



First Quarter Financial Statement Announcement for the Period Ended 31/3/2006

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement for the 3 months ended 31 March 2006

	Note	3 months ended		+ / (-) %
		31.3.06 \$'000	31.3.05 \$'000	
Revenue	1	51,115	43,624	17
Cost of sales	2	(21,037)	(20,853)	1
Gross profit		30,078	22,771	32
Investment income		1,426	938	52
Other income	3	483	2,995	(84)
Selling and distribution costs		(1,626)	(582)	179
Administrative expenses		(821)	(971)	(15)
Other operating expenses		(843)	(1,343)	(37)
Finance expenses		(2,652)	(3,458)	(23)
Share of results of associated companies		5,554	2,660	109
Profit before income tax		31,599	23,010	37
Income tax expense		(5,137)	(4,442)	16
Net profit		26,462	18,568	43
Attributable to:				
Equity holders of the Company		22,509	18,306	23
Minority interests		3,953	262	1,409
		26,462	18,568	43

Certain comparative figures have been reclassified to conform with the current period's presentation.

Notes to the consolidated income statement

	3 months ended	
	31.3.06 \$'000	31.3.05 \$'000
<u>1. Revenue</u>		
Gross rental income	35,895	27,098
Sales of residential properties	13,827	15,127
Car parking income and property management fees	1,393	1,399
	51,115	43,624
<u>2. Cost of sales</u>		
Property operating expenses	11,077	8,934
Cost of residential properties sold	11,993	14,553
Writeback of allowance for foreseeable losses on properties held for sale	(2,033)	(2,634)
	21,037	20,853
<u>3. Other income</u>		
Other income includes the following:		
Liquidated damages from tenants for early lease termination	-	2,261

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance sheets as at 31 March 2006

	Group		Company	
	31.3.06	31.12.05	31.3.06	31.12.05
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Investment properties	2,698,776	2,698,017	-	-
Property, plant and equipment	4,016	3,955	-	-
Subsidiary companies	-	-	1,216,171	1,200,146
Associated companies	406,008	399,256	66,111	64,853
Other investments	12,926	12,926	220	220
Deferred income tax assets	692	1,098	-	-
	<u>3,122,418</u>	<u>3,115,252</u>	<u>1,282,502</u>	<u>1,265,219</u>
Current assets				
Properties held for sale	17,842	27,815	-	-
Inventories, at cost	417	447	-	-
Trade and other receivables	20,910	25,303	58	81
Tax recoverable	136	84	-	-
Other current assets	448	432	-	-
Cash and cash equivalents	118,885	89,263	9,240	11,803
	<u>158,638</u>	<u>143,344</u>	<u>9,298</u>	<u>11,884</u>
Total assets	3,281,056	3,258,596	1,291,800	1,277,103
LIABILITIES				
Current liabilities				
Trade and other payables	33,651	38,374	977	864
Current income tax liabilities	21,723	18,012	985	724
Borrowings	195,000	195,000	-	-
	<u>250,374</u>	<u>251,386</u>	<u>1,962</u>	<u>1,588</u>
Non-current liabilities				
Trade and other payables	30,459	28,983	-	-
Borrowings	73,500	79,500	-	-
Deferred income tax liabilities	14,502	12,968	901	901
Amounts due to subsidiary companies	-	-	176,729	163,512
	<u>118,461</u>	<u>121,451</u>	<u>177,630</u>	<u>164,413</u>
Total liabilities	368,835	372,837	179,592	166,001
NET ASSETS	<u>2,912,221</u>	<u>2,885,759</u>	<u>1,112,208</u>	<u>1,111,102</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	840,349	412,478	840,349	412,478
Reserves	1,710,301	2,115,663	271,859	698,624
	<u>2,550,650</u>	<u>2,528,141</u>	<u>1,112,208</u>	<u>1,111,102</u>
Minority interests	361,571	357,618	-	-
TOTAL EQUITY	<u>2,912,221</u>	<u>2,885,759</u>	<u>1,112,208</u>	<u>1,111,102</u>

Following the amendments to the Companies Act effective from 30 January 2006, the amount in a company's share premium account shall become part of the company's share capital. Accordingly, the Company's share premium account balance of \$427.9 million in reserves has been transferred to share capital. The number of issued ordinary shares of the Company remains unchanged at 412.5 million.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

At 31.3.06		At 31.12.05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
195,000	-	195,000	-

Amount repayable after one year

At 31.3.06		At 31.12.05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	73,500	-	79,500

Details of any collateral

The secured loan as at 31.3.2006 is secured on the Group's investment property, Clifford Centre.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**Consolidated Cash Flow Statement for the 3 months ended 31 March 2006**

	3 months ended	
	31.3.06	31.3.05
	\$'000	\$'000
Cash flows from operating activities:		
Profit before income tax	31,599	23,010
Adjustments to profit	(6,254)	(2,642)
Working capital changes	13,738	2,152
Interest paid	(3,372)	(2,307)
Income tax refund/(paid)	463	(980)
Net cash provided by operating activities	<u>36,174</u>	<u>19,233</u>
Cash flows from investing activities:		
Interest received	933	942
Upgrading of investment properties	(660)	(11,729)
Purchase of property, plant and equipment	(222)	(65)
(Loans to)/repayment of loans by associated companies	(658)	1,771
Proceeds from disposal of property, plant and equipment	55	-
Investment in an associated company	-	(4,139)
Net cash used in investing activities	<u>(552)</u>	<u>(13,220)</u>
Cash flows from financing activities:		
Net repayment of borrowings	(6,000)	(156,900)
Proceeds from issuance of ordinary shares	-	105,310
Net cash used in financing activities	<u>(6,000)</u>	<u>(51,590)</u>
Net increase/(decrease) in cash and cash equivalents held	29,622	(45,577)
Cash and cash equivalents at 1 January	89,263	121,854
Cash and cash equivalents at 31 March	<u>118,885</u>	<u>76,277</u>
Cash and cash equivalents at 31 March comprise the following:		
Fixed deposits	110,237	63,981
Cash and bank balances	8,648	12,296
	<u>118,885</u>	<u>76,277</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Company	
	31.3.06	31.3.05	31.3.06	31.3.05
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
Balance at 1 January				
- As previously reported	2,528,141	2,244,340	1,111,102	1,012,379
- Effect of adoption of FRS 39	-	5,114	-	-
- As restated	2,528,141	2,249,454	1,111,102	1,012,379
Issue of shares	-	105,310	-	105,310
Net profit/(loss) for the financial period	22,509	18,306	1,106	(543)
Balance at 31 March	2,550,650	2,373,070	1,112,208	1,117,146
<u>Minority interests</u>				
Balance at 1 January	357,618	318,815	-	-
Net profit for the financial period	3,953	262	-	-
Balance at 31 March	361,571	319,077	-	-
<u>Total equity</u>				
Balance at 1 January				
- As previously reported	2,885,759	2,563,155	1,111,102	1,012,379
- Effect of adoption of FRS 39	-	5,114	-	-
- As restated	2,885,759	2,568,269	1,111,102	1,012,379
Issue of shares	-	105,310	-	105,310
Net profit/(loss) for the financial period	26,462	18,568	1,106	(543)
Balance at 31 March	2,912,221	2,692,147	1,112,208	1,117,146

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

NIL

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable

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

The same accounting policies and methods of computation as in the 2005 audited annual financial statements have been applied for the current reporting period.

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.**

NIL

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Latest quarter	Previous quarter
	31.3.06	31.3.05
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	5.5 cents	4.9 cents
(b) On a fully diluted basis	5.5 cents	4.9 cents

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	31.3.06	31.12.05
Net asset value per ordinary share		
Group	\$6.18	\$6.13
Company	\$2.70	\$2.69

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Comparison of 1st quarter 2006 results with 2005

Revenue at \$51.1 million was higher by \$7.5 million (17%) due to higher rental income. Rental income at \$35.9 million was higher by \$8.8 million (32%) attributable mainly to higher contribution from Marina Square following substantial completion of its remodelling works at end 2005.

Share of associates' results increased by \$2.9 million (109%) due mainly to better performance from The Oriental hotel whose operation in the corresponding quarter ended 31 March 2005 was affected by renovation works carried out.

In line with higher net profits in Marina Centre Holdings ("MCH") which owns Marina Square, minority interests at \$4.0 million was higher by \$3.7 million. The Group holds an effective interest of 53% in MCH.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook of the office market remains positive with limited new office supply and expected firm office demand.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommendeded for the quarter ended 31 March 2006.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
28/4/2006