



First Quarter Financial Statement Announcement for the Period Ended 31/3/2007

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.**

| | Note | 3 months ended | | + / (-) % |
|--|------|-------------------|-------------------|--------------|
| | | 31.3.07 \$'000 | 31.3.06 \$'000 | |
| Revenue | 1 | 44,991 | 51,115 | (12) |
| Cost of sales | 2 | (12,540) | (21,037) | (40) |
| Gross profit | | 32,451 | 30,078 | 8 |
| Investment income | | 1,004 | 1,426 | (30) |
| Other gains/(losses) - net | | 393 | (360) | n.m. |
| Selling and distribution costs | | (738) | (1,626) | (55) |
| Administrative expenses | | (854) | (821) | 4 |
| Finance expenses | | (1,258) | (2,652) | (53) |
| Share of results of associated companies | | 8,115 | 5,554 | 46 |
| Profit before income tax | | 39,113 | 31,599 | 24 |
| Income tax expense | | (3,860) | (5,137) | (25) |
| Net profit | | 35,253 | 26,462 | 33 |
| Attributable to: | | | | |
| Equity holders of the Company | | 28,130 | 22,509 | 25 |
| Minority interests | | 7,123 | 3,953 | 80 |
| | | 35,253 | 26,462 | 33 |

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

n.m. - not meaningful

Notes to the income statement

| | 3 months ended | |
|--|-------------------|-------------------|
| | 31.3.07 \$'000 | 31.3.06 \$'000 |
| <u>1. Revenue</u> | | |
| Gross rental income | 43,669 | 35,895 |
| Sales of residential properties | - | 13,827 |
| Car parking income and property management fees | 1,322 | 1,393 |
| | 44,991 | 51,115 |
| <u>2. Cost of sales</u> | | |
| Property operating expenses | 12,540 | 11,077 |
| Cost of residential properties sold | - | 11,993 |
| Writeback of allowance for foreseeable losses on properties held for sale | - | (2,033) |
| | 12,540 | 21,037 |

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.**

| | Note | Group | | Company | |
|---|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 31.3.07 \$'000 | 31.12.06 \$'000 | 31.3.07 \$'000 | 31.12.06 \$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Other receivables | | 103,882 | 138,015 | 273,409 | 300,822 |
| Financial assets, available-for-sale | | 12,706 | 12,706 | - | - |
| Investments in associated companies | | 348,709 | 340,595 | 350 | 350 |
| Investments in subsidiary companies | | - | - | 965,514 | 965,514 |
| Investment properties | 1 | 3,227,961 | 3,223,068 | - | - |
| Property, plant and equipment | | 3,453 | 3,592 | - | - |
| | | <u>3,696,711</u> | <u>3,717,976</u> | <u>1,239,273</u> | <u>1,266,686</u> |
| Current assets | | | | | |
| Cash and cash equivalents | | 10,995 | 21,055 | 133 | 93 |
| Trade and other receivables | | 5,506 | 5,752 | 48 | 45 |
| Inventories, at cost | | 473 | 481 | - | - |
| Other current assets | | 21,783 | 2,909 | - | - |
| | | <u>38,757</u> | <u>30,197</u> | <u>181</u> | <u>138</u> |
| Total assets | | 3,735,468 | 3,748,173 | 1,239,454 | 1,266,824 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 35,216 | 35,974 | 1,132 | 1,327 |
| Current income tax liabilities | | 24,172 | 24,810 | 1,566 | 1,152 |
| Borrowings | | 65,151 | 107,318 | 63,507 | 92,600 |
| | | <u>124,539</u> | <u>168,102</u> | <u>66,205</u> | <u>95,079</u> |
| Non-current liabilities | | | | | |
| Trade and other payables | | 37,958 | 36,377 | 55,208 | 54,818 |
| Borrowings | | 49,500 | 56,000 | - | - |
| Deferred income tax liabilities | | 16,076 | 15,552 | - | - |
| | | <u>103,534</u> | <u>107,929</u> | <u>55,208</u> | <u>54,818</u> |
| Total liabilities | | 228,073 | 276,031 | 121,413 | 149,897 |
| NET ASSETS | | <u>3,507,395</u> | <u>3,472,142</u> | <u>1,118,041</u> | <u>1,116,927</u> |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | | 840,349 | 840,349 | 840,349 | 840,349 |
| Reserves | | 2,279,501 | 2,251,371 | 277,692 | 276,578 |
| | | <u>3,119,850</u> | <u>3,091,720</u> | <u>1,118,041</u> | <u>1,116,927</u> |
| Minority interests | | 387,545 | 380,422 | - | - |
| TOTAL EQUITY | | <u>3,507,395</u> | <u>3,472,142</u> | <u>1,118,041</u> | <u>1,116,927</u> |

Note to the balance sheet

1. Investment properties are stated at 31 December 2006 independent professional valuations. The value as at 31 March 2007 includes upgrading costs of \$4.9 million incurred during the period.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| At 31.3.07 | | At 31.12.06 | |
|------------|-----------|-------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| - | 65,151 | - | 107,318 |

Amount repayable after one year

| At 31.3.07 | | At 31.12.06 | |
|------------|-----------|-------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| - | 49,500 | - | 56,000 |

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | 3 months ended | |
|--|-----------------------|----------------|
| | 31.3.07 | 31.3.06 |
| | \$'000 | \$'000 |
| Cash flows from operating activities: | | |
| Profit before income tax | 39,113 | 31,599 |
| Adjustments to profit | (7,704) | (6,254) |
| Working capital changes | (17,302) | 13,738 |
| Interest paid | (1,764) | (3,372) |
| Income tax (paid)/refund | (3,974) | 463 |
| Net cash provided by operating activities | 8,369 | 36,174 |
| Cash flows from investing activities: | | |
| Interest received | 74 | 933 |
| Upgrading of investment properties | (4,893) | (660) |
| Purchase of property, plant and equipment | (17) | (222) |
| Repayment of loans by/(Loans to) associated companies | 35,074 | (658) |
| Proceeds from disposal of property, plant and equipment | - | 55 |
| Net cash provided by/(used in) investing activities | 30,238 | (552) |
| Cash flows from financing activity: | | |
| Repayment of borrowings | (47,149) | (6,000) |
| Net cash used in financing activity | (47,149) | (6,000) |
| Net (decrease)/increase in cash and cash equivalents held | (8,542) | 29,622 |
| Cash and cash equivalents at 1 January | 17,893 | 89,263 |
| Cash and cash equivalents at 31 March | 9,351 | 118,885 |
| Cash and cash equivalents at 31 March comprise the following: | | |
| Cash and bank balances | 10,995 | 118,885 |
| Bank overdrafts (unsecured) | (1,644) | - |
| | 9,351 | 118,885 |

- 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 | |
|--------------------------------------|-----------|-----------|-----------|-----------|
| | 31.3.07 | 31.3.06 | 31.3.07 | 31.3.06 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Equity holders of the Company</u> | | | | |
| Balance at 1 January | 3,091,720 | 2,528,141 | 1,116,927 | 1,111,102 |
| Net profit for the financial period | 28,130 | 22,509 | 1,114 | 1,106 |
| Balance at 31 March | 3,119,850 | 2,550,650 | 1,118,041 | 1,112,208 |
| <u>Minority interests</u> | | | | |
| Balance at 1 January | 380,422 | 357,618 | - | - |
| Net profit for the financial period | 7,123 | 3,953 | - | - |
| Balance at 31 March | 387,545 | 361,571 | - | - |
| <u>Total equity</u> | | | | |
| Balance at 1 January | 3,472,142 | 2,885,759 | 1,116,927 | 1,111,102 |
| Net profit for the financial period | 35,253 | 26,462 | 1,114 | 1,106 |
| Balance at 31 March | 3,507,395 | 2,912,221 | 1,118,041 | 1,112,208 |

- 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 2006 audited annual financial statements have been applied for the current reporting period except for the adoption of Financial Reporting Standard ("FRS") 40 - *Investment Property* that is effective for the Group's financial year beginning 1 January 2007.

FRS 40 - Investment property

Prior to 1 January 2007, the Group had accounted for its investment properties under FRS 25 - *Accounting for Investments*, where the changes in fair values of investment properties were taken to the asset revaluation reserve. Under FRS 40, changes in fair values of investment properties are required to be included in the income statement for the period in which the changes arise.

On transition to FRS 40 on 1 January 2007, the asset revaluation reserve as at 31 December 2006 of \$1,223 million was transferred to the opening retained earnings at 1 January 2007.

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 quarter | Previous quarter |
| | 31.3.07 | 31.3.06 |
| Earnings per ordinary share | | |
| (a) Based on the weighted average number of ordinary shares on issue | 6.8 cents | 5.5 cents |
| (b) On a fully diluted basis | 6.8 cents | 5.5 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.

| | At 31.3.07 | At 31.12.06 |
|------------------------------------|------------|-------------|
| Net asset value per ordinary share | | |
| Group | \$7.56 | \$7.50 |
| Company | \$2.71 | \$2.71 |

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 2007 results with 2006

Gross rental income increased by \$7.8 million (22%) to \$43.7 million, attributable mainly to higher rental rates. However, total revenue at \$45.0 million declined by \$6.1 million (12%) in the absence of \$13.8 million sales of The Paterson and Stevens Loft residential properties which were fully sold in 2006.

Share of associates' results increased by \$2.6 million (46%) due mainly to higher contribution from the Marina Square hotels.

Income tax expense was lower by \$1.3 million (25%) following the reduction in corporate tax rate from 20% to 18% and the resultant partial writeback of deferred income tax provision.

In line with higher net profit in 53% owned subsidiary, Marina Centre Holdings, which has interests in the Marina Square Complex, minority interests at \$7.1 million was higher by \$3.2 million.

Overall, the Group's net profit increased by \$5.6 million (25%) to \$28.1 million.

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 Singapore office, residential and retail property market is expected to perform well with the good economic outlook.

Office supply remains tight in the Central Business District whilst demand for housing is expected to be strong with keen foreign interest for the high-end residential properties.

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the quarter ended 31 March 2007.

Confirmation by Directors

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first quarter ended 31 March 2007 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
24 April 2007