

**First Quarter Financial Statement Announcement for the Period Ended 31 March 2008****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		+ / (-) %
		31.3.08 \$'000	31.3.07 \$'000	
Revenue	1	83,042	44,991	85
Cost of sales	2	(33,496)	(12,540)	167
Gross profit		49,546	32,451	53
Investment income		514	1,004	(49)
Other gains/(losses) - net		311	393	(21)
Selling and distribution costs	3	(3,101)	(738)	320
Administrative expenses	3	(2,459)	(854)	188
Finance expenses	4	(2,777)	(1,258)	121
Share of results of associated companies		8,290	8,115	2
Profit before income tax	5	50,324	39,113	29
Income tax expense		(8,014)	(3,860)	108
Net profit		42,310	35,253	20
Attributable to:				
Equity holders of the Company		33,657	28,130	20
Minority interests		8,653	7,123	21
		42,310	35,253	20

Notes to the income statement

	3 months ended	
	31.3.08	31.3.07
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	52,193	43,669
Gross revenue from hotel operations	29,430	-
Car parking income and property management fees	1,419	1,322
	<u>83,042</u>	<u>44,991</u>
<u>2. Cost of sales</u>		
Property operating expenses	15,013	12,540
Cost of sales from hotel operations	18,483	-
	<u>33,496</u>	<u>12,540</u>

The increase in property operating expenses was due mainly to higher property tax.

3. The higher selling and distribution costs and administrative expenses were due mainly to the consolidation of the results of Hotel Marina City Pte Ltd (see paragraph 8).

4. Finance expenses was higher due mainly to higher borrowings following the acquisition of the remaining 50% of Hotel Marina City Pte Ltd in April 2007 (see paragraph 8).

5. Profit before income tax

Profit before income tax is stated after charging:

Depreciation	<u>2,817</u>	<u>160</u>
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The increase in depreciation charge was due mainly to the consolidation of the results of Hotel Marina City Pte Ltd (see paragraph 8).

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	
		31.3.08	31.12.07	31.3.08	31.12.07
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Other receivables	1	82,448	84,510	279,579	341,662
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		344,881	336,590	350	350
Investment in subsidiary companies		-	-	965,698	965,698
Investment properties	2	4,715,216	4,702,961	-	-
Property, plant and equipment		401,290	400,716	-	-
		<u>5,555,880</u>	<u>5,536,822</u>	<u>1,245,627</u>	<u>1,307,710</u>
Current assets					
Cash and cash equivalents		23,350	25,675	449	170
Properties held for sale		391,434	385,751	-	-
Trade and other receivables		10,754	13,088	214	211
Inventories, at cost		971	984	-	-
Tax recoverable		-	4,999	-	4,999
Other current assets		708	532	-	-
		<u>427,217</u>	<u>431,029</u>	<u>663</u>	<u>5,380</u>
Total assets		5,983,097	5,967,851	1,246,290	1,313,090
LIABILITIES					
Current liabilities					
Trade and other payables		57,044	64,510	1,170	1,323
Current income tax liabilities		28,331	25,953	585	-
Borrowings		237,740	259,472	122,524	192,624
		<u>323,115</u>	<u>349,935</u>	<u>124,279</u>	<u>193,947</u>
Non-current liabilities					
Trade and other payables		39,368	37,706	63,979	61,651
Borrowings		476,723	479,000	-	-
Deferred income tax liabilities		557,286	556,821	-	-
		<u>1,073,377</u>	<u>1,073,527</u>	<u>63,979</u>	<u>61,651</u>
Total liabilities		1,396,492	1,423,462	188,258	255,598
NET ASSETS		4,586,605	4,544,389	1,058,032	1,057,492
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,286,205	3,252,642	217,683	217,143
		<u>4,126,554</u>	<u>4,092,991</u>	<u>1,058,032</u>	<u>1,057,492</u>
Minority interests		460,051	451,398	-	-
TOTAL EQUITY		4,586,605	4,544,389	1,058,032	1,057,492

Notes to the balance sheet

1. The Company's other receivables, comprising mainly amounts due from subsidiary companies, decreased due to intercompany funding.
2. Investment properties are stated at 31 December 2007 independent professional valuations. The value as at 31 March 2008 includes development and upgrading costs of \$12.3 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 31.3.08		At 31.12.07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	237,740	-	259,472

Amount repayable after one year

At 31.3.08		At 31.12.07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
231,723	245,000	231,000	248,000

Details of any collateral

The \$231.7 million loan is secured by way of a legal mortgage over a residential property development project.

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	
	31.3.08	31.3.07
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	50,324	39,113
Adjustments to profit	(3,180)	(7,704)
Working capital changes	(7,102)	(17,302)
Interest paid	(4,991)	(1,764)
Income tax paid	(172)	(3,974)
Net cash provided by operating activities	34,879	8,369
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,515)	(17)
Development and upgrading of investment properties	(12,255)	(4,893)
Repayment of loans by associated companies	2,544	35,074
Interest received	31	74
Net cash (used in)/provided by investing activities	(13,195)	30,238
Cash flows from financing activity		
Repayment of borrowings	(24,009)	(47,149)
Net cash used in financing activity	(24,009)	(47,149)
Net decrease in cash and cash equivalents	(2,325)	(8,542)
Cash and cash equivalents at 1 January	25,675	17,893
Cash and cash equivalents at 31 March	23,350	9,351
Cash and cash equivalents at 31 March comprise the following:		
Cash and bank balances	23,350	10,995
Bank overdrafts (unsecured)	-	(1,644)
	23,350	9,351

- 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	
	31.3.08	31.3.07	31.3.08	31.3.07
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
Balance at 1 January	4,092,991	3,091,720	1,057,492	1,116,927
Exchange loss on translation of financial statements of foreign entity	(94)	-	-	-
Net loss recognised directly in equity	(94)	-	-	-
Net profit	33,657	28,130	540	1,114
Balance at 31 March	<u>4,126,554</u>	<u>3,119,850</u>	<u>1,058,032</u>	<u>1,118,041</u>
<u>Minority interests</u>				
Balance at 1 January	451,398	380,422	-	-
Net profit	8,653	7,123	-	-
Balance at 31 March	<u>460,051</u>	<u>387,545</u>	<u>-</u>	<u>-</u>
<u>Total equity</u>				
Balance at 1 January	4,544,389	3,472,142	1,057,492	1,116,927
Exchange loss on translation of financial statements of foreign entity	(94)	-	-	-
Net loss recognised directly in equity	(94)	-	-	-
Net profit	42,310	35,253	540	1,114
Balance at 31 March	<u>4,586,605</u>	<u>3,507,395</u>	<u>1,058,032</u>	<u>1,118,041</u>

- 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 2007 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.**

	Latest quarter	Previous quarter
	31.3.08	31.3.07
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	8.2 cents	6.8 cents
(b) <u>On a fully diluted basis</u> Diluted earnings per share is the same as basic earnings per share as the Company has not issued any options or warrants which would have a dilutive effect on earnings per share when exercised.		

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 31.3.08	At 31.12.07
Net asset value per ordinary share		
Group	\$10.00	\$9.92
Company	\$2.57	\$2.56

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 2008 results with 2007

Revenue at \$83.0 million increased by \$38.1 million (85%) due mainly to the contribution from Pan Pacific Singapore hotel (\$29.4 million) and higher rental income.

Following Marina Centre Holding Pte Ltd's ("MCH") acquisition of the remaining 50% interest in Hotel Marina City Pte Ltd ("HMC") which owns the Pan Pacific Singapore hotel in April 2007, HMC became a wholly-owned subsidiary of the Group. Starting from April 2007, HMC's assets and liabilities and income and expenses are consolidated on a line-by-line basis. HMC's net profit for the first quarter 2007 was equity accounted for under "share of results of associated companies".

Gross rental income at \$52.2 million was higher by \$8.5 million (20%) attributable mainly to higher rental rates.

Income tax expense was higher by \$4.2 million (108%) with higher operating profits and absence of a one-time partial write back in deferred income tax of \$1.6m arising from reduction in corporate tax rate from 20% to 18% in 2007.

In line with higher net profit in 53% owned subsidiary, Marina Centre Holdings, which has interests in the Marina Square Complex, minority interests at \$8.7 million was higher by \$1.5 million.

Overall, the Group's net profit increased by \$5.5 million (20%) to \$33.7 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 and retail rental market is expected to remain positive with moderate economic growth and tight supply of office space.

With the ongoing global financial and economic uncertainties, the cautious sentiment in the private home market is expected to prevail.

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 2008.

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 2008 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
25/4/2008