

**Full Year Financial Statement Announcement for the Period Ended 31 December 2005****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 financial year ended 31 December 2005**

	Note	Group		+ / (-) %
		2005 \$'000	2004 \$'000	
Revenue	1	181,527	187,870	(3)
Cost of sales	2	(89,175)	(75,829)	18
Gross profit		92,352	112,041	(18)
Investment income	3	7,259	3,884	87
Other income	4	9,366	5,853	60
Selling and distribution costs		(8,396)	(4,427)	90
Administrative expenses		(4,987)	(3,973)	26
Other operating expenses	5	(6,147)	(1,121)	448
Finance expenses		(9,035)	(10,765)	(16)
Gain on sale of investment property	6	7,041	-	n.m.
Share of results of associated companies		16,114	11,058	46
Profit before income tax		103,567	112,550	(8)
Income tax expense	7	(10,524)	(21,492)	(51)
Net profit		93,043	91,058	2
Attributable to:				
Equity holders of the Company		89,351	87,926	2
Minority interests		3,692	3,132	18
		93,043	91,058	2

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

n.m. - not meaningful

Notes to the income statement

	Group	
	2005 \$'000	2004 \$'000
<u>1. Revenue</u>		
Gross rental income	115,266	127,103
Sales of residential properties	60,717	55,583
Car parking income and property management fees	5,544	5,184
	181,527	187,870
<u>2. Cost of sales</u>		
Property operating expenses	44,324	34,824
Cost of residential properties sold	54,323	51,917
Writeback of allowance for foreseeable losses on properties held for sale	(9,472)	(10,912)
	89,175	75,829

The increase in property operating expenses was due mainly to the progressive completion of the remodelling works in Marina Square and higher property tax.

3. Investment income

Interest income	4,478	2,682
Dividend income	2,781	1,202
	<u>7,259</u>	<u>3,884</u>

4. Other income

Other income includes the following:

Office reinstatement compensation	4,818	-
Writeback of provision for diminution in value of other investments	-	1,362
Liquidated damages from tenants for early lease termination	2,276	995
Foreign exchange gain - net	<u>-</u>	<u>1,693</u>

5. Other operating expenses

Other operating expenses comprise of

Foreign exchange loss - net	<u>6,074</u>	<u>-</u>
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The exchange loss was attributable mainly to translation of Sterling Pound bank deposits at year end exchange rate.

6. This gain relates to the sale of the Group's investment property, Atrium Court in June 2005.

7. Income tax expense

Income tax expense includes the following:

(Over)/underprovision in preceding financial years	<u>(4,293)</u>	<u>3,971</u>
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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 December 2005

	Note	Group		Company	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
ASSETS					
Non-current assets					
Investment properties		2,698,017	2,551,943	-	-
Property, plant and equipment		3,955	3,760	-	-
Subsidiary companies		-	-	1,200,146	1,140,174
Associated companies		399,256	310,276	64,853	-
Other investments		12,926	7,813	220	220
Deferred income tax assets		1,098	2,993	-	-
		<u>3,115,252</u>	<u>2,876,785</u>	<u>1,265,219</u>	<u>1,140,394</u>
Current assets					
Properties held for sale		27,815	62,549	-	-
Inventories, at cost		447	460	-	-
Trade and other receivables		25,303	30,505	81	72
Tax recoverable		84	296	-	296
Other current assets		432	472	-	76
Cash and cash equivalents		89,263	121,982	11,803	51,580
		<u>143,344</u>	<u>216,264</u>	<u>11,884</u>	<u>52,024</u>
Total assets		3,258,596	3,093,049	1,277,103	1,192,418
LIABILITIES					
Current liabilities					
Trade and other payables		38,374	43,659	864	870
Current income tax liabilities		18,012	27,053	724	-
Borrowings	1	195,000	198,091	-	-
		<u>251,386</u>	<u>268,803</u>	<u>1,588</u>	<u>870</u>
Non-current liabilities					
Trade and other payables		28,983	20,863	-	-
Borrowings	1	79,500	227,500	-	-
Deferred income tax liabilities		12,968	12,728	901	901
Amounts due to subsidiary companies		-	-	163,512	178,268
		<u>121,451</u>	<u>261,091</u>	<u>164,413</u>	<u>179,169</u>
Total liabilities		372,837	529,894	166,001	180,039
NET ASSETS		<u>2,885,759</u>	<u>2,563,155</u>	<u>1,111,102</u>	<u>1,012,379</u>
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		412,478	364,610	412,478	364,610
Reserves		2,115,663	1,879,730	698,624	647,769
		<u>2,528,141</u>	<u>2,244,340</u>	<u>1,111,102</u>	<u>1,012,379</u>
Minority interests		357,618	318,815	-	-
TOTAL EQUITY		<u>2,885,759</u>	<u>2,563,155</u>	<u>1,111,102</u>	<u>1,012,379</u>

1. Borrowings of a 5-year transferable loan amounting to \$195 million maturing in July 2006 has been reclassified to current liabilities from non-current liabilities.

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

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
195,000	-	197,963	128

Amount repayable after one year

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	79,500	195,000	32,500

Details of any collateral

The secured loan as at 31.12.2005 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 financial year ended 31 December 2005**

	Group	
	2005	2004
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	103,567	112,550
Adjustments for :		
Amortisation of discount on Transferable Loan Facility/Bonds	2,037	8,054
Depreciation of property, plant and equipment	559	267
Loss on disposal of property, plant and equipment	47	22
Share of results of associated companies	(16,114)	(11,058)
Investment income	(7,259)	(3,884)
Interest expense	6,998	2,711
Writeback of allowance for foreseeable losses on properties held for sale	(9,472)	(10,912)
Gain on sale of investment property	(7,041)	-
Writeback of allowance for diminution in value of other investments	-	(1,362)
Gain on sale of other investments	-	(27)
Write-off of other investments	-	18
Operating cash flow before working capital changes	73,322	96,379
Changes in operating assets and liabilities:		
Properties held for sale	44,206	36,372
Inventories	13	(18)
Trade and other receivables	5,139	(6,317)
Trade and other payables	2,650	2,560
Cash generated from operations	125,330	128,976
Income tax paid	(17,218)	(25,833)
Interest paid	(7,075)	(1,584)
Net cash provided by operating activities	101,037	101,559

Cash flows from investing activities		
Interest received	4,579	3,259
Purchase of property, plant and equipment	(817)	(3,059)
Proceeds from disposal of property, plant and equipment	15	1
Proceeds from sale of investment property	64,177	-
Dividends received	7,701	4,035
Development and upgrading of investment properties	(52,012)	(45,130)
(Net loans to)/repayment of loans by associated companies	(55,229)	37,005
Investment in an associated company	(350)	-
Proceeds from sale of other investments	-	40
Proceeds from capital reduction in an investee company	-	1,369
Net cash used in investing activities	(31,936)	(2,480)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	105,310	19,077
Dividends paid to group shareholders	(49,497)	(36,195)
Dividends paid to minority shareholders	(4,505)	(4,505)
Net repayment of borrowings	(153,000)	(12,385)
Net cash used in financing activities	(101,692)	(34,008)
Net (decrease)/increase in cash and cash equivalents held	(32,591)	65,071
Cash and cash equivalents at 1 January	121,854	56,783
Cash and cash equivalents at 31 December	89,263	121,854
Cash and cash equivalents at 31 December comprise the following:		
Cash and bank balances	89,263	121,982
Less: Bank overdraft	-	(128)
	89,263	121,854

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	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
Balance at 1 January				
- As previously reported	2,244,340	2,268,330	1,012,379	998,741
- Effect of adoption of FRS 39	5,114	-	-	-
- As restated	2,249,454	2,268,330	1,012,379	998,741
Surplus/(deficit) in revaluation of investment properties	133,523	(94,798)	-	-
Net profit/(loss) recognised directly in equity	133,523	(94,798)	-	-
Net profit for the financial year	89,351	87,926	42,910	30,756
Total recognised profit/(loss) for the financial year	222,874	(6,872)	42,910	30,756
Issue of shares	105,310	19,077	105,310	19,077
Dividends paid	(49,497)	(36,195)	(49,497)	(36,195)
Balance at 31 December	2,528,141	2,244,340	1,111,102	1,012,379
<u>Minority interests</u>				
Balance at 1 January	318,815	342,773	-	-
Surplus/(deficit) in revaluation of investment properties	39,616	(22,585)	-	-
Net profit/(loss) recognised directly in equity	39,616	(22,585)	-	-
Net profit for the financial year	3,692	3,132	-	-
Total recognised profit/(loss) for the financial year	43,308	(19,453)	-	-
Dividends paid by a subsidiary company	(4,505)	(4,505)	-	-
Balance at 31 December	357,618	318,815	-	-
<u>Total equity</u>				
Balance at 1 January				
- As previously reported	2,563,155	2,611,103	1,012,379	998,741
- Effect of adoption of FRS 39	5,114	-	-	-
- As restated	2,568,269	2,611,103	1,012,379	998,741
Surplus/(deficit) in revaluation of investment properties	173,139	(117,383)	-	-
Net profit/(loss) recognised directly in equity	173,139	(117,383)	-	-
Net profit for the financial year	93,043	91,058	42,910	30,756
Total recognised profit/(loss) for the financial year	266,182	(26,325)	42,910	30,756
Issue of shares	105,310	19,077	105,310	19,077
Dividends paid	(49,497)	(36,195)	(49,497)	(36,195)
Dividends paid by a subsidiary company to minority shareholders	(4,505)	(4,505)	-	-
Balance at 31 December	2,885,759	2,563,155	1,111,102	1,012,379

- 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.**

For the financial year ended 31 December 2005, the issued share capital of the Company was increased as follows:

	\$'000
Issued:	
Ordinary shares of \$1.00 each fully paid	
Balance at 1 January	364,610
Issued during the year:	
47,867,165 shares for cash at a premium of \$1.20 per share by virtue of exercise of warrants 2005	47,868
Balance at 31 December	<u>412,478</u>

As at 31 December 2005, there are no unissued shares of the Company under warrants.

- 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 2004 audited annual financial statements have been applied for the current reporting period except for the adoption of Financial Reporting Standard 39 ("FRS 39") - Financial Instruments: Recognition and Measurement that is effective for the Group's financial year beginning on 1 January 2005.

FRS 39

On 1 January 2005, a transitional adjustment was made in ascribing fair values to the Group's "Other investments", which were previously carried at cost less any impairment in values. The transitional adjustment resulted in a \$5.1 million gain which was taken directly to equity. The comparative figures for 2004 have not been restated in accordance with the transitional provisions of FRS 39.

- 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.**

Please refer to paragraph 4 above.

- 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 year	Previous year
	31.12.2005	31.12.2004
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	22.2 cents	24.3 cents
(b) On a fully diluted basis	22.2 cents	22.9 cents

The decrease in earnings per ordinary share is due to the exercise of warrants 2005. (Refer to paragraph 1(d)(ii)).

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.**

	At 31.12.05	At 31.12.04
Net asset value per ordinary share		
Group	\$6.13	\$6.16
Company	\$2.69	\$2.78

The decrease in the net asset value per ordinary share is due to the exercise of warrants 2005 (Refer to paragraph 1(d)(ii)).

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.**

Revenue at \$181.5 million declined by \$6.3 million (3%) due to lower rental income partially offset by higher sales of residential properties.

Gross rental income at \$115.3 million was lower by \$11.8 million (9%) attributable mainly to lower office rental rates, partially offset by higher rental contribution from Marina Square with progressive completion of the remodelling works.

Share of results of associated companies increased by \$5.1 million due mainly to the higher contribution from The Waterfront residential property project in Hong Kong.

Income tax expense was lower by \$11.0 million (51%) with the writeback of overprovision in prior years' taxes and lower operating profits.

Despite lower rental income, the Group's overall net profit increased by \$1.4 million (2%) due mainly to lower taxes and the \$7.0 million gain on the sale of Atrium Court.

The Group revalues its investment properties annually at year end. Based on the independent valuation of the Group's investment properties at 31 December 2005, the increase in asset values of \$133.5 million was credited to the asset revaluation reserve, raising it to \$693.9 million (2004: \$549.4 million) at end 2005. Total shareholders equity at end 2005 stood at \$2.53 billion (2004: \$2.24 billion).

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.

With the positive outlook on the Singapore economy in 2006, office space demand is likely to increase, especially in the Central Business District. Coupled with limited new office supply, the rental market is likely to improve further.

Marina Square is enjoying almost full occupancy following the substantial completion of its remodelling works at end 2005 and its contribution to the Group's performance is likely to be significantly improved. Furthermore, the three hotels in Marina Square are expected to perform better.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	20.0 cents per ordinary share
Tax rate	20.0%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	15.0 cents per ordinary share
Tax rate	20.0%

(c) Date payable

The proposed dividend is payable on 24 May 2006.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 15 May 2006 to 16 May 2006, both dates inclusive, for the preparation of dividend warrants. Registrable transfers received by the Registrars, Messrs Tricor Barbinder Share Registration Services at 8 Cross Street #11-00, PWC Building, Singapore 048424, up to 5.00 pm on 11 May 2006 will be registered before entitlements to the dividend are determined. In respect of shares registered in securities accounts with Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP for distribution to the respective shareholders.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Year ended 31 December 2005	Property investment \$'000	Property trading \$'000	Group \$'000
Revenue - external sales	120,810	60,717	181,527
Segment result	79,584	11,612	91,196
Unallocated costs			(1,967)
Investment income			7,259
			<u>96,488</u>
Finance expenses			(9,035)
Share of results of associated companies	8,714	7,400	16,114
Profit before income tax			<u>103,567</u>
Income tax expense			(10,524)
Profit after income tax			<u>93,043</u>
Minority interests			(3,692)
Net profit			<u>89,351</u>

Year ended 31 December 2004	Property investment \$'000	Property trading \$'000	Group \$'000
Revenue - external sales	132,287	55,583	187,870
Segment result	100,000	10,678	110,678
Unallocated costs			(2,305)
Investment income			3,884
			<u>112,257</u>
Finance expenses			(10,765)
Share of results of associated companies	6,857	4,201	11,058
Profit before income tax			<u>112,550</u>
Income tax expense			(21,492)
Profit after income tax			<u>91,058</u>
Minority interests			(3,132)
Net profit			<u>87,926</u>

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

Share of results of associated companies in the property trading segment improved this year, with higher contribution from The Waterfront residential property project in Hong Kong.

15. A breakdown of sales.

	2005	Group	2004	+ / (-)
	\$'000		\$'000	%
(a) Sales reported for the first half year	81,225		89,765	(10)
(b) Operating profit after tax before deducting minority interests reported for the first half year	47,272		48,048	(2)
(c) Sales reported for the second half year	100,302		98,105	2
(d) Operating profit after tax before deducting minority interests reported for the second half year	45,771		43,010	6

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000) Recommended	Previous Full Year (S\$'000) Declared
Ordinary	65,996	49,497
Preference	-	-
Total	65,996	49,497

The Directors proposed to recommend a First and Final Dividend of 20.0 cents (2004: 15.0 cents) per share less Singapore Income Tax at 20% (2004: 20%) amounting to \$66.0 million (2004: \$49.5 million) in respect of the financial year ended 31 December 2005. The proposed dividend if approved at the forthcoming Annual General Meeting, will be paid on 24 May 2006. The 42nd Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Friday, 28 April 2006, at 4.00 pm.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
24/2/2006