



## Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2009

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.

## Consolidated Income Statement

	Note	2009 \$'000	2008 \$'000	+ / (-) %
Revenue	1	397,478	355,290	12
Cost of sales	2	(163,966)	(144,691)	13
Gross profit		233,512	210,599	11
Investment income	3	3,754	4,571	(18)
Other gains/(losses) - net		1,745	58	2,909
Selling and distribution costs		(13,477)	(13,771)	(2)
Administrative expenses		(8,769)	(10,488)	(16)
Finance expenses		(7,393)	(10,179)	(27)
Share of results of associated companies		51,989	45,078	15
Profit before fair value loss on investment properties		261,361	225,868	16
Fair value loss on investment properties	4	(608,558)	(319,740)	90
Loss before income tax	5	(347,197)	(93,872)	270
Income tax credit	6	94,017	18,915	397
Net loss		(253,180)	(74,957)	238
Attributable to:				
Owners of the parent		(265,963)	(117,444)	126
Minority interests		12,783	42,487	(70)
		(253,180)	(74,957)	238

The above net loss attributable to owners of the parent can be analysed as follows:

Net profit from operations	203,271	158,494	28
Net fair value loss on investment properties held by subsidiary and associated companies	(469,234)	(275,938)	70
Net attributable loss	(265,963)	(117,444)	126

## Consolidated Statement of Comprehensive Income

	2009 \$'000	2008 \$'000
Net loss	(253,180)	(74,957)
Other comprehensive (expense)/income taken directly to equity:		
Net exchange differences on translation of financial statement of a foreign entity	(650)	2,708
Effect of reduction in deferred income tax liability on asset revaluation reserve	1,629	-
	<u>979</u>	<u>2,708</u>
Total comprehensive expense	<u>(252,201)</u>	<u>(72,249)</u>
Total comprehensive (expense)/income attributable to:		
Owners of the parent	(265,749)	(114,736)
Minority interests	13,548	42,487
	<u>(252,201)</u>	<u>(72,249)</u>

### Notes to the income statement

	2009 \$'000	2008 \$'000
<u>1. Revenue</u>		
Gross rental income	255,027	231,776
Gross revenue from hotel operations	90,469	117,414
Sales of properties held for sale	46,337	-
Car parking income and property management fees	5,645	6,100
	<u>397,478</u>	<u>355,290</u>

### 2. Cost of sales

Property operating expenses	62,352	72,079
Cost of sales from hotel operations	60,484	72,612
Cost of properties held for sale sold	41,130	-
	<u>163,966</u>	<u>144,691</u>

The decrease in property operating expenses was due mainly to lower property tax.

### 3. Investment income

Interest income	1,047	1,775
Dividend income	2,707	2,796
	<u>3,754</u>	<u>4,571</u>

### 4. Fair value loss on investment properties

This relates to the year end revaluation of the investment properties held by subsidiary companies.

### 5. Loss before income tax

Loss before income tax is stated after charging:

Depreciation	11,340	11,431
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### 6. Income tax credit

Income tax credit includes the following:

Write-back of deferred income tax liability attributable to the fair value loss on investment properties held by subsidiary companies	101,044	57,553
One-time write-back of deferred income tax liability resulting from reduction in corporate tax rate from 18% to 17%		
- attributable to investment properties	24,992	-
- attributable to accelerated tax depreciation	1,434	-
Over/(Under)provision in preceding financial years	<u>4,576</u>	<u>(3,711)</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	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	72,810	85,066	256,798	174,393
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		364,530	351,720	350	350
Investment in subsidiary companies		-	-	972,442	972,442
Investment properties	2	3,803,500	4,406,687	-	-
Property, plant and equipment		389,753	396,750	-	-
		<u>4,642,638</u>	<u>5,252,268</u>	<u>1,229,590</u>	<u>1,147,185</u>
<b>Current assets</b>					
Cash and cash equivalents		88,861	46,849	277	198
Properties held for sale		389,579	423,190	-	-
Trade and other receivables		10,353	11,578	173	152
Inventories, at cost		929	1,031	-	-
		<u>489,722</u>	<u>482,648</u>	<u>450</u>	<u>350</u>
<b>Total assets</b>		<b>5,132,360</b>	<b>5,734,916</b>	<b>1,230,040</b>	<b>1,147,535</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		88,707	79,966	1,606	1,316
Current income tax liabilities		41,387	33,940	1,572	424
Borrowings		141,252	236,825	141,252	60,624
		<u>271,346</u>	<u>350,731</u>	<u>144,430</u>	<u>62,364</u>
<b>Non-current liabilities</b>					
Trade and other payables		43,750	45,030	25,565	25,591
Borrowings		407,945	452,879	-	-
Deferred income tax liabilities		371,268	505,080	-	-
		<u>822,963</u>	<u>1,002,989</u>	<u>25,565</u>	<u>25,591</u>
<b>Total liabilities</b>		<b>1,094,309</b>	<b>1,353,720</b>	<b>169,995</b>	<b>87,955</b>
<b>NET ASSETS</b>		<b>4,038,051</b>	<b>4,381,196</b>	<b>1,060,045</b>	<b>1,059,580</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital		840,349	840,349	840,349	840,349
Reserves		2,707,165	3,055,410	219,696	219,231
		<u>3,547,514</u>	<u>3,895,759</u>	<u>1,060,045</u>	<u>1,059,580</u>
Minority interests		490,537	485,437	-	-
<b>TOTAL EQUITY</b>		<b>4,038,051</b>	<b>4,381,196</b>	<b>1,060,045</b>	<b>1,059,580</b>

Notes to the balance sheet

1. The Company's other receivables, comprising mainly amounts due from subsidiary companies, increased due to intercompany funding.

2. Investment properties decreased due to the \$608.6 million fair value loss on revaluation of the Group's investment properties at year end.

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

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

At 31.12.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	141,252	-	236,825

**Amount repayable after one year**

At 31.12.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
258,945	149,000	247,379	205,500

**Details of any collateral**

The \$258.9 million (31 December 2008: \$247.4 million) loans are secured by way of mortgages over certain property development projects.

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

	2009 \$'000	2008 \$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(347,197)	(93,872)
Adjustments for :		
Depreciation of property, plant and equipment	11,340	11,431
Employee share option expense	427	568
Loss on disposal of property, plant and equipment	331	1,654
Share of results of associated companies	(51,989)	(45,078)
Fair value loss on investment properties	608,558	319,740
Investment income	(3,754)	(4,571)
Interest expense	7,393	10,179
Operating cash flow before working capital changes	<u>225,109</u>	<u>200,051</u>
Changes in operating assets and liabilities:		
Properties held for sale	40,127	(26,771)
Inventories	102	(46)
Trade and other receivables	2,135	2,041
Trade and other payables	7,496	22,516
Cash generated from operations	<u>274,969</u>	<u>197,791</u>
Interest paid	(15,024)	(18,444)
Income tax paid	(30,719)	(19,840)
<b>Net cash provided by operating activities</b>	<u>229,226</u>	<u>159,507</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,680)	(9,145)
Proceeds from disposal of property, plant and equipment	6	26
Development and upgrading of investment properties	(5,371)	(23,466)
Repayment of loans by associated companies	10,305	929
Dividends received from unquoted equity investments	2,707	2,796
Dividends received from associated companies	38,280	29,950
Interest received	2,990	289
<b>Net cash provided by investing activities</b>	<u>44,237</u>	<u>1,379</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(152,073)	(65,147)
Proceeds from borrowings	11,566	16,379
Dividends paid to shareholders	(82,496)	(82,496)
Dividends paid to minority shareholders	(8,448)	(8,448)
<b>Net cash used in financing activities</b>	<u>(231,451)</u>	<u>(139,712)</u>
<b>Net increase in cash and cash equivalents</b>	42,012	21,174
Cash and cash equivalents at beginning of financial year	46,849	25,675
<b>Cash and cash equivalents at end of financial year</b>	<u>88,861</u>	<u>46,849</u>

**I(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	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<u>Share capital</u>				
<b>Beginning and end of financial year</b>	840,349	840,349	840,349	840,349
<u>Retained earnings</u>				
<b>Beginning of financial year</b>	3,012,827	3,212,767	219,231	217,143
Total comprehensive (expense)/income				
- net (loss)/profit	(265,963)	(117,444)	82,961	84,584
Dividends paid	(82,496)	(82,496)	(82,496)	(82,496)
<b>End of financial year</b>	2,664,368	3,012,827	219,696	219,231
<u>Foreign currency reserve</u>				
<b>Beginning of financial year</b>	2,877	169	-	-
Total comprehensive (expense)/income				
- net exchange differences on translation	(650)	2,708	-	-
<b>End of financial year</b>	2,227	2,877	-	-
<u>Asset revaluation reserve</u>				
<b>Beginning of financial year</b>	39,706	39,706	-	-
Total comprehensive income				
- effect of reduction in deferred income tax liability	864	-	-	-
<b>End of financial year</b>	40,570	39,706	-	-
<u>Minority interests</u>				
<b>Beginning of financial year</b>	485,437	451,398	-	-
Total comprehensive income	13,548	42,487	-	-
Dividends paid	(8,448)	(8,448)	-	-
<b>End of financial year</b>	490,537	485,437	-	-
<u>Total equity</u>				
<b>Beginning of financial year</b>	4,381,196	4,544,389	1,059,580	1,057,492
Total comprehensive (expense)/income	(252,201)	(72,249)	82,961	84,584
Dividends paid	(90,944)	(90,944)	(82,496)	(82,496)
<b>End of financial year</b>	4,038,051	4,381,196	1,060,045	1,059,580

**I(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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.2009	31.12.2008
Total number of issued shares	412,477,559	412,477,559

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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 2008 audited annual financial statements have been applied for the current reporting period.

The Group has adopted the revised Financial Reporting Standard 1 - Presentation of Financial Statements ("FRS 1"), which is effective for financial year beginning 1 January 2009. The key impact of the application of the revised FRS 1 is the presentation of an additional primary statement, that is, the Statement of Comprehensive Income.

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 31.12.2009	Previous year 31.12.2008
Earnings/(Loss) per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value loss on investment properties	49.3 cents	38.4 cents
- including fair value loss on investment properties	(64.5) cents	(28.5) 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 the total number of shares excluding treasury shares of the issuer at the end of the :-**

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

	<b>31.12.09</b>	<b>31.12.08</b>
Net asset value per ordinary share		
Group	\$8.60	\$9.44
Company	\$2.57	\$2.57

**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.**

The Group's revenue increased by \$42.2 million (12%) to \$397.5 million due mainly to sales of The Trizon residential project and higher rental income, partially offset by lower revenue in Pan Pacific Singapore hotel. Sales of The Trizon resulted in revenue recognition of \$46.3 million on a percentage of completion basis. Gross rental income from investment properties at \$255.0 million was higher by \$23.3 million (10%) attributable to higher rental rates. Revenue from Pan Pacific hotel decreased by \$26.9 million (23%) to \$90.5 million with lower room rates and lower F&B revenue.

Based on valuation by professional valuers as at 31 December 2009 on the investment properties held by subsidiary companies, a fair value loss of \$608.6 million (2008: \$319.7 million) was charged to the income statement.

Minority interests include \$20.0 million fair value loss (2008: \$5.7 million gain) attributable to the investment property, Marina Square Complex, owned by Marina Centre Holding Pte Ltd, which the Group has a 53% interest.

In summary, net profit from operations increased by \$44.8 million (28%) to \$203.3 million (2008: \$158.5 million). After deducting the fair value loss, net of deferred income tax adjustments and minority interests of \$469.2 million (2008: \$275.9 million), the Group registered an overall loss of \$266.0 million (2008: \$117.4 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.**

The office leasing market will be competitive with the large supply of new office space coming onstream.

The expected economic recovery will be supportive of retail rents.

Sentiment in the private residential market remains cautiously optimistic.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared 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 19 May 2010.

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

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 4 May 2010 to 5 May 2010, 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 3 May 2010 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.

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 \$'000	Property trading \$'000	Hotel operations \$'000	Group \$'000
<b>Year ended 31 December 2009</b>				
Revenue - external sales	260,672	46,337	90,469	397,478
Segment result	193,416	(192)	21,582	214,806
Unallocated costs				(1,795)
Interest income				1,047
Dividend income				2,707
Finance expenses				(7,393)
Share of results of associated companies	9,970	31,194	10,825	51,989
				<u>261,361</u>
Fair value loss on investment properties	(608,558)	-	-	(608,558)
Loss before income tax				<u>(347,197)</u>
	Property investment \$'000	Property trading \$'000	Hotel operations \$'000	Group \$'000
<b>Year ended 31 December 2008</b>				
Revenue - external sales	237,876	-	117,414	355,290
Segment result	160,692	(4,310)	32,423	188,805
Unallocated costs				(2,407)
Interest income				1,775
Dividend income				2,796
Finance expenses				(10,179)
Share of results of associated companies	4,697	22,500	17,881	45,078
				<u>225,868</u>
Fair value loss on investment properties	(319,740)	-	-	(319,740)
Loss before income tax				<u>(93,872)</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 lower share of net fair value loss on investment properties held by associated companies of \$4.9 million compared with \$8.1 million in 2008.

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 arising from progressive recognition of sales on a percentage of completion basis.

Share of results of associated companies in the hotel segment was lower this year due to lower contributions from Marina Mandarin and Mandarin Oriental hotels with lower room rates and lower F&B revenue.

15. **A breakdown of revenue.**

	2009 \$'000	2008 \$'000	+/(-) %
(a) Revenue			
- first half	171,870	172,329	(0)
- second half	225,608	182,961	23
	<u>397,478</u>	<u>355,290</u>	12
(b) Net (loss)/profit			
- first half	(271,344)	141,400	n.m.
- second half	18,164	(216,357)	n.m.
	<u>(253,180)</u>	<u>(74,957)</u>	238

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

	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 (2008: 20.0 cents per share) amounting to \$82.5 million (2008: \$82.5 million) in respect of the financial year ended 31 December 2009. The proposed dividend if approved at the forthcoming Annual General Meeting, will be paid on 19 May 2010. The 46th Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Friday, 23 April 2010, at 2.00 pm.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
12 February 2010