

**Macquarie MEAG Prime Real Estate Investment Trust  
Financial Statements Announcement  
For the Financial Year Ended 31 December 2007**

These financial statements for the quarter from 1 October 2007 to 31 December 2007, and the financial year ended 31 December 2007, have not been audited or reviewed by our auditors.

Macquarie MEAG Prime Real Estate Investment Trust (“MMP REIT”) is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (last amended and restated on 10 December 2007) between Macquarie Pacific Star Prime REIT Management Limited as the Manager of MMP REIT and HSBC Institutional Trust Services (Singapore) limited as the Trustee of MMP REIT. MMP REIT was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005.

The principal activities of MMP REIT and its subsidiaries (the “Group”) are those relating to investment in a diverse portfolio of real estate and real estate assets with the prime objective of delivering regular and stable distributions and the net asset value per unit.

MMP REIT owns 331 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City (the “Singapore Properties”).

On 30 May 2007, MMP REIT completed its acquisition of six properties in Tokyo, Japan, (Fund Creation Portfolio) for a total purchase price of Yen 8,727 million. The purchase price and acquisition costs of the Fund Creation Portfolio have been fully funded by debt.

On 28 August 2007, MMP REIT acquired Renhe Spring Department Store in Chengdu, China for a total purchase price of RMB 350 million.

On 26 September 2007, MMP REIT completed its acquisition of a seventh property in Tokyo, Japan, (Ebisu Fort property) for a total purchase price of Yen 5,700 million. Both acquisitions have been fully funded by debt.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

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### SUMMARY OF MMP REIT RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

|   | Group<br>01/01/07 to<br>31/12/07<br>S\$'000 | Group<br>01/01/06 to<br>31/12/06<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|---|---|---|-------------------------------|
| Gross revenue   | 102,959                                     | 89,876                                      | 14.6%                         |
| Net property income   | 76,814                                      | 69,252                                      | 10.9%                         |
| Net income available for distribution                         | 59,038                                      | 54,894                                      | 7.5%                          |
|   | Cents per Unit                              |   |                               |
| <b>Distribution per Unit ("DPU")</b>                          |   |   |                               |
| For the quarter from 1 October 2007 to 31 December 2007       | 1.68  | 1.47  | 14.3%                         |
| For the year ended 31 December 2007                           | 6.19  | 5.79  | 6.9%                          |
| Annualised (based on the three months ended 31 December 2007) | 6.67  | 5.83  | 14.4%                         |

### DISTRIBUTION DETAILS

|                     |                               |
|---------------------|-------------------------------|
| Distribution period | 1 October to 31 December 2007 |
| Distribution amount | 1.68 cents per unit           |
| Books closure date  | 6 February 2008               |
| Payment date        | 29 February 2008              |

# Financial Statements Announcement

## For The Financial Year Ended 31 December 2007

### 1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Consolidated Statement of Total Return for the Quarter Ended 31 December 2007 and Year Ended 31 December 2007

|   | Notes | Group<br>01/10/07 to<br>31/12/07 | Group<br>01/10/06 to<br>31/12/06 | Increase /<br>(Decrease) | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 | Increase /<br>(Decrease) |
|---|-------|----------------------------------|----------------------------------|--------------------------|----------------------------------|----------------------------------|--------------------------|
|   |       | S\$'000                          | S\$'000                          | %                        | S\$'000                          | S\$'000                          | %                        |
| <b>Gross revenue</b>  | (a)   | <b>29,830</b>                    | <b>22,583</b>                    | <b>32.1%</b>             | <b>102,959</b>                   | <b>89,876</b>                    | <b>14.6%</b>             |
| Maintenance and sinking fund contributions                              |       | (1,384)                          | (1,337)                          | 3.5%                     | (5,459)                          | (5,348)                          | 2.1%                     |
| Property Manager's fee  | (b)   | (720)                            | (677)                            | 6.4%                     | (2,829)                          | (2,696)                          | 4.9%                     |
| Property tax  |       | (2,338)                          | (2,155)                          | 8.5%                     | (9,052)                          | (8,588)                          | 5.4%                     |
| Other property expenses   | (c)   | (3,200)                          | (1,223)                          | 161.7%                   | (8,805)                          | (3,992)                          | 120.6%                   |
| <b>Property expenses</b>  |       | <b>(7,642)</b>                   | <b>(5,392)</b>                   | <b>41.7%</b>             | <b>(26,145)</b>                  | <b>(20,624)</b>                  | <b>26.8%</b>             |
| <b>Net property income</b>  |       | <b>22,188</b>                    | <b>17,191</b>                    | <b>29.1%</b>             | <b>76,814</b>                    | <b>69,252</b>                    | <b>10.9%</b>             |
| Interest income   |       | 41                               | 87                               | (52.9%)                  | 222                              | 344                              | (35.5%)                  |
| Accretion of tenancy deposit and retention sum stated at amortised cost | (d)   | (75)                             | (219)                            | (65.8%)                  | 42                               | (648)                            | (106.5%)                 |
| Goodwill payments   | (e)   | (167)                            | (1,028)                          | (83.8%)                  | (917)                            | (1,028)                          | (10.8%)                  |
| Management fees   | (f)   | (2,576)                          | (1,502)                          | 71.5%                    | (8,843)                          | (6,549)                          | 35.0%                    |
| Performance fee   |       | -                                | -                                | NM                       | -                                | -                                | NM                       |
| Trust expenses  | (g)   | (430)                            | (188)                            | 128.7%                   | (1,460)                          | (1,476)                          | (1.1%)                   |
| Borrowing costs   | (h)   | (5,067)                          | (3,406)                          | 48.8%                    | (16,448)                         | (13,483)                         | 22.0%                    |
| <b>Non property expenses</b>  |       | <b>(8,274)</b>                   | <b>(6,256)</b>                   | <b>32.3%</b>             | <b>(27,404)</b>                  | <b>(22,840)</b>                  | <b>20.0%</b>             |
| <b>Net income before tax</b>  |       | <b>13,914</b>                    | <b>10,935</b>                    | <b>27.2%</b>             | <b>49,410</b>                    | <b>46,412</b>                    | <b>6.5%</b>              |
| Change in fair value of derivative instruments - unrealised             | (i)   | 473                              | -                                | NM                       | (7,983)                          | -                                | NM                       |
| Change in fair value of investment properties                           | (j)   | 338,870                          | 171,000                          | 98.2%                    | 448,870                          | 171,000                          | 162.5%                   |
| <b>Total return for the period before tax and distribution</b>          |       | <b>353,257</b>                   | <b>181,935</b>                   | <b>94.2%</b>             | <b>490,297</b>                   | <b>217,412</b>                   | <b>125.5%</b>            |
| Income tax expense  | (k)   | (2,931)                          | -                                | NM                       | (3,188)                          | -                                | NM                       |
| <b>Total return for the period after tax, before distribution</b>       |       | <b>350,326</b>                   | <b>181,935</b>                   | <b>92.6%</b>             | <b>487,109</b>                   | <b>217,412</b>                   | <b>124.0%</b>            |

#### Footnotes:

- (a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue is mainly attributed to higher rental rates achieved for renewals, new committed leases and revenue on new acquisitions, which accounted for approximately 8% of total gross revenue for 2007.
- (b) The Property Manager's fee is equal to 3% per annum of the gross revenue from the Singapore Properties and is in line with the higher gross revenue recorded.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

- (c) Other property expenses for the quarter are higher due to higher commission paid for new and renewal leases, which was transacted at higher rentals. Tenancy costs also increased arising from re-positioning of the tenant mix. In addition, as in previous quarters in 2007, there was a depreciation charge for the escalator installation linking the Wisma Atria basement level to Orchard Road level following the closure of the basement MRT Linkway on 30 September 2006.
- (d) Accretion of tenancy deposit and retention sum stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39. The lower amount in 2007 is due to the shorter period of the average lease expiry compared to 2006.
- (e) Goodwill payments were made to tenants during the year/quarter for operating under the circumstances related to the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- (f) Management fees consist of the base fee, which is calculated based on 0.5% per annum of the value of the Trust Property. The higher fee is due to the increase in the value of the Trust Property.
- (g) The lower trust expenses are due to lower professional fees incurred.
- (h) Borrowing costs are higher due to debt financing of the Japanese and Chinese property acquisitions and include interest receivable and payable under the interest rate swaps and cross currency swap contracts.
- (i) Represents the change in fair value on interest rate swaps, interest rate cap and cross currency swap which were entered into in relation to the Japanese property acquisition. The unrealized loss on the cross currency swaps is offset by an increase in value of the Japanese properties due to an improvement in foreign exchange rates.
- (j) The Singapore properties were revalued to S\$1,932.4 million by CB Richard Ellis (Pte) Ltd ("CBRE") as at 31 December 2007 resulting in a revaluation increment of S\$324 million for the quarter. The Japanese properties and the Chengdu property were also independently revalued by Tokyo Asset Research Co. Ltd and Savills Valuation and Professional Services Limited respectively as at 31 December 2007, resulting in an additional revaluation increment totaling S\$15 million.
- (k) Income tax expense includes withholding tax and deferred tax accrued in relation to the Japanese and China properties.

NM – Not Meaningful

### Distribution Statement - Group

|   | Notes | Group<br>01/10/07 to<br>31/12/07<br>S\$'000 | Group<br>01/10/06 to<br>31/12/06<br>S\$'000 | Group<br>01/01/07 to<br>31/12/07<br>S\$'000 | Group<br>01/01/06 to<br>31/12/06<br>S\$'000 |
|---|-------|---|---|---|---|
| <b>Total return after tax, before distribution</b>          |       | <b>350,326</b>                              | <b>181,935</b>                              | <b>487,109</b>                              | <b>217,412</b>                              |
| Non-tax deductible / (chargeable) items:                    |       |   |   |   |   |
| Depreciation  |       | 525   | 125   | 1,700                                       | 125   |
| Sinking fund contribution                                   |       | 291   | 292   | 1,167                                       | 1,168                                       |
| Goodwill payments   |       | 167   | 1,028                                       | 917   | 1,028                                       |
| Management fees paid / payable in units                     |       | 1,314                                       | 791   | 4,914                                       | 3,819                                       |
| Finance costs   |       | 306   | 193   | 910   | 772   |
| Change in fair value of derivative instruments - unrealised |       | (473)                                       | -   | 7,983                                       | -   |
| Change in fair value of investment properties               |       | (338,870)                                   | (171,000)                                   | (448,870)                                   | (171,000)                                   |
| Deferred income tax   |       | 2,393                                       | -   | 2,416                                       | -   |
| Other adjustments   | (a)   | 193   | 610   | 792   | 1,570                                       |
| <b>Income available for distribution</b>                    |       | <b>16,172</b>                               | <b>13,974</b>                               | <b>59,038</b>                               | <b>54,894</b>                               |

Footnotes:

- (a) Other adjustments include mainly trustee's fee and non-deductible debt costs.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 1(b) (i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year

|   | Notes | Group<br>31/12/07<br>S\$'000 | Group<br>31/12/06<br>S\$'000 | Trust<br>31/12/07<br>S\$'000 | Trust<br>31/12/06<br>S\$'000 |
|---|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Assets</b>                                 |       |                              |                              |                              |                              |
| Investment properties                         | (a)   | 2,208,574                    | 1,498,000                    | 1,932,350                    | 1,498,000                    |
| Investments in subsidiaries                   |       | -                            | -                            | 226,399                      | -                            |
| Plant & machinery and renovations             |       | 2,259                        | 3,431                        | 2,155                        | 3,431                        |
| Intangible assets                             | (b)   | 12,613                       | -                            | -                            | -                            |
| Trade and other receivables                   |       | 9,499                        | 4,201                        | 5,281                        | 4,201                        |
| Derivative financial instruments              | (c)   | 1,920                        | -                            | 1,447                        | -                            |
| Cash  |       | 42,686                       | 20,122                       | 19,057                       | 20,122                       |
| <b>Total assets</b>                           |       | <b>2,277,551</b>             | <b>1,525,754</b>             | <b>2,186,689</b>             | <b>1,525,754</b>             |
| <b>Liabilities</b>                            |       |                              |                              |                              |                              |
| Trade and other payables                      | (d)   | (57,563)                     | (39,093)                     | (44,590)                     | (39,093)                     |
| Derivative financial instruments              | (c)   | (8,036)                      | -                            | (8,036)                      | -                            |
| Current tax payable                           |       | (656)                        | -                            | -                            | -                            |
| Deferred tax liability                        | (e)   | (16,598)                     | -                            | -                            | -                            |
| Borrowings (net of transaction costs)         | (f)   | (657,531)                    | (388,200)                    | (612,741)                    | (388,200)                    |
| <b>Total liabilities</b>                      |       | <b>(740,384)</b>             | <b>(427,293)</b>             | <b>(665,367)</b>             | <b>(427,293)</b>             |
| <b>Net assets attributable to unitholders</b> |       | <b>1,537,167</b>             | <b>1,098,461</b>             | <b>1,521,322</b>             | <b>1,098,461</b>             |

#### Footnotes:

- Investment properties have increased due to the revaluation of the Singapore properties as at 31 December 2007 and 30 June 2007, the acquisition of investment properties in Japan and China during the year and their revaluation as at 31 December 2007.
- Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns, through its wholly owned subsidiary, a retail property in Chengdu, China.
- Derivative financial instruments include the fair value of the interest rate swaps, interest rate caps, cross currency swaps and foreign currency contracts taken out in relation to the acquisition of the Japanese and China properties.
- The increase in 2007 is mainly due to increase in security deposits, payables in relation to the overseas properties and advance rental received. Payables include an amount of S\$13.7 million which forms part of the consideration for the investment properties retained under the sale & purchase agreement in respect of Wisma Atria.
- The increase in the deferred tax liability is mainly in respect of the investment property acquired in China and has been estimated on the basis of an asset sale at the current book value. This amount will not be payable if the property were sold through a sale of shares in the holding company in Hong Kong.
- The increase in borrowings is due to bridging loans totalling S\$160 million, a new revolving credit facility of S\$60 million and a term loan of Yen 3.1 billion (S\$39.8 million) used to fund the acquisition of investment properties in Japan and China.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 1(b) (ii) Aggregate amount of borrowings

|  | Notes | Group<br>31/12/07<br>S\$'000 | Group<br>31/12/06<br>S\$'000 | Trust<br>31/12/07<br>S\$'000 | Trust<br>31/12/06<br>S\$'000 |
|--|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Secured borrowings</b>                          | (a)   |                              |                              |                              |                              |
| Amount repayable within one year                   |       | -                            | 11,000                       | -                            | 11,000                       |
| Amount repayable after one year                    |       | 380,000                      | 380,000                      | 380,000                      | 380,000                      |
|  |       | <b>380,000</b>               | <b>391,000</b>               | <b>380,000</b>               | <b>391,000</b>               |
| <b>Unsecured borrowings</b>                        | (b)   |                              |                              |                              |                              |
| Amount repayable within one year                   |       | 235,833                      | -                            | 235,000                      | -                            |
| Amount repayable after one year                    |       | 45,067                       | -                            | -                            | -                            |
| <b>Total borrowings</b>                            |       | <b>660,900</b>               | <b>391,000</b>               | <b>615,000</b>               | <b>391,000</b>               |
| Less: Unamortised borrowing costs                  |       | (3,369)                      | (2,800)                      | (2,259)                      | (2,800)                      |
| <b>Total borrowings (net of transaction costs)</b> |       | <b>657,531</b>               | <b>388,200</b>               | <b>612,741</b>               | <b>388,200</b>               |

#### Footnotes:

(a) Secured

The Group has secured facilities of S\$380 million term loan facility with a tenor of 5 years (repayable on 20 September 2010).

The facilities are secured on the following:

- (i) A first legal mortgage on the Singapore properties;
- (ii) A first fixed charge over the rental collection, current and fixed deposit accounts;
- (iii) An assignment of MMP REIT's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore properties; and
- (iv) A fixed and floating charge over the assets of MMP REIT in relation to the Singapore properties, agreements and collateral, as required by the financial institution granting the facilities.

(b) Unsecured

The Group has bridging loans totalling S\$160 million repayable on or before 30 May 2008, and revolving credit facilities ("RCF") of up to S\$95 million for a remaining tenor of less than one year. Currently, S\$75 million is outstanding under the RCF, of which S\$30 million is repayable on 31 May 2008. In addition, the Group has a five-year bond facility of Yen 3.1 billion (S\$39.8 million), which was used to part finance the acquisition of Japanese properties. Whilst no security has been pledged, the bondholders have a statutory preferred right, under Japanese Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of the Issuer (Japanese subsidiary). The Group also has a seven-year loan from Rendong Company, which was assumed as part of the acquisition of the property in China. The loan is interest-free, and is repayable in equal, annual instalments.

# Financial Statements Announcement For The Financial Year Ended 31 December 2007

## 1(c) Consolidated cash flow statement

|   | Notes | Group<br>01/10/07 to<br>31/12/07<br>S\$'000 | Group<br>01/10/06 to<br>31/12/06<br>S\$'000 | Group<br>01/01/07 to<br>31/12/07<br>S\$'000 | Group<br>01/01/06 to<br>31/12/06<br>S\$'000 |
|---|-------|---|---|---|---|
| <b>Operating activities</b>   |       |   |   |   |   |
| Total return for the period before tax  |       | 353,257                                     | 181,935                                     | 490,297                                     | 217,412                                     |
| <b>Adjustments for</b>  |       |   |   |   |   |
| Interest income   |       | (41)  | (87)  | (222)                                       | (344)                                       |
| Accretion of tenancy deposit and retention sum stated at amortised cost                   |       | 75  | 219   | (42)  | 648   |
| Depreciation  |       | 533   | 125   | 1,708                                       | 125   |
| Management fees paid / payable in units   |       | 1,314                                       | 791   | 4,914                                       | 3,819                                       |
| Borrowing costs   |       | 5,067                                       | 3,406                                       | 16,448                                      | 13,483                                      |
| Change in fair value of derivative instruments - unrealised                               |       | (473)                                       | -   | 7,983                                       | -   |
| Change in fair value of investment properties   |       | (338,870)                                   | (171,000)                                   | (448,870)                                   | (171,000)                                   |
| Operating income before working capital changes   |       | 20,862                                      | 15,389                                      | 72,216                                      | 64,143                                      |
| Changes in working capital:   |       |   |   |   |   |
| Trade and other receivables   |       | 1,596                                       | (3,202)                                     | (2,462)                                     | (3,109)                                     |
| Trade and other payables  |       | (1,658)                                     | 2,181                                       | 6,030                                       | 5,170                                       |
| Income tax paid   |       | (226)                                       | -   | (226)                                       | -   |
| <b>Cash generated from operating activities</b>   |       | <b>20,574</b>                               | <b>14,368</b>                               | <b>75,558</b>                               | <b>66,204</b>                               |
| <b>Investing activities</b>   |       |   |   |   |   |
| Net cash outflow on purchase of investment properties                                     | (a)   | -   | -   | (180,305)                                   | -   |
| Net cash outflow on acquisition of subsidiary (net of cash and cash equivalents acquired) | (b)   | (202)                                       | -   | (59,859)                                    | -   |
| Purchase of plant and equipment   |       | (475)                                       | (1,882)                                     | (478)                                       | (2,956)                                     |
| Capital expenditure on investment properties  |       | -   | -   | (698)                                       | -   |
| Interest received on deposits   |       | 75  | 126   | 220   | 306   |
| <b>Cash flows from investing activities</b>   |       | <b>(602)</b>                                | <b>(1,756)</b>                              | <b>(241,120)</b>                            | <b>(2,650)</b>                              |
| <b>Financing activities</b>   |       |   |   |   |   |
| Borrowing costs paid (net)  |       | (3,897)                                     | (3,108)                                     | (18,161)                                    | (12,651)                                    |
| Proceeds from borrowings  |       | 23,500                                      | 14,000                                      | 314,560                                     | 41,000                                      |
| Repayment of borrowings   |       | (27,500)                                    | (12,000)                                    | (51,500)                                    | (43,000)                                    |
| Unit issue costs  |       | -   | 1,539                                       | -   | 1,539                                       |
| Distributions paid to unitholders   |       | (14,650)                                    | (13,642)                                    | (56,799)                                    | (55,799)                                    |
| <b>Cash flows from financing activities</b>   |       | <b>(22,547)</b>                             | <b>(13,211)</b>                             | <b>188,100</b>                              | <b>(68,911)</b>                             |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                             |       | <b>(2,575)</b>                              | <b>(599)</b>                                | <b>22,538</b>                               | <b>(5,357)</b>                              |
| <b>Cash and cash equivalents at the beginning of the period</b>                           |       | <b>45,441</b>                               | <b>20,721</b>                               | <b>20,122</b>                               | <b>25,479</b>                               |
| Effects of exchange rate differences on cash  |       | (180)                                       | -   | 26  | -   |
| <b>Cash and cash equivalents at the end of the period</b>                                 |       | <b>42,686</b>                               | <b>20,122</b>                               | <b>42,686</b>                               | <b>20,122</b>                               |

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

Footnotes:

(a) Net cash outflow on purchase of investment properties (including acquisition costs) is set out below:

|  | Group<br>01/10/07 to<br>31/12/07 | Group<br>01/10/06 to<br>31/12/06 | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | S\$'000                          | S\$'000                          | S\$'000                          | S\$'000                          |
| Investment properties  | -                                | -                                | 181,256                          | -                                |
| Cash and cash equivalents                                    | -                                | -                                | 1,629                            | -                                |
| Trade and other payables                                     | -                                | -                                | (1,629)                          | -                                |
| Cash consideration paid                                      | -                                | -                                | 181,256                          | -                                |
| Cash (acquired)  | -                                | -                                | (1,629)                          | -                                |
| Acquisition costs paid                                       | -                                | -                                | 678                              | -                                |
| <b>Net cash outflow on purchase of investment properties</b> | -                                | -                                | <b>180,305</b>                   | -                                |

(b) Net cash outflow on acquisition of subsidiary (net of cash and cash equivalents acquired) is set out below:

|  | Group<br>01/10/07 to<br>31/12/07 | Group<br>01/10/06 to<br>31/12/06 | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | S\$'000                          | S\$'000                          | S\$'000                          | S\$'000                          |
| Investment properties  | -                                | -                                | 70,636                           | -                                |
| Plant and equipment  | -                                | -                                | 56                               | -                                |
| Trade and other receivables  | -                                | -                                | 2,874                            | -                                |
| Cash and cash equivalents  | -                                | -                                | 4,184                            | -                                |
| Trade and other payables   | -                                | -                                | (5,681)                          | -                                |
| Borrowings   | -                                | -                                | (6,096)                          | -                                |
| Deferred tax liability   | -                                | -                                | (14,543)                         | -                                |
| Net assets acquired  | -                                | -                                | 51,430                           | -                                |
| Goodwill on consolidation  | 202                              | -                                | 12,613                           | -                                |
| Cash consideration paid  | 202                              | -                                | 64,043                           | -                                |
| Cash (acquired)  | -                                | -                                | (4,184)                          | -                                |
| <b>Net cash outflow on acquisition of subsidiary (net of cash and cash equivalents acquired)</b> | <b>202</b>                       | -                                | <b>59,859</b>                    | -                                |



## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 1(d) (i) Statement of movements in net assets attributable to unitholders Fourth Quarter

|   | Notes | Group<br>01/10/07 to<br>31/12/07<br>S\$'000 | Group<br>01/10/06 to<br>31/12/06<br>S\$'000 | Trust<br>01/10/07 to<br>31/12/07<br>S\$'000 | Trust<br>01/10/06 to<br>31/12/06<br>S\$'000 |
|---|-------|---|---|---|---|
| <b>Balance as at beginning of the period</b>  |       | 1,201,726                                   | 927,838                                     | 1,200,973                                   | 927,838                                     |
| <b>Operations</b>   |       |   |   |   |   |
| Total return for the period after tax   | (a)   | 350,326                                     | 181,935                                     | 333,685                                     | 181,935                                     |
| <b>Net increase in net assets resulting from operations</b>                                 |       | <b>350,326</b>                              | <b>181,935</b>                              | <b>333,685</b>                              | <b>181,935</b>                              |
| <b>Translation transactions</b>   |       |   |   |   |   |
| Translation differences from financial statements of foreign entities                       |       | (73)  | -   | -   | -   |
| Exchange differences on monetary items forming part of net investment in foreign operations |       | (1,476)                                     | -   | -   | -   |
| <b>Net movement in foreign currency translation for the period</b>                          | (b)   | <b>(1,549)</b>                              | -   | -   | -   |
| <b>Unitholders' transactions</b>  |       |   |   |   |   |
| Management fees paid in units   |       | -   | -   | -   | -   |
| Management fees payable in units to be issued   | (c)   | 1,314                                       | 791   | 1,314                                       | 791   |
| Issue costs   |       | -   | 1,539                                       | -   | 1,539                                       |
| Distribution to unitholders   |       | (14,650)                                    | (13,642)                                    | (14,650)                                    | (13,642)                                    |
| <b>Net decrease in net assets resulting from Unitholders' transactions</b>                  |       | <b>(13,336)</b>                             | <b>(11,312)</b>                             | <b>(13,336)</b>                             | <b>(11,312)</b>                             |
| <b>Balance as at end of the period</b>  |       | <b>1,537,167</b>                            | <b>1,098,461</b>                            | <b>1,521,322</b>                            | <b>1,098,461</b>                            |

Footnotes:

- (a) Total return for the period after tax for the fourth quarter to 31 December 2007 includes the change in fair value of investment properties and derivative financial instruments.
- (b) The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.
- (c) There are an estimated 1,188,409 units to be issued to the Manager by 31 January 2008 as partial satisfaction of the base fee element of the management fee incurred for the quarter ended 31 December 2007.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 1(d) (i) Statement of movements in net assets attributable to unitholders Financial Year

|   | Notes | Group<br>01/01/07 to<br>31/12/07<br>S\$'000 | Group<br>01/01/06 to<br>31/12/06<br>S\$'000 | Trust<br>01/01/07 to<br>31/12/07<br>S\$'000 | Trust<br>01/01/06 to<br>31/12/06<br>S\$'000 |
|---|-------|---|---|---|---|
| <b>Balance as at beginning of the period</b>  |       | 1,098,461                                   | 931,490                                     | 1,098,461                                   | 931,490                                     |
| <b>Operations</b>   |       |   |   |   |   |
| Total return for the period after tax   | (a)   | 487,109                                     | 217,412                                     | 474,746                                     | 217,412                                     |
| <b>Net increase in net assets resulting from operations</b>                                 |       | <b>487,109</b>                              | <b>217,412</b>                              | <b>474,746</b>                              | <b>217,412</b>                              |
| <b>Translation transactions</b>   |       |   |   |   |   |
| Translation differences from financial statements of foreign entities                       |       | (248)                                       | -   | -   | -   |
| Exchange differences on monetary items forming part of net investment in foreign operations |       | 3,730                                       | -   | -   | -   |
| <b>Net movement in foreign currency translation for the period</b>                          | (b)   | <b>3,482</b>                                | <b>-</b>                                    | <b>-</b>                                    | <b>-</b>                                    |
| <b>Unitholders' transactions</b>  |       |   |   |   |   |
| Management fees paid in units   |       | 3,600                                       | 3,028                                       | 3,600                                       | 3,028                                       |
| Management fees payable in units to be issued   | (c)   | 1,314                                       | 791   | 1,314                                       | 791   |
| Issue costs   |       | -   | 1,539                                       | -   | 1,539                                       |
| Distribution to unitholders   |       | (56,799)                                    | (55,799)                                    | (56,799)                                    | (55,799)                                    |
| <b>Net decrease in net assets resulting from Unitholders' transactions</b>                  |       | <b>(51,885)</b>                             | <b>(50,441)</b>                             | <b>(51,885)</b>                             | <b>(50,441)</b>                             |
| <b>Balance as at end of the period</b>  |       | <b>1,537,167</b>                            | <b>1,098,461</b>                            | <b>1,521,322</b>                            | <b>1,098,461</b>                            |

Footnotes:

- (a) For the year ended 31 December 2007 includes the revaluation increments on investment properties totalling S\$449 million and change in fair value of derivative financial instruments.
- (b) The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.
- (c) There are an estimated 1,188,409 units to be issued to the Manager by 31 January 2008 as partial satisfaction of the base fee element of the management fee incurred for the quarter ended 31 December 2007.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 1(d) (ii) Details of any changes in the units since the end of the previous period reported on

|   | Notes | Group<br>01/10/07 to<br>31/12/07<br>Units | Group<br>01/10/06 to<br>31/12/06<br>Units | Group<br>01/01/07 to<br>31/12/07<br>Units | Group<br>01/01/06 to<br>31/12/06<br>Units |
|---|-------|---|---|---|---|
| <b>Issued units at the beginning of the period</b>              |       | 950,279,963                               | 946,330,261                               | 947,375,680                               | 943,000,000                               |
| Management fees issued in units (base fee)                      |       | 1,048,945                                 | 1,045,419                                 | 3,872,267                                 | 4,375,680                                 |
| Management fees issued in units (performance fee)               |       | -   | -   | 80,961                                    | -   |
| Issued units at the end of the period                           |       | 951,328,908                               | 947,375,680                               | 951,328,908                               | 947,375,680                               |
| Management fees payable in units to be issued (base fee)        | (a)   | 1,188,409                                 | 1,075,167                                 | 1,188,409                                 | 1,075,167                                 |
| Management fees payable in units (performance fee)              | (b)   | -   | -   | -   | -   |
| <b>Total issued and issuable units at the end of the period</b> |       | <b>952,517,317</b>                        | <b>948,450,847</b>                        | <b>952,517,317</b>                        | <b>948,450,847</b>                        |

Footnotes:

- (a) There are an estimated 1,188,409 units to be issued to the Manager by 31 January 2008 as partial satisfaction of the base fee element of the management fee incurred for the quarter ended 31 December 2007.
- (b) There is no performance fee for the fourth quarter ended 31 December 2007 or for the year ended 31 December 2007 as performance is below the benchmark index.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

**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 auditors.

**3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Yes.

**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**

Not applicable.

**6 Consolidated earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period**

|  | Notes | Group<br>01/10/07 to<br>31/12/07 | Group<br>01/01/07 to<br>31/12/07 |
|--|-------|----------------------------------|----------------------------------|
| Weighted average number of units   | (a)   | 950,999,778                      | 949,538,604                      |
| Earnings per unit for the period based on the weighted average number of units in issue (cents)  | (b)   | 36.84                            | 51.30                            |
| Number of units issued and issuable at end of period   |       | 952,517,317                      | 952,517,317                      |
| Distribution per unit for the period based on the total number of units entitled to distribution (cents)                                 | (c)   | 1.68                             | 6.19                             |
| Distribution per unit for the period based on the total number of units entitled to distribution including performance fee units (cents) |       | 1.68                             | 6.19                             |

Footnotes:

- (a) The actual weighted average number of units used for computation of EPU for the period from 1 October 2007 to 31 December 2007 is 950,999,778. This number comprises:
- (i) Weighted average number of units in issue of 950,986,861; and
  - (ii) Weighted average number of units issuable to the Manager of 12,917.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

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- (b) The earnings per unit for the period includes revaluation increments on the investment properties for the year ended 31 December 2007.
- (c) The computation of actual DPU is based on number of units entitled to distributions comprising:
- (i) The number of units in issue as at 31 December 2007 of 951,328,908;
  - (ii) The estimated number of units issuable to the Manager as partial satisfaction of management fee incurred for the period from 1 October 2007 to 31 December 2007 of 1,188,409.

### 7 Net asset value per unit based on units issued at the end of the period

|                                | Notes | Group<br>31/12/07 | Trust<br>31/12/07 | Group<br>31/12/06 | Trust<br>31/12/06 |
|--------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
| Net asset value per unit (S\$) | (a)   | 1.61              | 1.60              | 1.16              | 1.16              |

Footnotes:

- (a) The number of units used for computation of NAV per unit is 952,517,317. This comprises:
- (i) The number of units in issue as at 31 December 2007 of 951,328,908;
  - (ii) The estimated number of units issuable to the Manager as partial satisfaction of management fee (base fee) incurred for the quarter ended 31 December 2007 of 1,188,409.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 8 Review of the performance Consolidated Statement of Total Return and Distribution Consolidated Statement of Total Return for the Quarter ended 31 December 2007

|   | Group<br>01/10/07 to<br>31/12/07 | Group<br>01/10/06 to<br>31/12/06 | Increase /<br>(Decrease) | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 | Increase /<br>(Decrease) |
|---|----------------------------------|----------------------------------|--------------------------|----------------------------------|----------------------------------|--------------------------|
|   | S\$'000                          | S\$'000                          | %                        | S\$'000                          | S\$'000                          | %                        |
| <b>Gross revenue</b>  | <b>29,830</b>                    | 22,583                           | 32.1%                    | <b>102,959</b>                   | 89,876                           | 14.6%                    |
| Property expenses   | (7,642)                          | (5,392)                          | 41.7%                    | (26,145)                         | (20,624)                         | 26.8%                    |
| <b>Net property income</b>                                  | <b>22,188</b>                    | 17,191                           | 29.1%                    | <b>76,814</b>                    | 69,252                           | 10.9%                    |
| Non property expenses                                       | (8,274)                          | (6,256)                          | 32.3%                    | (27,404)                         | (22,840)                         | 20.0%                    |
| <b>Net income before tax</b>                                | <b>13,914</b>                    | 10,935                           | 27.2%                    | <b>49,410</b>                    | 46,412                           | 6.5%                     |
| Change in fair value of derivative instruments - unrealised | 473                              | -                                | NM                       | (7,983)                          | -                                | NM                       |
| Change in fair value of investment properties               | 338,870                          | 171,000                          | 98.2%                    | 448,870                          | 171,000                          | 162.5%                   |
| <b>Total return before tax</b>                              | <b>353,257</b>                   | 181,935                          | 94.2%                    | <b>490,297</b>                   | 217,412                          | 125.5%                   |
| Income tax expense  | (2,931)                          | -                                | NM                       | (3,188)                          | -                                | NM                       |
| <b>Total return after tax</b>                               | <b>350,326</b>                   | 181,935                          | 92.6%                    | <b>487,109</b>                   | 217,412                          | 124.0%                   |
| Non tax deductible / chargeable items and other adjustments | (334,154)                        | (167,961)                        | 98.9%                    | (428,071)                        | (162,518)                        | 163.4%                   |
| <b>Net income available for distribution</b>                | <b>16,172</b>                    | 13,974                           | 15.7%                    | <b>59,038</b>                    | 54,894                           | 7.5%                     |

Gross revenue was higher in the current quarter due mainly to higher rental rates achieved for renewals, new committed leases and revenue from the new acquisitions, which accounted for approximately 19% of total gross revenue for Q4 2007. Property expenses were also higher due to increase in commission for new and renewal leases, and tenancy costs and new acquisitions. The non-property expenses were higher due to depreciation charges for the installation of the escalators at Wisma Atria.

The unrealized gain on the derivative instruments for the current quarter of S\$0.5 million represents the change in fair value on interest rate swaps, interest rate cap and cross currency swaps which were entered into in relation to the overseas properties. The unrealized loss on the cross currency swaps is offset by an increase in value of the overseas properties due to an improvement in foreign exchange rates.

Net income before tax for the current quarter was S\$353.3 million, 94.2% above Q4 2006 net income, which was mainly due to a higher revaluation increment from the properties in Q4 2007. The increase in net income available for distribution of 15.7% is largely contributed from new property acquisitions.

### 9 Variance between forecast and the actual results

MMP REIT has not disclosed any forecast to the market.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

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### 10 Commentary on 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

#### Singapore <sup>(1)</sup>

##### Office Sector

The office market grew from strength to strength in 2007 amid rapid expansion by the financial and banking sectors. Prime rents increased 19.0% quarter-on-quarter, averaging \$15.00 psf/month in Q4 07. The annual increase in prime rents in 2007 was 92.4%, far exceeding the 50.0% growth rate set in 2006. The last time rental growth breached 70.0% was in the early-1980s (78.0% in 1981) when investments poured into the island-state. Current prime rents are almost four times higher than that in 2003. Grade A rents grew 15.1% quarter-on-quarter and 96.5% year-on-year to average \$17.15 psf/month in Q4 07. Grade A vacancy has remained below the 1.0% mark for the sixth consecutive quarter.

About 9.7 million sq ft of office space is expected to be completed in the next five years – representing an average 1.93 million sq ft per annum. Occupancy should remain above 90.0% for the next five years. The limited supply in 2008 means that demand for office space will remain buoyant in the CBD.

##### Retail Sector

Retail sales in 2007 totalled \$23.83 billion, 7.1% higher than in 2006. Robust growth in the economy and tourists arrivals helped boost retail sales significantly. Rents have also increased as good quality prime space is limited. In addition, there is a significant increase of new fashion brands coming into the market. Several notable foreign fashion brands made their debut in the local retail scene in 2007, including Cotton On, Beijafloor and Sino London at Wisma Atria and Van Cleef & Arpels and Stella McCartney at Ngee Ann City.

Underpinned by healthy demand, the CBRE index of islandwide prime retail rents rose 6.9% in 2007. The average Orchard Road prime rent increased 5.4% during the year to reach \$36.40 psf/month at end-December. Keen competition for super prime Orchard Road retail space led rents to increase 10.5% year-on-year to average \$51.50 psf/month. The plans for a \$40-million Orchard Road Infrastructural Enhancement, characterised by enhanced road and pedestrian mall paving and lighting, was finalised by the Singapore Tourism Board in Q4 07.

About 5.3 million of new retail space will come on stream in 2008/2009. As such, leasing momentum is likely to remain strong in the next two years, with keener competition for brands and a greater need for better retail concepts and tenant mix to differentiate the various malls. The completion of ION Orchard and Orchard Central will generate new hotspots and enhance the attractiveness of Orchard Road as a shopping destination. Retailers are expected to continue to do well in 2008 with sustained economic growth, low unemployment rate and the upcoming Formula One race. CBRE expects prime rents in Orchard Road to rise by 4.0%–7.0% in 2008.

#### Japan <sup>(2)</sup>

The Japanese economy continued to be weighed down by a weak household sector even while corporate profits and business investment have been strong, unemployment has been low and the ratio of job offers to job seekers has been high. In the midst of this, commercial land prices in central Tokyo continued to show significant growth, with Minato and Shibuya districts\* registering the highest year-on-year increases from 11.2% and 11.1% respectively in 2006 to 23.2% and 29.3% respectively in 2007. Overall in Tokyo's 23 districts, the year-on-year gain was 15.9% in 2007 compared to 3.7% in 2006. Commercial office rents are rising more quickly than in other sectors.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

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Over the past three years, central Tokyo office rents have increased 60 – 70% and yields have compressed from 4% to about 3%, which suggests that property prices have more than doubled in the same period. Going forward, new supply of commercial office space is set to bottom in 2008 maintaining the current 'landlord market' conditions. In light of this, quality commercial investment properties remain highly sought after by domestic and overseas investors as spreads between investment yield and financing costs remain attractive relative to other markets although the gap may narrow should the Bank of Japan increase rates.

Land prices in the prime retail locations of Ginza and Omotesando have seen significant increases in part to competition for luxury brand flagship store sites. There have been a number of high profile transactions in the Ginza area, the latest being Goldman Sachs' purchase of the Tiffany property for JPY 37 billion equating to a land price of approximately JPY 175 million per tsubo. Retail rents are the highest in prime areas of Ginza and Omotesando where street level rents range between JPY 120,000 to 250,000 tsubo per month. Retail rents in other prime areas tend to be more correlated to consumer market.

### **Chengdu, China** <sup>(3)</sup>

Chengdu's economy has been growing strongly and steadily over the past few years, with a GDP growth rate of 15.3% in 2007. The city's new subway system is expected to commence operations in 2010. While there is a strong pipeline of office and retail supply in Chengdu over the next three years, office and retail rents are both expected to remain steady as demand is increasing in line with supply.

According to CBRE, retail rents are expected to increase steadily, in view of increasing demand from the influx of new retailers entering the Chengdu retail scene. The city recorded RMB 115.53 billion in total retail sale of consumer goods in 2006. Department stores' promotional activities were most prominent in the fourth quarter and prime retail rentals on the ground and first floor rose by 1.9% and 1.3% quarter-on-quarter, respectively. Several new department stores which were opened in the fourth quarter were quickly filled up with tenants. The overall vacancy rate dropped to 4.8% from 6.4% at the end of the third quarter.

### **Outlook for the financial year ending 31 December 2008**

The Manager expects MMP REIT to continue to benefit from proactive strategies in the management of the assets, the current buoyant office leasing market in Singapore and retail sector in China. To the extent that there is a significant slowdown in the regional economies, these buoyant markets may be adversely impacted.

#### Sources

- (1) Valuation reports by CB Richard Ellis (Pte) Ltd ("CBRE") (December 2007)
- (2) Colliers Halifax – Japan Investment Update 2007 (October 2007);  
Colliers Halifax – Japan Leasing Update 2007 (October 2007)
- (3) Chengdu Statistics Bureau, News release (January 2008);  
CBRE, "Market View – People's Republic of China" ( 4Q 2007)

#### Note

\* Six of MMP REIT's seven Japanese properties are located at Minato and Shibuya districts, which are registering the highest year-on-year increases from 11.2% and 11.1% respectively in 2006 to 23.2% and 29.3% respectively in 2007.



## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 11 Distributions

#### (a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Fourth quarter distribution for the period from 1 October 2007 to 31 December 2007.

Distribution rate: 1.68 cents per unit

Distribution type:

| Type                     | Cents       |
|--------------------------|-------------|
| Taxable income component | 1.49        |
| Capital component        | 0.19        |
| <b>Total</b>             | <b>1.68</b> |

Par value of units: NA

Tax rate: Taxable income component

Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Capital component

The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by MMP REIT where the income from the underlying properties located overseas has not been received as income by MMP REIT. This distribution comprises net income from the overseas properties which has not been declared and paid as dividends by the subsidiaries to MMP REIT in the current distribution period. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units. No tax will be deducted at source from this component.

#### (b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Fourth quarter distribution for the period from 1 October 2006 to 31 December 2006.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

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|                     |   |
|---------------------|---|
| Distribution type:  | Taxable income  |
| Distribution rate:  | 1.47 cents per unit   |
| Par value of units: | NA  |
| Tax rate:           | These distributions are made out of MMP REIT's taxable income.<br><br>Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). |

Footnotes:

NA – Not applicable

**(c) Date payable:** 29 February 2008

**(d) Books Closure Date:** 6 February 2008

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 13 Segmented revenue and results for business or geographical segments (of the Group) 2007

#### Business segments:

|   | Wisma<br>Atria<br>(Singapore)<br>2007<br>S\$'000 | Ngee Ann<br>City<br>(Singapore)<br>2007<br>S\$'000 | Japan<br>Properties<br>(Tokyo, Japan)<br>2007<br>S\$'000 | Renhe Spring<br>Dept. Store<br>(Chengdu, China)<br>2007<br>S\$'000 | <b>Total<br/>2007<br/>S\$'000</b> |
|---|--|--|--|--|-----------------------------------|
| <b>Property income and expenses</b>   |  |  |  |  |                                   |
| Gross revenue   | 51,370   | 42,944   | 3,987  | 4,658  | 102,959                           |
| Property operating expenses   | (15,143)   | (9,004)  | (557)  | (1,441)  | (26,145)                          |
| Net property income   | 36,227   | 33,940   | 3,430  | 3,217  | 76,814                            |
| Interest income   |  |  |  |  | 222                               |
| Accretion of tenancy deposit<br>and retention sum stated<br>at amortised cost |  |  |  |  | 42                                |
| Non-property expenses   |  |  |  |  | (11,220)                          |
| Borrowing costs   |  |  |  |  | (16,448)                          |
| Change in fair value of derivative<br>instruments - unrealised                |  |  |  |  | (7,983)                           |
| Change in fair value of<br>investment properties                              |  |  |  |  | 448,870                           |
| Income tax expense  |  |  |  |  | (3,188)                           |
| Total return for the year   |  |  |  |  | 487,109                           |
| <b>Assets and liabilities</b>   |  |  |  |  |                                   |
| Segment assets  | 906,825  | 1,030,582  | 201,213  | 94,090   | 2,232,710                         |
| Unallocated assets  |  |  |  |  | 44,841                            |
| Total assets  |  |  |  |  | 2,277,551                         |
| Segment liabilities   | (31,369)   | (9,370)  | (3,920)  | (8,975)  | (53,634)                          |
| Unallocated liabilities   |  |  |  |  | (686,750)                         |
| Total liabilities   |  |  |  |  | (740,384)                         |
| <b>Other segmental information</b>  |  |  |  |  |                                   |
| Capital expenditure   | 1,121  | -  | -  | 55   | 1,176                             |
| Depreciation  | 1,700  | -  | -  | 8  | 1,708                             |
| Change in fair value of investment<br>properties                              | 150,755  | 282,897  | 7,345  | 7,873  | 448,870                           |

#### Geographical segments:

As at 31 December 2007, the Group's operations and its identifiable assets are located in Singapore (represented by Wisma Atria and Ngee Ann City), Tokyo (represented by 7 properties in Japan) and Chengdu (represented by Renhe Spring Department Store in China). Accordingly, no geographical segmental analysis is separately presented.

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 13 Segmented revenue and results for business or geographical segments (of the Group) 2006

#### Business segments:

|   | Wisma<br>Atria<br>(Singapore)<br>2006<br>S\$'000 | Ngee Ann<br>City<br>(Singapore)<br>2006<br>S\$'000 | Japan<br>Properties<br>(Tokyo, Japan)<br>2006<br>S\$'000 | Renhe Spring<br>Dept. Store<br>(Chengdu, China)<br>2006<br>S\$'000 | Total<br><br>2006<br>S\$'000 |
|---|--|--|--|--|------------------------------|
| <b>Property income and expenses</b>   |  |  |  |  |                              |
| Gross revenue   | 48,812   | 41,064   | -  | -  | 89,876                       |
| Property operating expenses   | (12,182)   | (8,442)  | -  | -  | (20,624)                     |
| Net property income   | 36,630   | 32,622   | -  | -  | 69,252                       |
| Interest income   |  |  |  |  | 344                          |
| Accretion of tenancy deposit<br>and retention sum stated<br>at amortised cost |  |  |  |  | (648)                        |
| Non-property expenses   |  |  |  |  | (9,053)                      |
| Borrowing costs   |  |  |  |  | (13,483)                     |
| Change in fair value of derivative<br>instruments - unrealised                |  |  |  |  | -                            |
| Change in fair value of<br>investment properties                              |  |  |  |  | 171,000                      |
| Income tax expense  |  |  |  |  | -                            |
| Total return for the year   |  |  |  |  | 217,412                      |
| <b>Assets and liabilities</b>   |  |  |  |  |                              |
| Segment assets  | 757,348  | 748,062  | -  | -  | 1,505,410                    |
| Unallocated assets  |  |  |  |  | 20,344                       |
| Total assets  |  |  |  |  | 1,525,754                    |
| Segment liabilities   | (29,105)   | (4,914)  | -  | -  | (34,019)                     |
| Unallocated liabilities   |  |  |  |  | (393,274)                    |
| Total liabilities   |  |  |  |  | (427,293)                    |
| <b>Other segmental information</b>  |  |  |  |  |                              |
| Capital expenditure   | 3,557  | -  | -  | -  | 3,557                        |
| Depreciation  | 125  | -  | -  | -  | 125                          |
| Change in fair value of investment<br>properties                              | 75,000   | 96,000   | -  | -  | 171,000                      |

#### Geographical segments:

As at 31 December 2006, MMP REIT's operations and its identifiable assets are located in Singapore (represented by Wisma Atria and Ngee Ann City). Accordingly, no geographical segmental analysis is separately presented.

### 14 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 9 for the review of actual performance

## Financial Statements Announcement For The Financial Year Ended 31 December 2007

### 15 Breakdown of sales

|   | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 | Increase /<br>(Decrease) |
|---|----------------------------------|----------------------------------|--------------------------|
|   | S\$'000                          | S\$'000                          | %                        |
| Gross revenue report for first half year        | 47,011                           | 44,868                           | 4.8%                     |
| Total return after tax for the first half year  | 123,302                          | 23,698                           | 420.3%                   |
| Gross revenue report for second half year       | 55,948                           | 45,008                           | 24.3%                    |
| Total return after tax for the second half year | 363,807                          | 193,714                          | 87.8%                    |

### 16 Breakdown of total distribution for the financial year ended 31 December 2007

|                          | Group<br>01/01/07 to<br>31/12/07 | Group<br>01/01/06 to<br>31/12/06 |
|--------------------------|----------------------------------|----------------------------------|
|                          | S\$'000                          | S\$'000                          |
| 1 January to 31 March    | 13,941                           | 14,918                           |
| 1 April to 30 June       | 13,954                           | 13,612                           |
| 1 July to 30 September   | 14,254                           | 13,627                           |
| 1 October to 31 December | 14,650                           | 13,642                           |

The amounts shown above are based on actual distributions paid to unitholders during the respective periods.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

**BY ORDER OF THE BOARD  
MACQUARIE PACIFIC STAR PRIME REIT MANAGEMENT LIMITED  
AS MANAGER OF MACQUARIE MEAG PRIME REAL ESTATE INVESTMENT TRUST**

Christine M. Chan  
Company Secretary  
29 January 2008