



Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2010

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	2010 \$'000	2009 \$'000	+ / (-) %
Revenue	1	527,162	397,478	33
Cost of sales	2	(270,858)	(163,966)	65
Gross profit		256,304	233,512	10
Investment income	3	1,265	3,754	(66)
Other gains/(losses) - net		(172)	1,745	n.m.
Selling and distribution costs		(13,754)	(13,477)	2
Administrative expenses		(8,900)	(8,769)	1
Finance expenses		(3,356)	(7,393)	(55)
Share of results of associated companies		66,664	51,989	28
Profit before fair valuation of investment properties		298,051	261,361	14
Fair value gain/(loss) on investment properties	4	538,530	(608,558)	n.m.
Profit/(Loss) before income tax	5	836,581	(347,197)	n.m.
Income tax (expense)/credit	6	(132,837)	94,017	n.m.
Net profit/(loss)		703,744	(253,180)	n.m.
Attributable to:				
Equity holders of the Company		661,715	(265,963)	n.m.
Non-controlling interests		42,029	12,783	229
		703,744	(253,180)	n.m.

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

Net profit from operations	192,736	203,271	(5)
Net fair value gain/(loss) on investment properties held by subsidiary and associated companies	468,979	(469,234)	n.m.
Net attributable profit/(loss)	661,715	(265,963)	n.m.

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	2010	2009
	\$'000	\$'000
Net profit/(loss)	703,744	(253,180)
Other comprehensive (expense)/income taken directly to equity:		
Net exchange differences on translation of financial statement of a foreign entity	(2,654)	(650)
Effect of reduction in deferred income tax liability on asset revaluation reserve	-	1,629
	(2,654)	979
Total comprehensive income/(expense)	701,090	(252,201)

Total comprehensive income/(expense) attributable to:		
Equity holders of the Company	659,061	(265,749)
Non-controlling interests	42,029	13,548
	701,090	(252,201)

Notes to the income statement

	2010	2009
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	245,600	255,027
Gross revenue from hotel operations	109,765	90,469
Sales of properties held for sale	166,090	46,337
Car parking income and property management fees	5,707	5,645
	527,162	397,478

2. Cost of sales

Property operating expenses	56,876	62,352
Cost of sales from hotel operations	72,646	60,484
Cost of properties held for sale sold	141,336	41,130
	270,858	163,966

3. Investment income

Interest income	443	1,047
Dividend income	822	2,707
	1,265	3,754

4. Fair value gain/(loss) on investment properties

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

5. Profit/(Loss) before income tax

Profit/(Loss) before income tax is stated after charging:

Depreciation	12,201	11,340
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6. Income tax (expense)/credit

Income tax (expense)/credit includes the following:

(Provision for)/Write-back of deferred income tax liability attributable to the fair value gain/loss on investment properties held by subsidiary companies

	(89,139)	101,044
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
(Under)/Over provision in preceding financial years	(3,230)	4,576

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	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
ASSETS					
Non-current assets					
Other receivables	1	7,490	72,810	176,941	256,798
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		404,383	364,530	350	350
Investments in subsidiary companies		-	-	972,442	972,442
Investment properties	2	4,350,000	3,803,500	-	-
Property, plant and equipment		381,039	389,753	-	-
		<u>5,154,957</u>	<u>4,642,638</u>	<u>1,149,733</u>	<u>1,229,590</u>
Current assets					
Cash and cash equivalents		84,870	88,861	259	277
Properties held for sale		373,548	389,579	-	-
Trade and other receivables		39,759	10,353	194	173
Inventories		948	929	-	-
		<u>499,125</u>	<u>489,722</u>	<u>453</u>	<u>450</u>
Total assets		5,654,082	5,132,360	1,150,186	1,230,040
LIABILITIES					
Current liabilities					
Trade and other payables	3	171,258	88,707	1,014	1,606
Current income tax liabilities		41,145	41,387	1,261	1,572
Borrowings		181,607	141,252	46,772	141,252
		<u>394,010</u>	<u>271,346</u>	<u>49,047</u>	<u>144,430</u>
Non-current liabilities					
Trade and other payables		40,279	43,750	37,364	25,565
Borrowings		104,945	407,945	-	-
Deferred income tax liabilities		468,060	371,268	-	-
		<u>613,284</u>	<u>822,963</u>	<u>37,364</u>	<u>25,565</u>
Total liabilities		1,007,294	1,094,309	86,411	169,995
NET ASSETS		4,646,788	4,038,051	1,063,775	1,060,045
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,283,730	2,707,165	223,426	219,696
		<u>4,124,079</u>	<u>3,547,514</u>	<u>1,063,775</u>	<u>1,060,045</u>
Non-controlling interests		522,709	490,537	-	-
TOTAL EQUITY		4,646,788	4,038,051	1,063,775	1,060,045

Notes to the balance sheet

1. The Group's and the Company's other receivables, decreased due mainly to repayment of loans by associated companies. The Company's other receivables, which include amounts due from subsidiary companies, were further reduced due to intercompany funding.
2. Investment properties increased due to the \$538.5 million fair value gain on revaluation of the Group's investment properties at year end.
3. The Group's trade and other payables increased due mainly to monies collected from purchasers of units in The Excellency (Chengdu) project which are treated as unearned revenue pending completion of the project.

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

Amount repayable in one year or less, or on demand

At 31.12.10		At 31.12.09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
134,835	46,772	-	141,252

Amount repayable after one year

At 31.12.10		At 31.12.09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,445	97,500	258,945	149,000

As at 31 December 2010, \$134.8 million of secured non-current borrowings was reclassified to current borrowings as the loan facility matures on 31 December 2011.

Details of any collateral

The \$142.3 million (31 December 2009: \$258.9 million) loans are secured by way of mortgages over the 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.**

	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) before income tax	836,581	(347,197)
Adjustments for:		
Depreciation of property, plant and equipment	12,201	11,340
Employee share option expense	56	427
Loss on disposal of property, plant and equipment	728	331
Share of results of associated companies	(66,664)	(51,989)
Fair value (gain)/loss on investment properties	(538,530)	608,558
Investment income	(1,265)	(3,754)
Interest expense	3,356	7,393
Operating cash flow before working capital changes	<u>246,463</u>	<u>225,109</u>
Changes in operating assets and liabilities:		
Properties held for sale	18,552	40,127
Inventories	(19)	102
Trade and other receivables	(29,436)	2,135
Trade and other payables	81,967	7,496
Cash generated from operations	<u>317,527</u>	<u>274,969</u>
Interest paid	(10,604)	(15,024)
Income tax paid	(36,287)	(30,719)
Net cash provided by operating activities	<u>270,636</u>	<u>229,226</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,266)	(4,680)
Proceeds from disposal of property, plant and equipment	51	6
Upgrading of investment properties	(7,970)	(5,371)
Repayment of loans by associated companies	59,480	10,305
Investment in an associated company	(25,425)	-
Dividends received from unquoted equity investments	822	2,707
Dividend received from associated companies	50,935	38,280
Interest received	6,744	2,990
Net cash provided by investing activities	<u>80,371</u>	<u>44,237</u>
Cash flows from financing activities		
Repayment of borrowings	(262,645)	(152,073)
Proceeds from borrowings	-	11,566
Dividends paid to shareholders	(82,496)	(82,496)
Dividends paid to non-controlling shareholders	(9,857)	(8,448)
Net cash used in financing activities	<u>(354,998)</u>	<u>(231,451)</u>
Net (decrease)/increase in cash and cash equivalents	(3,991)	42,012
Cash and cash equivalents at beginning of financial year	88,861	46,849
Cash and cash equivalents at end of financial year	<u>84,870</u>	<u>88,861</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.

<u>Group</u>	Attributable to equity holders of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Foreign currency reserve \$'000	Asset revaluation reserve \$'000			
2010							
Balance at 1 January 2010	840,349	2,664,368	2,227	40,570	3,547,514	490,537	4,038,051
Total comprehensive income/(expense)	-	661,715	(2,654)	-	659,061	42,029	701,090
Dividends paid	-	(82,496)	-	-	(82,496)	(9,857)	(92,353)
Balance at 31 December 2010	840,349	3,243,587	(427)	40,570	4,124,079	522,709	4,646,788
2009							
Balance at 1 January 2009	840,349	3,012,827	2,877	39,706	3,895,759	485,437	4,381,196
Total comprehensive income/(expense)	-	(265,963)	(650)	864	(265,749)	13,548	(252,201)
Dividends paid	-	(82,496)	-	-	(82,496)	(8,448)	(90,944)
Balance at 31 December 2009	840,349	2,664,368	2,227	40,570	3,547,514	490,537	4,038,051

<u>Company</u>	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
2010			
Balance at 1 January 2010	840,349	219,696	1,060,045
Total comprehensive income	-	86,226	86,226
Dividends paid	-	(82,496)	(82,496)
Balance at 31 December 2010	840,349	223,426	1,063,775
2009			
Balance at 1 January 2009	840,349	219,231	1,059,580
Total comprehensive income	-	82,961	82,961
Dividends paid	-	(82,496)	(82,496)
Balance at 31 December 2009	840,349	219,696	1,060,045

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 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.

	31.12.2010	31.12.2009
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 2009 audited annual financial statements have been applied for the current reporting period, except for the revenue recognition policy of properties held for sale.

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.

In prior years, revenue for sales of all properties held for sale were recognised using the percentage of completion method.

The Accounting Standards Council (ASC) has issued Interpretation of Financial Reporting Standard "INT FRS" 115- Agreements for the Construction of Real Estate. INT FRS 115 is to be applied for financial year beginning on or after 1 January 2011 but the Group has elected to early adopt this interpretation for the financial year 2010. Consequently, the Group shall recognise revenue on sale of properties held for sale in accordance with FRS 18 - Revenue.

The sale of residential properties in Singapore continues to be recognised on a percentage of completion basis. However, for The Excellency development property in China, the revenue is recognised only upon completion of construction. The early adoption of INT FRS 115 did not result in any material effect on the amounts reported for the prior financial years. Had its revenue been recognised on a percentage of completion basis, commencing in 2010, the Group's 2010 revenue and net attributable profit would have increased by \$45.8 million and \$1.7 million respectively.

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	Previous year
	31.12.2010	31.12.2009
Earnings/(Loss) per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain/loss on investment properties	46.7 cents	49.3 cents
- including fair value gain/loss on investment properties	160.4 cents	(64.5) 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.**

	31.12.2010	31.12.2009
Net asset value per ordinary share		
Group	\$10.00	\$8.60
Company	\$2.58	\$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.

Revenue at \$527.2 million increased by \$129.7 million (33%) due to higher sales of trading properties and higher revenue in Pan Pacific Singapore hotel, partially offset by lower rental income. Sales of The Trizon residential property project, (launched for sale in third quarter of 2009) at \$166.1 million was higher by \$119.8 million (258%) due to additional units sold and progressive revenue recognition. Revenue in Pan Pacific Singapore hotel increased by \$19.3 million (21%) to \$109.8 million with higher room and occupancy rates.

However, gross rental income from investment properties dropped by \$9.4 million (4%) to \$245.6 million as renewal rental rates were still lower than the expiry rates contracted several years ago. Share of operating results of associated companies decreased by \$15.0 million (26%) to \$41.8 million attributable mainly to absence of contribution from The Sixth Avenue Residences project (fully sold and completed in August 2009) and lower contribution from One Amber (fully sold and completed in April 2010), partially offset by higher contributions from Mandarin Oriental and Marina Mandarin hotels (higher room and occupancy rates).

Excluding the deferred income tax expense of \$89.1 million on the fair value gain on investment properties, income tax expense on operations was higher by \$11.7 million (36%) due mainly to deferred income tax provision made in respect of prior year of \$3.2 million and absence of \$6.0 million tax credit recognised in previous year.

As a result, net profit from operations decreased by \$10.5 million (5%) to \$192.7 million.

The Group also shared a \$24.9 million fair value gain on revaluation of Novena Square and West Mall in 2010, compared with a \$4.8 million fair value loss in 2009. Consequently, the Group's share of the overall results of associated companies increased by \$14.7 million (28%).

Based on valuation by professional valuers as at 31 December 2010 on the investment properties held by subsidiary companies, a fair value gain of \$538.5 million (2009: loss of \$608.6 million) was credited to the profit and loss account.

Non-controlling interests' share of results at \$42.0 million was higher by \$29.2 million (229%) as it included a \$5.3 million share of the net fair value gain (2009: \$18.1 million share of fair value loss) on Marina Square owned by Marina Centre Holdings, which the Group has a 53% interest.

In summary, net profit from operations decreased by \$10.5 million (5%) to \$192.7 million (2009: \$203.3 million). The asset revaluation gain, net of deferred income tax and non-controlling interests, of \$469.0 million (2009: loss of \$469.2 million), gave rise to an overall net profit of \$661.7 million (2009: net loss of \$266.0 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.

With growth expected in Singapore's economy, the office market is likely to remain favourable.

Notwithstanding rising employment and continued growth in visitor arrivals, retail rents are expected to be stable due to the increased supply of retail space in 2010.

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 24 May 2011.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 12 May 2011 to 13 May 2011, 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 11 May 2011 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.

15. **A breakdown of revenue.**

	2010 \$'000	2009 \$'000	+ / (-) %
(a) Revenue			
- first half	260,402	171,870	52
- second half	266,760	225,608	18
	<u>527,162</u>	<u>397,478</u>	33
(b) Net profit/(loss)			
- first half	129,290	(271,344)	n.m.
- second half	574,454	18,164	3,063
	<u>703,744</u>	<u>(253,180)</u>	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.**

	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 (2009: 20.0 cents per share) amounting to \$82.5 million (2009: \$82.5 million) in respect of the financial year ended 31 December 2010. The proposed dividend if approved at the forthcoming Annual General Meeting, will be paid on 24 May 2011. The 47th Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Wednesday, 27 April 2011, at 2.00 pm.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
18 February 2011