

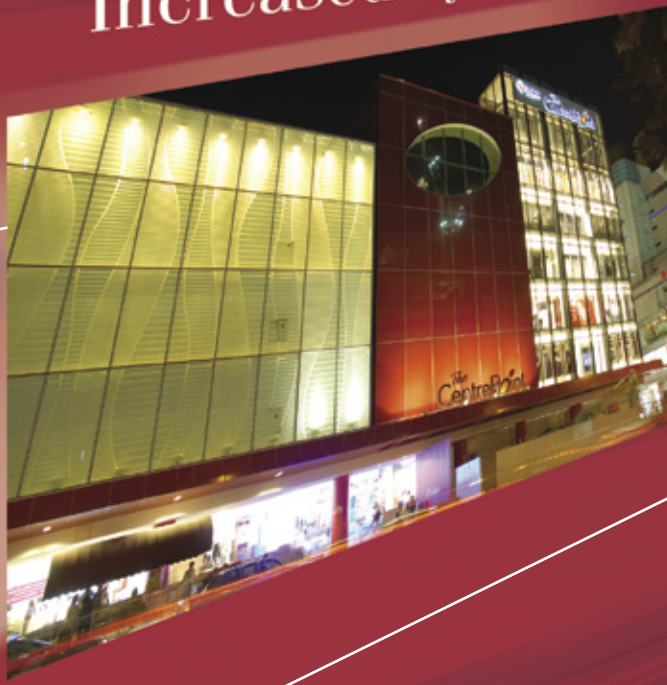
Properties



Revenue \$1,648_{million}
Increased by 22%

PBIT \$450_{million}
Increased by 29%

APBE \$293_{million}
Increased by 29%



PERFORMANCE OVERVIEW

The majority of F&N's Properties business operates through its wholly-owned subsidiary, Frasers Centrepoint Limited (FCL), one of the leading Singapore-based property companies.

The Properties division recorded another stellar year on the back of a buoyant Singapore economy, achieving a 22% surge in revenue and 29% in PBIT to reach \$1,648 million and \$450 million respectively. All core business units, particularly Development Property, registered strong financial results.

In the year under review, we remained focused on driving value by consistently employing a corporate strategy of adopting an integrated commercial real estate model; enhancing and consolidating our position in Singapore as one of the leading property companies; and balancing our portfolio by diversifying overseas and across multiple sectors.

Moving forward, we aim to leverage our strategy to extend our leading position and continue to deliver sustainable earnings to our shareholders.

DEVELOPMENT PROPERTY

Building Homes of Distinction

Riding on the upward trend of the property market in Singapore, the Group enjoyed another exceptional year as sales exceeded FY2006's by 24% to reach \$1.4 billion. In Singapore, a record 1,683 units were sold this year compared with 1,140 units the previous year, and close to 200 units were sold from five development projects overseas.

Four residences were successfully launched during the year – One St. Michael's, ClementiWoods Condominium, St. Thomas Suites and Soleil @ Sinaran. Within weeks of its launch in August 2007, Soleil @ Sinaran was already 86% sold. In addition, we also set a new record price for 99-year leasehold properties in the prime district 11 area.



Soleil @ Sinaran, Singapore



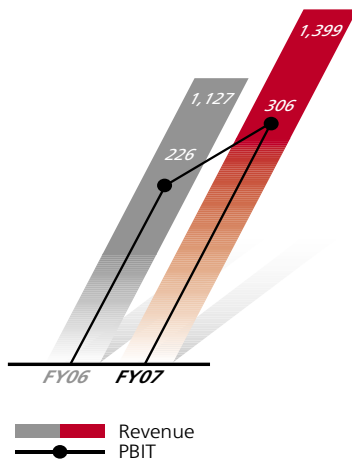
Fraser Suites Top Glory, Shanghai (2008)



Lumiere Residences, New South Wales

DEVELOPMENT PROPERTY

Building Homes of Distinction



Development Property
Revenue and PBIT
(\$ million)

Riding on the upward trend of the property market in Singapore, the Group enjoyed another exceptional year as sales exceeded FY2006 by 24% to reach \$1.4 billion. PBIT surged 35% to \$306 million. At the close of the financial year, a record 1,683 residential units in Singapore were sold compared with 1,140 units the previous year while close to 200 units were sold from five development projects overseas. Out of the 19 residential developments which were fully sold in Singapore, seven were completed developments, while the remaining 12 are still under construction. The sales of these projects will underpin the Group's development earnings for the next two to three years.

Frasers Centrepoint Homes – Singapore

Four residences were successfully launched during the year – the 131-unit One St. Michael's, the 240-unit ClementiWoods Condominium, the 176-unit St. Thomas Suites and the 417-unit Soleil @ Sinaran. Within weeks of its launch in August 2007, Soleil @ Sinaran was already 86% sold. In addition, we also set a new record price for 99-year leasehold properties in prime district 11 area.



Martin Place Residences, Singapore

During the year, the Group acquired four new mid-end segment sites in Singapore, covering some 2.7 million sq ft of gross development area, which is expected to yield a potential pipeline of 1,900 units. With Singapore's upgrader and mid-end markets gathering speed, the Group is well poised to benefit from this upswing with our total land bank of five million sq ft of developable area.

Following the successful launch of Soleil @ Sinaran, the Group is currently preparing for the debut of our high-end project, Martin Place Residences located in Kim Yam Road and Phase 1 of the Bedok waterfront development, Waterfront Waves, a mid-end project. Both are expected to launch in early 2008.

Fraser's Centrepoint Homes' competitive edge lies in its innovative design, efficiency and consistent quality. We will continue to build our reputation as Singapore's leading residential property developer by forging synergistic relationships with customers and adopting a selective land banking strategy.

Launched Projects in Singapore

RESIDENCES	NO. OF UNITS	PERCENTAGE SOLD	EXPECTED TEMPORARY OCCUPATION PERMIT	PERCENTAGE OF COMPLETION
The Quintet	459	100%	Oct 2006	100%
Tangerine Grove	125	100%	Apr 2007	100%
The Sensoria	73	100%	May 2007	100%
8 @ Mount Sophia	277	100%	Sep 2007	100%
The Raintree	315	100%	Dec 2008	81%
The Azure	116	100%	Dec 2008	72%
One Leicester	194	100%	Jan 2009	75%
The Infiniti	315	100%	Jun 2009	41%
One St. Michael's	131	100%	Jun 2010	32%
Clementi Woods Condominium	240	100%	Dec 2010	10%
St. Thomas Suites	176	100%	Dec 2010	0%
One Jervois	275	100%	Dec 2011	32%
Soleil @ Sinaran	417	86%*	Sep 2012	0%

* Includes 111 options signed

Singapore Land Bank

PROPERTIES	EST NO. OF RESIDENTIAL UNITS	EST SALEABLE AREA (MIL SQ FT)	TENURE	EST LAUNCH DATE
Bedok Waterfront*	1,430	2.1	99 yrs	1Q2008 [#]
Fleming Valley ⁺	350	0.5	Freehold	3Q2008
Martin Place Residences	302	0.4	Freehold	1Q2008
Sirat Road	72	0.1	Freehold	1Q2008
Tampines Court**	1,400	2.0	99 yrs	4Q2008
Woodsville Close	110	0.1	99 yrs	4Q2008
Total	3,664	5.2		

* 50:50 JV with Far East Organisation

⁺ Subject to STB approval

[#] Phase 1 – A 405-unit waterfront development with an unblocked view of the Bedok Reservoir

Frasers Property – Overseas

The Group forged ahead with our aggressive expansion strategy into the UK, Australia and China. To date, we have successfully acquired some 34 million sq ft of gross development area for the development of about 18,000 residential units and over 11 million sq ft of commercial space, further deepening our presence in these key hubs.

Of notable mention is the acquisition of the coveted 5.7 hectare freehold Carlton & United Breweries site in Sydney from Foster's Group Limited for A\$208 million, through an international tender. At the end of the financial year, the Group has accumulated up to 7 million sq ft of gross development area in Australia and New Zealand. The strong pipeline in these countries of about 5,000 residential units will be developed over the next five years.



In January 2007, we undertook a restructuring exercise through our 75% owned subsidiary Frasers (UK) Pte Ltd, to consolidate our property assets in the UK. The Group's interests in the relevant holding companies were transferred to Fairbriar Holdings Limited, which was subsequently renamed "Frasers Property (UK) Limited". Following the restructuring, we increased our shareholding interest in Frasers Property (UK) Limited from 33% to 68%. The other shareholders of Frasers Property (UK) Limited are Scarborough Group and Uberior Investments PLC holding about 20% and 12% respectively.

Through this new hub, we made further inroads into London and the Greater UK by acquiring two new sites and entering into a joint venture for development in Shrubhill, Edinburgh. A land bank of 1.4 million sq ft of Gross Floor Area (GFA) translating into 1,480 residential units will be developed directly by the Group or via joint ventures, over the next few years.



In China, we have further deepened our presence into second tier cities. A 3.4 million sq ft Suzhou Baitang site was acquired for the development of approximately 4,000 residential units. More recently, the Group also signed an agreement to develop a 5.8 million sq ft high-tech logistics park in Chengdu.

In March 2008, the Group will be launching our retail mall, In Point, located within the mixed-use Jingan Four Seasons development along Wujiang Road and Nanjing West Road in Shanghai, as a modern shopping hub. Another retail project taking shape is Crosspoint in Beijing, which is marketed as a retail hub for the young and trendy.



Throughout the year, sales and construction of residential projects in the Australia, China, Malaysia, New Zealand, Thailand, UK and Vietnam proceeded smoothly. Even as we scale up activities in these countries, we continue to explore investments in new markets, particularly rising economies which are experiencing a surge in demand for quality residences, such as India.

Overseas Projects Currently Under Development

PROJECTS	TYPE OF DEVELOPMENT	GROSS FLOOR AREA (MIL SQ FT)	NO. OF RESIDENTIAL UNITS	PERCENTAGE OF COMPLETION
China Jingan Four Seasons	Mixed-use	0.75	452	100%
Australia Lumiere Residences	Mixed-use	0.67	456	93%
Thailand The Pano	Residential	0.67	397	31%

Overseas Land Bank

PROJECTS	TYPE OF DEVELOPMENT	EST SALEABLE AREA (MIL SQ FT)	EST NO. OF RESIDENTIAL UNITS	EST LAUNCH DATE
Australia				
Lorne Killara (NSW)	Residential	0.07	40	4Q2007
Trio, City Quarter (NSW)	Residential	0.40	413	4Q2007
Queens Riverside, East Perth	Mixed-use	0.43*	285	1Q2008
Frasers Landing (WA)	Residential	1.80	1,250	2Q2008
Killara Pavilions (NSW)	Residential	0.09	66	2Q2008
CUB site (NSW)	Mixed-use	2.50*	1,600	2009
Parramatta River (NSW)	Residential	0.54	550	2009
New Zealand				
Papamoa	Residential	1.10	700	Jan 2008
Broadview Rise, Queenstown	Residential	0.07	15	2008
China				
Chengdu Logistics Park	Commercial	5.77	NA	TBC
Haitang Bay, Hainan	Mixed-use	0.73*	230	TBC
Sheshan Four Seasons, Songjiang	Mixed-use	8.87*	7,500	1Q2008
Suzhou Baitang	Mixed-use	6.00*	4,000	2008
Vision (Shenzhen) Business Park ⁺ (Phase 3)	Commercial	4.40	NA	TBC
United Kingdom				
Granton Harbour, Edinburgh [#]	Residential	0.11	120	Nov 2007
Water Street, Edinburgh [#]	Residential	0.05	44	Nov 2007
Gardens at Riverside Quarter, London	Residential	0.44	395	Jan 2008
143 - 161 Wandsworth Road, London	Residential	0.16 ⁺	146 ⁺	May 2009
Camberwell Green, London	Residential	0.12	130	2009
Collins Theatre, London	Residential	0.08	72	2009
Ferry Village, Glasgow	Residential	0.17	190	TBC
Shoppenhangers Road, Berkshire [#]	Residential	0.03	28	Jan 2008
Shrubhill, Edinburgh [#]	Residential	0.28	356	Jan 2008

* Includes commercial space

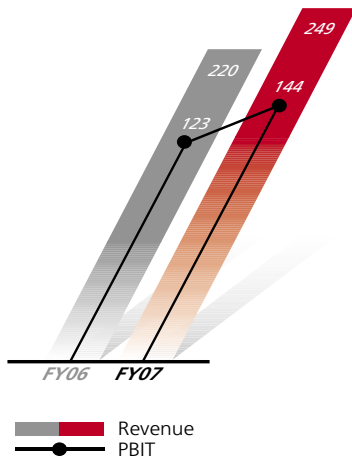
⁺ Subject to planning approval[#] Undertaken through joint ventures

FRASERS CENTREPOINT COMMERCIAL

Integrating Real Estate for Optimum Value

The vision to transform FCL from a traditional landlord model to an integrated real estate business was further realised with the establishment of Frasers Centrepoint Commercial (FCC) in January 2007. Consolidating the Investment Properties and Asset Management divisions, FCC is poised to maximise opportunities in the thriving Asian real estate market.

To enhance returns, FCC will grow its portfolio in Singapore and overseas by diversifying into three key areas: commercial property development (development of greenfield and brownfield projects), real estate investment, and property and asset management.



Commercial Property*:
Revenue and PBIT
(\$ million)

* Comprising Frasers Centrepoint Commercial and Frasers Hospitality

Commercial Property Development

This year, three Singapore malls were acquired and are awaiting injection into the Group's retail real estate investment trust, Frasers Centrepoint Trust (FCT): Northpoint 2, YewTee Point and Bedok Mall. Of these, Northpoint 2 is targeted to obtain temporary occupation permit and will be injected in 4th Quarter 2008, with YewTee Point in early 2009 and Bedok Mall in 2010. These three new malls, together with The Centrepoint Shopping Centre, are set to double FCT's Singapore portfolio, from close to 640,000 sq ft to over 1.2 million sq ft upon injection.

Real Estate Investment Trust – Frasers Centrepoint Trust (REIT)

FCT, launched in July 2006, is the Group's vehicle to grow our global retail property portfolio while seeding a fee-based fund and property management business. By expanding our investments in retail malls and focusing on active asset management, we are creating a viable avenue for delivering increased shareholder value and sustainable DPU growth to our unitholders.

In FY2007, FCT turned in a robust financial performance, with gross revenue of \$77 million, net property income of \$52 million and distribution of \$40 million, exceeding forecast by 11%. These exceptional results were achieved through increasing rental reversions, assets enhancement initiatives and overseas expansion.

FCT's initial portfolio consisted of three well established suburban malls, Causeway Point, Northpoint and Anchorpoint. All located in densely populated residential areas with excellent connectivity to the MRT and other means of public transportation, these malls enjoy high occupancy rates and dominate their respective trading areas.

During the year, FCT also embarked on its first in a series of three asset enhancement initiatives at Anchorpoint. It was re-positioned, at a cost of over \$12 million, as a village mall, offering a refreshed, vibrant shopping and dining experience, complemented by a unique retail concept of factory outlet cluster – a first in Singapore.



Anchorpoint, Singapore



The CentrePoint, Singapore



Northpoint 2, Singapore

Overseas expansion also fueled the growth of FCT's global retail property portfolio. In May 2007, FCT laid the ground for real estate investment in Malaysia by acquiring a 27% stake in Hektar Real Estate Investment Trust (Hektar), Malaysia's only pure retail REIT. This provides FCT with a yield-accretive investment in an underlying portfolio of prominent and high quality suburban regional malls in Malaysia, namely Subang Parade in Selangor and Mahkota Parade in Melaka, which together have a total net lettable area of about 944,500 sq ft, housing more than 230 major international and domestic retailers, with high transient traffic.

In its inaugural year, the net lettable area of FCT's investment portfolio, including pipeline assets under development, has more than tripled to over 2.2 million sq ft, and its market capitalisation has leapt almost two-fold to \$1.1 billion.

During the year, FCT's portfolio recorded an increase of over 12% on positive rental reversion with new and renewed leases above preceding rates, due to strong branding, active asset enhancement initiatives, the strong domestic economy and a buoyant retail sector. FCT will continue to tailor its leasing strategy to maximise the returns of its assets.

Looking ahead, FCT's primary focus is to be a leading retail mall owner and manager delivering sustainable Distribution Per Unit growth through four strategic growth thrusts. In addition, F&N will continue to diversify our property development and investment incomes into fee-based income, to enhance the quality of earnings. In line with this strategy, the Group plans to launch our Commercial REIT in 2008.



Causeway Point, Singapore

FCT's Current Portfolio**

RETAIL MALLS	CAUSEWAY POINT	NORTHPOINT	ANCHORPOINT
Location (Singapore)	Woodlands	Yishun	Alexandra
Tenure	99-yr leasehold (2094)	99-yr leasehold (2089)	Freehold
Book Value	\$636 million	\$263 million	\$45 million
Valuation	\$676 million	\$266 million	\$47 million
Net Lettable Area	418,543 sq ft	149,243 sq ft	72,000 sq ft
Occupancy	99.9%	100%	*
Annual Visitorship	25.9 million	18.4 million	*

* Not meaningful as Anchorpoint was under asset enhancement for most of FY2007

** Effective Equity Interest: 51.11%

FCT's Identified Pipeline

RETAIL MALLS	NORTHPOINT 2	YEWTEE POINT	BEDOK MALL	THE CENTREPOINT
Location (Singapore)	Yishun (Suburban)	Choa Chu Kang (Suburban)	Bedok (Suburban)	Orchard (City)
Estimated Net Lettable Area	83,000 sq ft	80,000 sq ft	80,000 sq ft	390,000 sq ft
Connectivity	Next to Yishun MRT & Bus Interchange	Next to YewTee MRT	Next to Bedok MRT	Next to Somerset MRT

Investment Property



Alexandra Technopark, Singapore

Besides FCT, FCC's investment property portfolio comprises four local and one overseas retail malls, and four office towers and three high-tech business parks in Singapore, China and Vietnam. These retail properties cover more than 800,000 sq ft of retail space, while the combined commercial space offers an aggregate net lettable area of close to 3.5 million sq ft.

The retail portfolio in Singapore is marketed under the Frasers Centrepoint Malls brand, and consists of The Centrepoint, Compass Point, Robertson Walk and Valley Point. Spurred by the upbeat sentiment of the local retail and property sectors, the Group's retail malls enjoyed high occupancies of almost 100% on average throughout the year. Average rentals from shop leases and cart space, as well as revenue from car parks also rose significantly.

The new wing of The Centrepoint, which has a floor space of 59,000 sq ft, was officially launched on 8 March 2007. The makeover added over 20% more retail space and transformed the mall into a stylish haven, with trendy brands like Gap, Esprit, In-box and Tateossian. Befitting its prime location in the heart of Orchard Road, The Centrepoint now spans eight floors and boasts disabled and family-friendly facilities, such as a special chair lift, child-friendly toilets and wider linkways.

Overseas, the Group's shopping centre in Sydney, Bridgepoint Shopping Centre, achieved 95% occupancy. With a net lettable area of 73,130 sq ft and 40 tenants including anchors such as national retailers Franklins Supermarket and Harris Farm Markets, customer traffic improved 4% over the year to 2.7 million, while sales turnover increased 3% to A\$54.5 million.

Occupancy at the office towers and high-tech business parks also experienced higher averages compared with the previous year. Alexandra Point, in particular, saw occupancy and rental rates rise appreciably by about 18% and 41% respectively.

In Vietnam, the 22-storey office tower – Me Linh Point Tower with a net lettable area of 190,995 sq ft achieved 100% occupancy. It is an international standard office building in Ho Chi Minh City which was awarded the gold medal for high quality building construction by the Ministry of Construction in 1999. In China, our business parks also recorded significant jumps in revenue, reflecting improved occupancy and rental rates, and the impact of first full year income contribution from the newly completed phase 2A.

FCC Retail Portfolio

RETAIL MALLS (NON-REIT)	NET LETTABLE AREA (SQ FT)	OCCUPANCY AS AT 30 SEP 2007 (%)	TOTAL TRAFFIC COUNT FOR FY2006/2007	BOOK VALUE (SEP 2007)
Singapore				
The Centrepoint	331,722*	99%	15 million	\$623 million
Compass Point [†]	266,586	100%	16 million	-
Robertson Walk	97,605	98%	-	\$46 million
Valley Point	39,817	98%	-	\$22 million
Overseas				
Bridgepoint Shopping Centre (Australia)	73,130	95%	2.7 million	A\$42.5 million

* Floor space excludes the new wing, comprising of 59,000 sq ft which is owned by Management Corporation Strata Title

[†] Managed by Frasers Centrepoint Group

FCC Office and High-Tech Business Parks Portfolio

OFFICE & HIGH-TECH BUSINESS PARKS	NET LETTABLE AREA (SQ FT)	OCCUPANCY AS AT 30 SEP 2007 (%)	BOOK VALUE (SEP 2007)
Singapore			
Alexandra Point	198,142	99%	\$159 million
Alexandra Technopark	1,048,157	100%	\$384 million
Valley Point Office Tower	182,308	96%	\$167 million
Overseas			
Me Linh Point (Vietnam)	190,995	100%	US\$21 million
Vision (Shenzhen) Business Park (Phase 1&2A) (China)	744,860	99%	HK\$299 million
Vision (Shenzhen) Business Park (Phase 2B) (China)	951,640	*	HK\$313 million
SOHU.com Internet Plaza (formerly known as Vision International Centre) (China)	159,520 [#]	99%	HK\$184 million

* Construction of Phase 2B was completed in September 2007

[#] The lettable area held in the SOHU.com is in respect of the remaining six floors held after the disposal of the seven floors in early 2007

FRASERS HOSPITALITY

Creating a Brand Name in Hospitality

Over the years, Frasers Hospitality has consistently reinforced its identity of being a premier hospitality services provider, with its brand equity expressed through its Gold Standard properties – Fraser Suites, Fraser Place and Fraser Residences. This has contributed to its outstanding performance of an average occupancy of over 90% in FY2007, surpassing the industry average.



In alignment with its business strategy of internationalisation, Frasers Hospitality has stepped up expansion efforts in the global market, rapidly extending its brand to Europe, Australia, Asia and the Middle East.

Asia continues to be a vital market for Frasers Hospitality, particularly in burgeoning economies like China and India. New serviced residences are rapidly being established through management contracts in major cities. In cities where we have already instituted a residence, we are boldly exploring ways to enlarge our presence beyond just one Frasers property.

In the year under review, five properties in London, Paris, Seoul, Bangkok and Sydney commenced management contracts with Frasers Hospitality, while three management contracts in Hanoi, Shanghai and Chengdu were secured. In addition, Frasers Hospitality secured five Memorandums of Understanding (MOU) to manage residences in Bangalore, Kuala Lumpur, Hong Kong, Tianjin and Shanghai.

Looking ahead, Frasers Hospitality's three-year target is to have a total of 10,000 apartments, either in operation or under development, under the Frasers Hospitality's portfolio. By 2009/2010, we aim to open 23 more new Gold Standard serviced residences in the key gateway cities of Australia, Bahrain, China, Europe, Hong Kong, India, Japan, Malaysia, Singapore, Thailand, UAE and Vietnam, further stamping the Frasers Hospitality brand on the world map – a brand that is uniquely renowned for its warmth and hospitality, aptly encapsulated in its promise "where you are more than just a guest".



Fraser Suites Sathorn, Bangkok



Fraser Suites Top Glory, Shanghai (2008)



Fraser Place Queens Gate, London



Fraser Suites, Sydney

Properties in operation as at 30 September 2007

COUNTRIES	PROPERTIES	NO. OF ROOMS
Australia	Fraser Suites, Sydney	202
China	Fraser Residence Futian, Shenzhen	165
	Fraser Place Shekou, Shenzhen	232
	Fraser Residence CBD East, Beijing	228
	Fraser Suites Nanjing	210
France	Fraser Suites Harmonie, Paris La Defense	134
	Le Claridge, Champs-Elysees, Paris	110
Korea	Fraser Suites Insadong, Seoul	213
	Fraser Place Central, Seoul	237
Philippines	Fraser Place, Manila	146
Singapore	Fraser Place, Singapore	161
	Fraser Suites, Singapore	251
Thailand	Fraser Place Langsuan, Bangkok	135
	Fraser Suites Sathorn, Bangkok	140
	Fraser Suites Sukhumvit	163
United Kingdom	Fraser Place Canary Wharf, London	63
	Fraser Place Chelsea, London	30
	Fraser Suites Kensington, London	69
	Fraser Residence, Prince of Wales, London	18
	Fraser Place Queens Gate, London	106
	Fraser Suites, Glasgow	99
	Total	3,112