463,470)	-
Investment income	(5,172)	(9,612)
Interest expense	12,230	8,992
Writeback of allowance for foreseeable losses on properties held for sale	-	(5,491)
Operating cash flow before working capital changes	<u>159,362</u>	<u>108,836</u>
Changes in operating assets and liabilities, net of effects from acquisition of a subsidiary company:		
Properties held for sale	(385,976)	33,306
Inventories	(29)	(34)
Trade and other receivables	4,280	16,930
Trade and other payables	14,255	5,586
Cash (used in)/generated from operations	<u>(208,108)</u>	<u>164,624</u>
Interest paid	(11,425)	(10,006)
Income tax paid	(28,251)	(8,178)
<b>Net cash (used in)/provided by operating activities</b>	<u>(247,784)</u>	<u>146,440</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,837)	(261)
Proceeds from disposal of property, plant and equipment	64	57
Acquisition of a subsidiary company, net of cash acquired	(139,479)	-
Development and upgrading of investment properties	(16,386)	(5,823)
Loans to associated companies	(1,355)	(55,482)
Repayment of loans by associated companies	57,186	21,600
Investment in an associated company	-	(480)
Proceeds from distribution by an investee company	662	-
Dividends received	11,641	7,567
Interest received	385	2,111
<b>Net cash used in investing activities</b>	<u>(100,119)</u>	<u>(30,711)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	(218,500)
Proceeds from borrowings	514,816	104,156
Dividends paid to shareholders	(152,204)	(65,996)
Dividends paid to minority shareholders	(6,927)	(6,759)
<b>Net cash provided by/(used in) financing activities</b>	<u>355,685</u>	<u>(187,099)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,782	(71,370)
Cash and cash equivalents at beginning of financial year	<u>17,893</u>	<u>89,263</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>25,675</u>	<u>17,893</u>
<b>Cash and cash equivalents at end of financial year comprise the following:</b>		
Cash and bank balances	25,675	21,055
Bank overdrafts (unsecured)	-	(3,162)
	<u>25,675</u>	<u>17,893</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	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<u>Equity holders of the Company</u>				
<b>Beginning of financial year</b>	3,091,720	2,528,141	1,116,927	1,111,102
Effect of adopting new standards (see paragraph 4)				
- Asset revaluation reserve (transferred to retained earnings)	(1,223,111)	-	-	-
- Retained earnings (transferred from asset revaluation reserve)	1,223,111	-	-	-
- Retained earnings (provision for deferred income tax)	(243,709)	-	-	-
	(243,709)	-	-	-
	2,848,011	2,528,141	1,116,927	1,111,102
Surplus on revaluation of property, plant and equipment (see note *)	39,706	-	-	-
Surplus on revaluation of investment properties	-	529,215	-	-
Exchange gain on translation of financial statement of a foreign entity	169	-	-	-
Net income recognised directly in equity	39,875	529,215	-	-
Net profit	1,357,309	100,360	92,769	71,821
<b>Total recognised income</b>	1,397,184	629,575	92,769	71,821
Dividends paid	(152,204)	(65,996)	(152,204)	(65,996)
<b>End of financial year</b>	4,092,991	3,091,720	1,057,492	1,116,927
<u>Minority interests</u>				
<b>Beginning of financial year</b>	380,422	357,618	-	-
Effect of adopting new standards (see paragraph 4)	(24,965)	-	-	-
	355,457	357,618	-	-
Surplus on revaluation of property, plant and equipment (see note *)	35,112	-	-	-
Surplus on revaluation of investment properties	-	8,569	-	-
Net income recognised directly in equity	35,112	8,569	-	-
Net profit	67,756	20,994	-	-
<b>Total recognised income</b>	102,868	29,563	-	-
Dividends paid by a subsidiary company	(6,927)	(6,759)	-	-
<b>End of financial year</b>	451,398	380,422	-	-
<u>Total equity</u>				
<b>Beginning of financial year</b>	3,472,142	2,885,759	1,116,927	1,111,102
Effect of adopting new standards (see paragraph 4)	(268,674)	-	-	-
	3,203,468	2,885,759	1,116,927	1,111,102
Surplus on revaluation of property, plant and equipment (see note *)	74,818	-	-	-
Surplus on revaluation of investment properties	-	537,784	-	-
Exchange gain on translation of financial statement of a foreign entity	169	-	-	-
Net income recognised directly in equity	74,987	537,784	-	-
Net profit	1,425,065	121,354	92,769	71,821
<b>Total recognised income</b>	1,500,052	659,138	92,769	71,821
Dividends paid	(152,204)	(65,996)	(152,204)	(65,996)
Dividends paid by a subsidiary company to minority shareholders	(6,927)	(6,759)	-	-
<b>End of financial year</b>	4,544,389	3,472,142	1,057,492	1,116,927

\* The revaluation surplus arose from the fair value adjustment of the property, plant and equipment of Hotel Marina City Pte Ltd upon acquisition (see paragraph 8).

- 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 2006 audited annual financial statements have been applied for the current reporting period except for the adoption of Financial Reporting Standard ("FRS") 40 - Investment Property that is effective for the Group's financial year beginning 1 January 2007. The effects on adoption are set out below.

**(a) FRS 40 - Investment Property**

Prior to 1 January 2007, the Group had accounted for its investment properties under FRS 25 - Accounting for Investments, where the changes in fair values of investment properties were taken to the asset revaluation reserve. Under FRS 40, changes in fair values of investment properties are required to be included in the income statement for the period in which the changes arise.

**(b) FRS 12 - Income Taxes**

Prior to 1 January 2007, a deferred income tax liability on the revaluation surplus of investment properties was not recognised. Upon adoption of FRS 40, the Group has accounted for the related deferred income tax liability on 1 January 2007.

The Group elected to account for the effects prospectively. On transition to FRS 40 on 1 January 2007, the asset revaluation reserve as at 31 December 2006 of \$1,223.1 million was transferred to the opening retained earnings at 1 January 2007. Also, a deferred income tax provision of \$243.7 million was made on the prior years' asset revaluation surplus which was taken against the opening retained earnings at 1 January 2007.

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 paragraph 4 above.

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.**

	<b>Latest year</b>	<b>Previous year</b>
	<b>31.12.2007</b>	<b>31.12.2006</b>
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain on investment properties	33.3 cents	24.3 cents
- including fair value gain on investment properties	329.1 cents	24.3 cents
(b) <u>On a fully diluted basis</u>		
Diluted earnings per share is the same as basic earnings per share as the Company has not issued any options or warrants which would have a dilutive effect on 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.**

	<b>At 31.12.2007</b>	<b>At 31.12.2006</b>
Net asset value per ordinary share		
Group	\$9.92	\$7.50
Company	\$2.56	\$2.71

**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.**

Revenue increased by \$68.1 million (34%) to \$271.0 million due to the contribution from Pan Pacific Singapore hotel (\$77.9 million) and higher rental income, despite absence of \$40.7 million sales of The Paterson and Stevens Loft residential properties which were fully sold in 2006.

Following Marina Centre Holding Pte Ltd's ("MCH") acquisition of the remaining 50% interest in Hotel Marina City Pte Ltd ("HMC") which owns the Pan Pacific Singapore hotel in April 2007, HMC became a wholly-owned subsidiary of the Group. Starting from April 2007, HMC's assets and liabilities and income and expenses are consolidated on a line-by-line basis. HMC's net profit for the first quarter 2007 was equity accounted for under "share of results of associated companies".

Gross rental income at \$187.4 million was higher by \$30.6 million (20%) attributable to higher rental rates and improved occupancy.

Based on 2007 year end independent valuation of the investment properties held by subsidiary companies, the fair value gain of \$1,463.5 million was credited to the profit and loss account.

Excluding the Group's share of fair value gain on investment properties held by associated companies of \$44.0 million, share of results of associated companies increased by \$15.0 million due mainly to higher contribution from the One Amber and The Sixth Avenue Residences residential projects with progressive recognition of profits on a percentage of completion basis.

In 2007, minority interests include \$38.1 million fair value gain attributable to the investment properties, Marina Square Retail Mall and Marina Bayfront, owned by MCH. Coupled with higher operating profit in MCH, which the Group has a 53% interest, minority interests increased by \$46.8 million (223%) to \$67.8 million.

Overall, the Group's net attributable profit was \$1,357.3 million (2006: \$100.4 million), of which \$137.5 million (2006: \$100.4 million) was derived from operations and \$1,219.8 million from fair value gain on investment properties.

**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.**

With the Singapore economy forecast to grow moderately and office supply continuing to be limited in 2008, the office and retail rental market is expected to remain buoyant. The outlook on the residential property market is however cautious amidst the current turbulent global financial environment.

**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	18.0%

Name of dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	25.0 cents per ordinary share
Tax rate	18.0%

***(c) Date payable***

The proposed dividend is payable on 20 May 2008.

***(d) Books closure date***

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 5 May 2008 to 6 May 2008, 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 2 May 2008 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.**

	<b>Property investment</b>	<b>Property trading</b>	<b>Hotel operations</b>	<b>Group</b>
<b>Year ended 31 December 2007</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue - external sales	193,133	-	77,879	271,012
Segment result	133,867	-	16,604	150,471
Unallocated costs				(1,750)
Fair value gain on investment properties	1,463,470	-	-	1,463,470
Investment income				5,172
				<u>1,617,363</u>
Finance expenses				(12,230)
Share of results of associated companies	54,659	13,407	16,679	84,745
Profit before income tax				<u>1,689,878</u>
Income tax expense				(264,813)
Net profit				<u>1,425,065</u>

	<b>Property investment</b>	<b>Property trading</b>	<b>Hotel operations</b>	<b>Group</b>
<b>Year ended 31 December 2006</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue - external sales	162,297	40,658	-	202,955
Segment result	105,581	9,754	-	115,335
Unallocated costs				(1,574)
Investment income				9,612
				<u>123,373</u>
Finance expenses				(8,992)
Share of results of associated companies	7,867	3,086	14,762	25,715
Profit before income tax				<u>140,096</u>
Income tax expense				(18,742)
Net profit				<u>121,354</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 higher this year due mainly to share of fair value gain on investment properties held by associated companies of \$44.0 million.

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.

**15. A breakdown of sales.**

	<b>2007</b>	<b>2006</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
(a) Sales reported for the first half year	114,028	103,062	11
(b) Operating profit after tax before deducting minority interests reported for the first half year	76,243	56,687	34
(c) Sales reported for the second half year	156,984	99,893	57
(d) Operating profit after tax before deducting minority interests reported for the second half year	1,348,822	64,667	1,986

**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 (\$\$'000) Recommended	Previous Full Year (\$\$'000) Declared
Ordinary		
- First and Final	82,496	67,646
- Special	-	84,558
	82,496	152,204
Preference	-	-
<b>Total</b>	<b>82,496</b>	<b>152,204</b>

The Directors proposed to recommend a First and Final Dividend (one-tier tax exempt) of 20.0 cents per share (2006: first and final dividend of 20.0 cents per share and special dividend of 25.0 cents per share less Singapore Income Tax at 18%) amounting to \$82.5 million (2006: \$152.2 million) in respect of the financial year ended 31 December 2007. The proposed dividend if approved at the forthcoming Annual General Meeting, will be paid on 20 May 2008. The 44th Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Friday, 25 April 2008, at 2.00 pm.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
29/2/2008