TREASURY HIGHLIGHTS

The Group aims to maintain a prudent financial structure to ensure that we will be able to access adequate capital at an attractive cost. The main sources of cash flow for the Group are from our three business divisions, and investment and management fee income. Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rates exposures and overall liquidity position on a continuous basis. To ensure that the Group has adequate overall liquidity to finance our operations and investment requirements, the Group maintains a significant amount of available banking facilities with a number of banks.

Net Group Borrowings (net of cash) rose from $2.99 billion to $3.76 billion during the financial year under review. The increase in debt resulted from the continuing expansion of the Group's Assets from $9.67 billion to $12.87 billion during the financial year. Net Gearing (borrowings less cash) fell from 0.65 to 0.59 times as a result of a 39% increase in total equity to $6.38 billion during the financial year. Group cash increased from $834.89 million to $1,150.79 million mainly due to strong cash flows from the Group's residential development projects.

Pursuant to the subscription in January 2007 by Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) of an aggregate 205,500,000 new shares in the Company (the "**Subscription Shares**") representing approximately 14.9% of the enlarged share capital of the Company, the Company received aggregate issue proceeds of approximately $900,000,000 (the "**Net Proceeds**") for the Subscription Shares. The Net Proceeds is intended to be used as working capital for new investments in, and funds to grow, our Food & Beverage business and enhance values for all our stakeholders. Pending the identification of such new investments and deployment of the funds, the Company has used the Net Proceeds to reduce the Group's borrowings.

Interest cost in 2007 was $180.1 million (of which $82.1 million was capitalised), 35% higher than the previous year's interest cost of $133.2 million (of which $49.6 million was capitalised) mainly due to higher borrowings and higher interest rates.

Source of Funding

The Group relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 September 2007, the Group has $5.2 billion in banking facilities, $0.6 billion in Transferable Term Loan Facilities and $3.0 billion in Medium Term Note Programs to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 September 2007

The Group maintains an active relationship with a network of more than 20 banks of various nationalities located in various countries where the Group operates. Four core banks provide 53% of the banking requirements to the Group. Two of these banks are headquartered in Singapore and the remaining two are international foreign banks with extensive global networks. The remaining 47% of the banking facilities are extended to the Group by a group of international banks and one Singapore bank. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

Maturity Profile of Group Debt (exclude Finance Leases)

Maturing within one year	$2,437 million
Maturing within one to two years	$1,078 million
Maturing within two to five years	$1,220 million
Maturing after five years	$ 179 million
	$4,914 million

Interest Rate Profile and Derivatives

The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings. On a portfolio basis, 46% of the Group's borrowings are in fixed rates with an average fixed rate tenor of two years and 10 months as at 30 September 2007. Another 8% of the Group's borrowings are on floating interest rates with interest rates caps. The remaining 46% of the Group's borrowings are on floating rates as at 30 September 2007. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and expected cash inflows from sales of development property where debt can be reduced quickly.

In managing the interest rate profile, the Group takes into account the interest rate outlook, cash flow generated from our business operations, holding period of long term investments and any acquisition and divestments plans.

The Group makes use of interest rates derivatives for the purpose of hedging interest rates risks and managing its portfolio of fixed and floating rate borrowings. The Group does not engage in trading in interest rates derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 September 2007 is disclosed in the financial statement in Note 38.

Gearing and Interest Cover

The Group aims to maintain a Net Debt to Total Equity ratio of below 1. As at 30 September 2007, this ratio was 0.59. Total interest paid during the year amounted to $180.1 million, of which $82.1 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was $71.1 million and net interest cover was at 10.3 times.

Foreign Exchange Risks and Derivatives

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign currency forward exchange contracts to manage these foreign exchange risks.

The Group does not engage in trading of foreign exchange contracts and derivatives. The Group uses foreign exchange contracts and derivatives solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the Audit Committee and the Board under the Group Treasury Policy. These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are adhered to.

The Group's foreign exchange contracts and derivatives and the mark to market values as at 30 September 2007 are disclosed in the financial statement in Note 38.

The Group does not hedge its foreign exchange risks of its investments in overseas subsidiary, joint venture and associated companies. Such investments are long term in nature and therefore not feasible and economical to hedge. The Group only hedges the cash flows to and from its overseas subsidiary, joint venture and associated companies.