



Third Quarter Financial Statement Announcement for the Period Ended 30/9/2006

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 30 September 2006**

	Note	3 months ended			9 months ended		
		30.9.06	30.9.05	+ / (-)	30.9.06	30.9.05	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	55,640	46,217	20	158,702	127,442	25
Cost of sales	2	(21,188)	(22,100)	(4)	(63,399)	(61,745)	3
Gross profit		34,452	24,117	43	95,303	65,697	45
Investment income	3	1,359	1,081	26	8,160	5,600	46
Other income	4	552	78	608	1,937	8,737	(78)
Selling and distribution costs	5	(3,866)	(1,643)	135	(8,169)	(3,798)	115
Administrative expenses		(1,045)	(1,245)	(16)	(2,919)	(3,146)	(7)
Other operating expenses	6	(2)	(2,167)	(100)	(926)	(4,421)	(79)
Gain on sale of investment property	7	-	-	-	-	7,041	(100)
Finance expenses		(2,085)	(2,114)	(1)	(7,472)	(7,022)	6
Share of results of associated companies		5,861	8,620	(32)	16,763	12,997	29
Profit before income tax		35,226	26,727	32	102,677	81,685	26
Income tax expense	8	(5,836)	(2,857)	104	(16,600)	(10,544)	57
Net profit		29,390	23,870	23	86,077	71,141	21
Attributable to:							
Equity holders of the Company		23,191	22,661	2	71,470	69,304	3
Minority interests		6,199	1,209	413	14,607	1,837	695
		29,390	23,870	23	86,077	71,141	21

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

Notes to the consolidated income statement

	3 months ended		9 months ended	
	30.9.06	30.9.05	30.9.06	30.9.05
	\$'000	\$'000	\$'000	\$'000
<u>1. Revenue</u>				
Gross rental income	39,383	29,428	113,891	83,301
Sales of residential properties	14,916	15,340	40,658	39,924
Car parking income and property management fees	1,341	1,449	4,153	4,217
	<u>55,640</u>	<u>46,217</u>	<u>158,702</u>	<u>127,442</u>
<u>2. Cost of sales</u>				
Property operating expenses	11,972	10,527	35,664	30,653
Cost of residential properties sold	11,016	14,396	33,226	37,312
Writeback of allowance for foreseeable losses on properties held for sale	(1,800)	(2,823)	(5,491)	(6,220)
	<u>21,188</u>	<u>22,100</u>	<u>63,399</u>	<u>61,745</u>
<u>3. Investment income</u>				
Interest income	1,359	1,081	4,653	2,819
Dividend income	-	-	3,507	2,781
	<u>1,359</u>	<u>1,081</u>	<u>8,160</u>	<u>5,600</u>
<u>4. Other income</u>				
Other income includes the following:				
Office reinstatement compensation	-	-	-	4,818
Liquidated damages from tenants for early lease termination	2	8	2	2,266
5. Selling and distribution costs were higher mainly due to the sales of The Paterson residential development project. (All the units in The Paterson have been sold as at 30 September 2006.)				
<u>6. Other operating expenses</u>				
Other operating expenses include the following:				
Foreign exchange loss - net	-	2,034	800	4,290
7. This gain relates to the sale of the Group's investment property, Atrium Court in June 2005.				
<u>8. Income tax expense</u>				
Income tax expense includes the following:				
Overprovision in previous financial years	-	(1,754)	-	(1,754)

The overprovision of tax credited was attributable to tax refund for an income item which was taxed previously.

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 30 September 2006

	Note	Group		Company	
		30.9.06 \$'000	31.12.05 \$'000	30.9.06 \$'000	31.12.05 \$'000
ASSETS					
Non-current assets					
Investment properties		2,700,103	2,698,017	-	-
Property, plant and equipment		3,709	3,955	-	-
Subsidiary companies	1	-	-	1,095,292	1,200,146
Associated companies	2	453,548	399,256	59,576	64,853
Other investments		12,926	12,926	220	220
Deferred income tax assets		-	1,098	-	-
		<u>3,170,286</u>	<u>3,115,252</u>	<u>1,155,088</u>	<u>1,265,219</u>
Current assets					
Properties held for sale		-	27,815	-	-
Inventories, at cost		450	447	-	-
Trade and other receivables		15,910	25,303	43	81
Tax recoverable		30	84	-	-
Other current assets		495	432	-	-
Cash and cash equivalents		11,954	89,263	175	11,803
		<u>28,839</u>	<u>143,344</u>	<u>218</u>	<u>11,884</u>
Total assets		3,199,125	3,258,596	1,155,306	1,277,103
LIABILITIES					
Current liabilities					
Trade and other payables		34,761	38,374	808	864
Current income tax liabilities		20,036	18,012	992	724
Borrowings		136,682	195,000	50,000	-
		<u>191,479</u>	<u>251,386</u>	<u>51,800</u>	<u>1,588</u>
Non-current liabilities					
Trade and other payables		32,007	28,983	-	-
Borrowings		54,000	79,500	-	-
Deferred income tax liabilities		18,052	12,968	901	901
Amounts due to subsidiary companies	1	-	-	54,503	163,512
		<u>104,059</u>	<u>121,451</u>	<u>55,404</u>	<u>164,413</u>
Total liabilities		295,538	372,837	107,204	166,001
NET ASSETS		<u>2,903,587</u>	<u>2,885,759</u>	<u>1,048,102</u>	<u>1,111,102</u>
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	3	840,349	412,478	840,349	412,478
Reserves	3	1,693,266	2,115,663	207,753	698,624
		<u>2,533,615</u>	<u>2,528,141</u>	<u>1,048,102</u>	<u>1,111,102</u>
Minority interests		369,972	357,618	-	-
TOTAL EQUITY		<u>2,903,587</u>	<u>2,885,759</u>	<u>1,048,102</u>	<u>1,111,102</u>

1. Movements in subsidiary companies and amounts due to subsidiary companies were due primarily to intercompany funding arrangement arising from the refinancing/repayment of a \$195 million secured term loan of a subsidiary company which matured in July 2006.

2. Associated companies increased due to shareholder's loan granted to an associated company for a residential development project.

3. 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 30.9.06		At 31.12.05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	136,682	195,000	-

Amount repayable after one year

At 30.9.06		At 31.12.05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	54,000	-	79,500

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 30 September 2006

	3 months ended	
	30.9.06	30.9.05
	\$'000	\$'000
Cash flows from operating activities:		
Profit before income tax	35,226	26,727
Adjustments to profit	(6,779)	(10,362)
Working capital changes	12,309	16,486
Interest paid	(2,708)	(1,954)
Income tax paid	(2,736)	(5,769)
Net cash provided by operating activities	<u>35,312</u>	<u>25,128</u>
Cash flows from investing activities:		
Interest and dividends received	2,597	1,146
Upgrading of investment properties	(912)	(13,454)
Purchase of property, plant and equipment	(22)	(36)
Repayment of loans by/(Loans to) associated companies	4,885	(2,800)
Net cash provided by/(used in) investing activities	<u>6,548</u>	<u>(15,144)</u>
Cash flows from financing activities:		
Net repayment of borrowings	(75,818)	(36,600)
Dividends paid to minority shareholders	-	(2,251)
Net cash used in financing activities	<u>(75,818)</u>	<u>(38,851)</u>
Net decrease in cash and cash equivalents held	(33,958)	(28,867)
Cash and cash equivalents at 1 July	45,912	136,343
Cash and cash equivalents at 30 September	<u>11,954</u>	<u>107,476</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	
	30.9.06	30.9.05	30.9.06	30.9.05
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
Balance at 1 July	2,510,424	2,351,910	1,047,249	1,067,977
Net profit/(loss) for the financial period	23,191	22,661	853	(1,146)
Balance at 30 September	2,533,615	2,374,571	1,048,102	1,066,831
<u>Minority interests</u>				
Balance at 1 July	363,773	317,189	-	-
Net profit for the financial period	6,199	1,209	-	-
Dividends paid by a subsidiary company	-	(2,251)	-	-
Balance at 30 September	369,972	316,147	-	-
<u>Total equity</u>				
Balance at 1 July	2,874,197	2,669,099	1,047,249	1,067,977
Net profit/(loss) for the financial period	29,390	23,870	853	(1,146)
Dividends paid by a subsidiary company to minority shareholders	-	(2,251)	-	-
Balance at 30 September	2,903,587	2,690,718	1,048,102	1,066,831

- 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
	30.9.06	30.9.05
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	5.6 cents	5.5 cents
(b) On a fully diluted basis	5.6 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 30.9.06	At 31.12.05
Net asset value per ordinary share		
Group	\$6.14	\$6.13
Company	\$2.54	\$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 3rd quarter 2006 results with 2005

Revenue at \$55.6 million was higher by \$9.4 million (20%) due to higher rental income. Rental income at \$39.4 million was higher by \$10.0 million (34%) attributable mainly to higher contribution from Marina Square following substantial completion of its remodelling works at end 2005.

Share of associates' results decreased by \$2.8 million (32%) due mainly to lower contribution from the Waterfront residential property project in Hong Kong partially offset by higher contribution from Marina Mandarin hotel whose operation in the corresponding quarter ended 30 September 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 \$6.2 million was higher by \$5.0 million. The Group holds an effective interest of 53% in MCH.

Overall, the Group's net attributable profit increased by \$0.5 million (2%) to \$23.2 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 market is still bullish. Rentals are expected to rise further underpinned by tight supply and strong demand.

Demand for retail space is expected to be strong on the back of rising consumer confidence with a healthy job market.

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 30 September 2006.

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 third quarter ended 30 September 2006 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
10 November 2006