

DRAFT

**<COMPANY NAME> AND ITS SUBSIDIARIES**

*Registration Number: 000000000D*

**FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2005*

DRAFT

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**DIRECTORS' REPORT**

*For the financial year ended 31 December 2005*

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The directors present their report to the members together with the audited financial statements of the Group for the financial year ended **[insert financial year end date]** and the balance sheet of the Company as at **[insert financial year end date]**.

The directors of the Company in office at the date of this report are as follows:  
**[insert list of directors as at the date of the directors' report]**.

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures  
Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of section 164 of the Companies Act (Chapter 50), no director who held office at the end of the financial year had interests in shares or debentures of the Company or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

- no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

The auditors, **[insert audit firm's name]**, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

28 February 2006

**<COMPANY NAME> AND ITS SUBSIDIARIES**

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**STATEMENT BY DIRECTORS**

*For the financial year ended 31 December 2005*

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In the opinion of the directors,

(a) the accompanying financial statements set out in the following sections of the financial statements:

- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Notes, comprising a summary of significant accounting policies and other explanatory notes

are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at **[insert financial year end date]** and of the results, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

28 February 2006

***For illustration only***

We have audited the accompanying financial statements of **[insert Company name]**, which comprise the balance sheet as at **[insert financial year end date]**, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

**[Insert auditors' opinion]**

**<COMPANY NAME> AND ITS SUBSIDIARIES**

**INDEPENDENT AUDITORS' REPORT**

*To the Members of <Company Name>*

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\_\_\_\_\_  
<Public Accounting Entity Name>  
Certified Public Accountants

Singapore

28 February 2006

**<COMPANY NAME> AND ITS SUBSIDIARIES****INCOME STATEMENT***For the financial year ended 31 December 2005*

DRAFT

		<b>Group</b>	
	<b>Note</b>	<b>2005 SGD ('000)</b>	<b>2004 SGD ('000) (Restated)</b>
Revenue	3	3,845,637	3,179,064
Cost of Sales		(3,036,173)	(2,319,895)
<b>Gross Profit</b>		<b>809,464</b>	<b>859,169</b>
<b><u>Other Items of Income</u></b>			
Other Income		361,655	327,488
<b><u>Other Items of Expense</u></b>			
Administrative Expenses		(390,295)	(291,886)
Finance Costs		(274,581)	(263,612)
Other Expenses		(43,632)	(207,888)
Share of Profit (Loss) from Equity-Accounted Associates and Joint Ventures		123,084	125,516
<b>Profit (Loss) Before Tax from Continuing Operations</b>		<b>585,695</b>	<b>548,787</b>
Income Tax Benefit (Expense)		(152,020)	(109,174)
<b>Profit (Loss) from Continuing Operations, Net of Tax</b>		<b>433,675</b>	<b>439,613</b>
Profit (Loss) from Discontinued Operations, Net of Tax	4.c	741,963	26,094
<b>Profit (Loss) Net of Tax</b>		<b>1,175,638</b>	<b>465,707</b>
Profit (Loss) Attributable to Equity Holders of Parent, Net of Tax		750,510	305,681
Profit (Loss) Attributable to Minority Interest, Net of Tax		425,128	160,026
<b>Earnings per Share Currency Unit (cents)</b>			
Earnings per Share (Basic), Continuing Operations		11.6	11.5
Earnings per Share (Diluted), Continuing Operations		11.6	11.3

*The accompanying notes form an integral part of these financial statements*

<COMPANY NAME> AND ITS SUBSIDIARIES

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**INCOME STATEMENT**

*For the financial year ended 31 December 2005*

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	Note	Group	
		2005 SGD ('000)	2004 SGD ('000) (Restated)
Earnings per Share (Basic), Discontinued Operations		16.7	0.6
Earnings per Share (Diluted), Discontinued Operations		16.5	0.5

*The accompanying notes form an integral part of these financial statements*

**<COMPANY NAME> AND ITS SUBSIDIARIES****DRAFT****BALANCE SHEET***As at 31 December 2005*

Note	<u>Group</u>		<u>Company</u>	
	2005 SGD ('000)	2004 SGD ('000) (Restated)	2005 SGD ('000)	2004 SGD ('000) (Restated)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment, Total	201,465	1,379,624	1,588	1,433
Investment Property	5,914,905	4,237,498	-	-
Intangible Assets, Total	35,394	64,669	-	-
Investments in Subsidiaries	-	-	3,773,558	4,873,383
Investments in Associates	2,749,732	2,642,689	-	-
Investments in Joint Ventures	1,178,938	1,113,260	-	-
Deferred Tax Assets	39,084	38,284	3,955	-
Equity Securities available for sale	276,253	56,300	-	-
Debt Securities available for sale	-	2,000	-	-
Other Assets, Non-Current	642,541	390,475	256	213
<b>Total Non-Current Assets</b>	<b>11,038,312</b>	<b>9,924,799</b>	<b>3,779,357</b>	<b>4,875,029</b>
<b>Current Assets</b>				
Trade and Other Receivables, Current	1,417,790	1,092,079	1,101,118	762,954
Financial assets	72,095	3,737	-	-
Other Assets, Current	3,543,579	4,297,466	-	-
Cash and Cash Equivalents	2,111,277	1,917,722	987,736	904,970
<b>Total Current Assets</b>	<b>7,144,741</b>	<b>7,311,004</b>	<b>2,088,854</b>	<b>1,667,924</b>
<b>Total Assets</b>	<b>18,183,053</b>	<b>17,235,803</b>	<b>5,868,211</b>	<b>6,542,953</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	2,750,503	2,524,795	2,750,503	2,524,795
Retained Earnings (Accumulated Losses)	730,439	146,274	411,225	293,044
Other Reserves, Total	3,176,768	2,684,756	1,531,769	1,315,061

*The accompanying notes form an integral part of these financial statements*

**<COMPANY NAME> AND ITS SUBSIDIARIES****DRAFT****BALANCE SHEET***As at 31 December 2005*

Note	Group		Company	
	2005 SGD ('000)	2004 SGD ('000) (Restated)	2005 SGD ('000)	2004 SGD ('000) (Restated)
<b>Equity, Attributable to Equity Holders of the Parent, Total</b>	6,657,710	5,355,825	4,693,497	4,132,900
Minority Interest	2,370,658	2,058,467	-	-
<b>Total Equity</b>	9,028,368	7,414,292	4,693,497	4,132,900
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	74,230	48,621	-	1,061
Finance Leases	4,276,694	4,884,487	125,500	483,554
Deferred Income	30,959	32,011	-	-
Other Liabilities, Non-Current	142,107	288,533	149,597	795,595
<b>Total Non-Current Liabilities</b>	4,523,990	5,253,652	275,097	1,280,210
<b>Current Liabilities</b>				
Income Tax Payable, Current	237,664	196,838	-	-
Trade and Other Payables, Current	2,005,739	2,001,622	206,882	236,842
Bank Overdrafts	6,262	12,891	-	-
Finance Leases	2,381,030	2,356,508	692,735	893,001
<b>Total Current Liabilities</b>	4,630,695	4,567,859	899,617	1,129,843
<b>Total Liabilities</b>	9,154,685	9,821,511	1,174,714	2,410,053
<b>Total Equity and Liabilities</b>	18,183,053	17,235,803	5,868,211	6,542,953

*The accompanying notes form an integral part of these financial statements*

<COMPANY NAME> AND ITS SUBSIDIARIES

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2005

Group

Note	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings (Accumulated Losses)	AFS Reserve	Hedging Reserve	Revaluation Reserve	Translation Reserve	Other Reserves	Minority Interest
	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)
<b>Opening Balance at 01/01/2005</b>	7,461,729	5,382,494	5,069,618	179,631	-	-	55,568	(21,393)	99,070	2,079,235
Effects of change in accounting policy	(2,832)	(2,832)	-	-	-	-	-	(2,832)	-	-
Effects of adopting FRS 39	(27,530)	(20,628)	-	(38,921)	23,429	(21,695)	-	16,559	-	(6,902)
Effects of changes in accounting policy and adoption of FRS 102	(54,125)	(33,357)	-	(33,357)	-	-	-	-	-	(20,768)
Effects of adopting FRS 102	9,520	9,520	-	-	-	-	-	-	9,520	-
<b>Restated Opening Balance at 01/01/2005</b>	<b>7,386,762</b>	<b>5,335,197</b>	<b>5,069,618</b>	<b>107,353</b>	<b>23,429</b>	<b>(21,695)</b>	<b>55,568</b>	<b>(7,666)</b>	<b>108,590</b>	<b>2,051,565</b>
Net deficit on revaluation of investment properties/properties under development	(31,455)	(31,455)	-	-	-	-	(31,455)	-	-	-
Share of associates and jointly-controlled entities' revaluation surplus	183,031	183,031	-	-	-	-	183,031	-	-	-
Net deficit on revaluation of investment	32,192	32,192	-	-	-	-	32,192	-	-	-

The accompanying notes form an integral part of these financial statements

<COMPANY NAME> AND ITS SUBSIDIARIES

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2005

Group

Note	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings (Accumulated Losses)	AFS Reserve	Hedging Reserve	Revaluation Reserve	Translation Reserve	Other Reserves	Minority Interest
	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)
properties/properties under development charged to profit and loss account										
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	28,587	28,587	-	-	-	-	-	28,587	-	-
Effective portion of changes in fair value of cash flow hedges	21,100	21,100	-	-	-	21,100	-	-	-	-
Changes in fair value of available-for-sale investments	62,902	62,902	-	-	62,902	-	-	-	-	-
Foreign currency translation differences	222	-	-	-	-	-	-	-	-	222
Share of revaluation surplus/(deficit) of investment properties	40,796	-	-	-	-	-	-	-	-	40,796
Others	6,038	-	-	-	-	-	-	-	-	6,038
<b>Net Income Recognised Directly in Equity</b>	<b>343,413</b>	<b>296,357</b>	<b>-</b>	<b>-</b>	<b>62,902</b>	<b>21,100</b>	<b>183,768</b>	<b>28,587</b>	<b>-</b>	<b>47,056</b>

The accompanying notes form an integral part of these financial statements

<COMPANY NAME> AND ITS SUBSIDIARIES

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2005

Group

Note	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings (Accumulated Losses)	AFS Reserve	Hedging Reserve	Revaluation Reserve	Translation Reserve	Other Reserves	Minority Interest
	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)
<b>Profit (Loss) for the Period</b>	1,175,638	750,510	-	750,510	-	-	-	-	-	425,128
<b>Total Recognised Income and Expenses for the Period</b>	1,519,051	1,046,867	-	750,510	62,902	21,100	183,768	28,587	-	472,184
Issue of shares under share option plan	49,968	49,968	49,968	-	-	-	-	-	-	-
Issue of shares under performance share plan	-	-	1,535	-	-	-	-	-	(1,535)	-
Conversion of convertible bonds	379,248	379,248	409,629	-	-	-	-	-	(30,381)	-
Realisation of revaluation deficit transferred to profit and loss account	7,585	7,585	-	-	-	-	7,585	-	-	-
Realisation of foreign exchange reserves from dilution/ disposal of subsidiaries and associates	(43,761)	(43,761)	-	-	-	-	-	(43,761)	-	-
Dividends paid	(126,526)	(126,526)	-	(126,526)	-	-	-	-	-	-
Transfer (to)/from capital reserve	-	-	-	(497)	-	-	-	-	497	-

The accompanying notes form an integral part of these financial statements

<COMPANY NAME> AND ITS SUBSIDIARIES

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2005

Group

Note	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings (Accumulated Losses)	AFS Reserve	Hedging Reserve	Revaluation Reserve	Translation Reserve	Other Reserves	Minority Interest
	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)	SGD ('000)
Transfer to equity compensation reserve	-	-	-	(401)	-	-	-	-	401	-
Dividends paid to minority interests	(497,179)	-	-	-	-	-	-	-	-	(497,179)
Capital contribution	314,630	-	-	-	-	-	-	-	-	314,630
Effects of acquisition/ disposal/dilution and liquidation of subsidiaries	28,089	-	-	-	-	-	-	-	-	28,089
Transfer from equity compensation reserve	-	(1,369)	-	-	-	-	-	-	(1,369)	1,369
Cost of share based payments	17,517	17,517	-	-	-	-	-	-	17,517	-
Others	(7,016)	(7,016)	-	-	-	-	-	-	(7,016)	-
<b>Closing Balance at 31/12/2005</b>	<b>9,028,368</b>	<b>6,657,710</b>	<b>5,530,750</b>	<b>730,439</b>	<b>86,331</b>	<b>(595)</b>	<b>246,921</b>	<b>(22,840)</b>	<b>86,704</b>	<b>2,370,658</b>

The accompanying notes form an integral part of these financial statements

**<COMPANY NAME> AND ITS SUBSIDIARIES**

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**CASH FLOW STATEMENT***For the financial year ended 31 December 2005*

	Note	Group	
		2005 SGD ('000)	2004 SGD ('000) (Restated)
<b>Cash Flows From Operating Activities</b>			
Profit (Loss) before Tax		1,337,057	585,004
Total Adjustments		(754,595)	156,872
Depreciation of Property, Plant and Equipment		71,781	89,740
Interest Income		(108,099)	(83,913)
Interest Expense		280,274	272,075
Amortisation and impairment of leasehold investment properties		1,720	527
Negative goodwill on acquisition		(820)	(44,974)
(Write back of)/Allowance for foreseeable losses on development properties for sale		(36,805)	(32,823)
(Write back of)/Allowance for loans to associates and jointly-controlled entities		-	11,853
(Write back of)/Allowance for non-current financial assets		4,130	40,837
Share-based expenses		19,374	7,274
Changes in fair value of financial derivatives and assets		(29,998)	-
(Gain)/Loss on disposal/Write off of property, plant and equipment		(23,635)	3,860
Gain on disposal of investment properties		(13,141)	(108,770)
Write down in value of investment properties and properties under development		33,074	17,946
Gain on disposal of non-current financial assets		(2,101)	(1,469)
(Gain)/Loss on disposal/dilution of subsidiaries and associates		(812,218)	110,686
Share of results of associates, jointly-controlled entities and partnership		(123,180)	(125,611)
Accretion of deferred income		(4,913)	(5,357)
Reversal of provision for obligation no longer required		(11,140)	-
Amortisation and impairment of intangible assets		1,102	4,991
<b>Operating Cash Flows before Changes in Working Capital</b>		<b>582,462</b>	<b>741,876</b>
Total Changes in Working Capital		633,681	(176,414)
Decrease/(Increase) in working capital: Inventories, trade and other receivables		(46,334)	(348,627)
Decrease/(Increase) in working capital: Development properties for sale		683,575	(5,245)
Decrease/(Increase) in working capital: Trade and other payables		43,896	34,146

*The accompanying notes form an integral part of these financial statements*

**<COMPANY NAME> AND ITS SUBSIDIARIES**

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**CASH FLOW STATEMENT***For the financial year ended 31 December 2005*

	Note	Group	
		2005 SGD ('000)	2004 SGD ('000) (Restated)
Decrease/(Increase) in working capital: Amount due from related corporations		(3,232)	122
Decrease/(Increase) in working capital: Financial assets		(44,224)	143,190
<b>Cash Flows From (Used In) Operations</b>		1,216,143	565,462
Income Taxes Paid		(86,255)	(166,199)
Customer deposits and other non-current payables received/(refunded)		6,943	(740)
<b>Net Cash Flows From (Used In) Operating Activities</b>		1,136,831	398,523
<b>Cash Flows From Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		173,767	9,439
Purchase of property, plant and equipment		(77,503)	(49,726)
Increase in associates, jointly-controlled entities and partnership		(70,841)	(272,619)
(Increase)/Decrease in amounts owing by investee companies and		(5,252)	1,859
Deposits paid for new investments		(184,368)	(65,978)
Acquisition of investment properties and properties under		(1,042,486)	(63,536)
Acquisition of investment properties and properties under		101,922	1,083,267
(Acquisition of)/Proceeds from disposal of non-current financial		(151,892)	39,498
Dividends received from associates and jointly-controlled entities		161,470	56,571
Acquisition of remaining interest in a subsidiary		(21,315)	-
Disposal/(Acquisition) of subsidiaries (net)		1,182,480	(162,395)
Interest income received		96,981	67,830
Settlement of derivatives		(15,849)	-
<b>Net Cash Flows From (Used In) Investing Activities</b>		147,114	644,210
<b>Cash Flows From Financing Activities</b>			
Proceeds from issue of shares under share option plan		49,968	8,728
Repayment of loans from related corporations		-	(714)
Proceeds from loans from minority shareholders		36,448	41,830
Contribution from minority shareholders		314,630	34,256
(Repayment of)/Proceeds from sale of future receivables		(277,640)	257,643
Proceeds from term loans		2,332,441	1,819,226
Repayment of term loans		(2,835,406)	(1,788,400)
Proceeds from debt securities		540,133	424,468
Repayment of debt securities		(299,548)	(858,597)

*The accompanying notes form an integral part of these financial statements*

**<COMPANY NAME> AND ITS SUBSIDIARIES**

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**CASH FLOW STATEMENT***For the financial year ended 31 December 2005*

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	Note	Group	
		2005 SGD ('000)	2004 SGD ('000) (Restated)
Repayment of finance leases payables		(3,447)	-
Dividends paid to minority shareholders		(497,179)	(156,999)
Dividends paid to shareholders		(126,526)	(80,614)
Interest expense paid		(319,902)	(316,843)
<b>Net Cash Flows From (Used In) Financing Activities</b>		<b>(1,086,028)</b>	<b>(616,016)</b>
Net Increase (Decrease) in Cash and Cash Equivalents		197,917	426,717
Effect of Exchange Rate Changes on Cash and Cash Equivalents		2,267	2,348
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance		1,904,831	1,475,766
<b>Cash and Cash Equivalents, Cash Flow Statement, Ending Balance</b>		<b>2,105,015</b>	<b>1,904,831</b>

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*The accompanying notes form an integral part of these financial statements*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General**

<Company Name> (the Company) is incorporated in the Republic of Singapore and has its registered office at 18 Hill Street, #03-508, Singapore 058972.

The principal activities of the Company during the financial year are those relating to investment holding and consultancy services as well as the corporate headquarter which gives direction, provides management support services and integrates the activities of its subsidiaries.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the Group) and the Group's interests in associates and joint ventures.

**2. Significant Accounting Policies**

**2.a Basis of preparation**

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

In 2005, the Group adopted the following revised or new FRS that are applicable in the current financial year:

FRS 1 (revised) *Presentation of Financial Statements*  
FRS 2 (revised) *Inventories*  
FRS 8 (revised) *Accounting Policies, Changes in Accounting Estimates and Errors*  
FRS 10 (revised) *Events After the Balance Sheet Date*  
FRS 16 (revised) *Property, Plant and Equipment*  
FRS 17 (revised) *Leases*  
FRS 21 (revised) *The Effects of Changes in Foreign Exchange Rates*  
FRS 24 (revised) *Related Party Disclosures*  
FRS 27 (revised) *Consolidated and Separate Financial Statements*  
FRS 28 (revised) *Investments in Associates*  
FRS 31 (revised) *Interests in Joint Ventures*  
FRS 32 (revised) *Financial Instruments: Disclosure and Presentation*  
FRS 33 (revised) *Earnings Per Share*  
FRS 39 *Financial Instruments: Recognition and Measurement*  
FRS 102 *Share-based Payment*  
FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*

The effects of adopting the above new or revised FRS in 2005 are set out in note 39.

The financial statements, which are expressed in Singapore dollars, are prepared on the historical cost basis except that investment properties and certain financial assets and financial liabilities are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2005

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**FRS yet to be adopted**

Certain new accounting standards and interpretations have been issued and are mandatory for accounting periods beginning on or after 1 January 2006. The Group has assessed those standards and interpretations issued. The initial application of these standards and interpretations is not expected to have any material impact on the Group's financial statements, except for FRS 40 *Investment Property*.

Under FRS 40, investment properties are permitted to be stated at either their fair value or cost less accumulated depreciation and impairment loss. Investment properties held under operating leases are required to be measured at fair value. The Group expects to measure all its investment properties at fair value. As a result of adopting FRS 40, the Group expects to reclassify its revaluation reserve to accumulated profits at 1 January 2007. At this juncture, the impact of adoption cannot be reasonably determined as the Group is unable to estimate with reasonable accuracy the changes in fair value of the investment properties in the period to 1 January 2007.

2.b Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements and the financial statements of the Company are presented in Singapore dollars, which is the functional currency of the Company.

3. **Revenue**

Revenue for the Group and the Company is analysed as follows:

	The Group		The Company	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Commercial	997,085	597,956	-	-
Residential	2,190,899	2,075,243	-	-
Serviced residences	416,970	202,055	-	-
Consultancy and management services	-	-	29,266	27,808
Dividend income from subsidiaries	-	-	218,764	114,292
Others	240,683	303,810	-	-
	<u>3,845,637</u>	<u>3,179,064</u>	<u>248,030</u>	<u>142,100</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2005

Revenue of the following business segments comprise mainly:

Commercial : Gross rental, car park and other related income from investment properties and leased properties.

Residential : Income on property development projects.

Serviced residences : Rental and other related income from serviced residences.

Others : Fund management fee, advisory fee and services rendered in connection with hotel operations.

4. Changes in accounting policies

4.a FRS 39 Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirements for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments and all derivative financial instruments as assets or liabilities at fair value.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for 2004 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2005:

	<b>The Group Increased / (Decreased) by \$'000</b>
<b>Balance Sheet Items</b>	
Other assets	23,790
Other payables (mainly derivative liabilities)	51,320
Available for sale reserve	23,429
Foreign currency translation reserve	16,559
Hedging reserve	(21,695)
Accumulated profits	(38,921)
Minority interests	(6,902)

4.b FRS 102 Share-based Payment

FRS 102 requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company and certain of its subsidiaries currently have share-based incentive plans such as Share Option Plan, Performance Share Plan and/or Restricted Stock Plan, whereby share options have been granted and/or performance shares have been conditionally awarded. Under the transitional provisions of FRS 102, this FRS must be applied to shares, share options or other equity instruments that were granted after 22 November 2002 and had not yet vested on 1 January 2005. The application is retrospective and accordingly, the comparative financial statements for 2004 have been restated and the opening balance of accumulated profits has been adjusted. Prior to adoption of FRS 102, no

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2005*

compensation expense was charged to the profit and loss account for share options granted. In respect of performance shares, the Group's accounting policy was to make a provision based on the latest estimate of the number of shares that will be awarded and the market price of the shares at the reporting date. With the adoption of FRS 102, the compensation expenses relating to both share options and performance shares are taken to the profit and loss account over the vesting periods of the grants. The compensation expenses are based on the respective fair values of share options and performance shares at grant dates computed using the Enhanced Trinomial (Hull and White) Valuation Model and Monte Carlo simulation method respectively, adjusted by the incremental value, if any, arising from modifications to the plans. The financial impact on the Group arising from the adoption of FRS 102 is as follows:

**The Group Increased/(Decreased) by \$'000**

Accumulated profits as at 1 January 2004	(276)
Accumulated profits as at 1 January 2005	(309)
Equity compensation reserve as at 1 January 2004	2,586
Equity compensation reserve as at 1 January 2005	9,520
Minority interests as at 1 January 2004	99
Minority interests as at 1 January 2005	265
Other payables (provision for performance shares)	(9,476)

There is no material impact on the basic and fully diluted earnings per share for 2005 and 2004 arising from the adoption of FRS 102.

**4.c FRS 105 Non-current Assets Held for Sale and Discontinued Operations**

Under this FRS, an entity shall disclose a single amount on the face of profit and loss account comprising profit after tax of discontinued operations and the gain after tax from the disposal of the discontinued operations. The comparative profit and loss account for previous year is also re-presented to conform with the current year's presentation.

The results of the discontinued operations are as follows:

	<b>The Group</b>	
	<b>2005</b>	<b>2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	458,171	649,878
Cost of sales	(237,388)	(358,525)
Gross Profit	220,783	291,353
Other Operating Income	6,233	9,464
Administrative Expenses	(179,807)	(248,479)
Other Operating Expenses	(1,952)	(7,753)
Profit from Operations	45,257	44,585
Finance Costs	(5,693)	(8,463)
Share of results of associates	96	95
Profit before taxation	39,660	36,217
Taxation	(9,399)	(10,123)

<COMPANY NAME> AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2005

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Profit after taxation before gain on sale of discontinued operations	30,261	26,094
Gain on sale of discontinued operations	711,702	-
<b>Profit after taxation</b>	<b>741,963</b>	<b>26,094</b>

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The impact of the discontinued operations on the consolidated cash flow of the Group is as follows:

	<b>The Group</b>	
	<b>2005</b>	<b>2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating Cash Flows	131,008	80,608
Investing Cash Flows	1,426,366	4,581
Financing Cash Flows	(42,781)	(53,876)
<b>Total Cash Flows from Discontinued Operations</b>	<b>1,514,593</b>	<b>31,313</b>

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