



Third Quarter Financial Statement Announcement for the Period Ended 30/9/2007

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			9 months ended		
		30.9.07 \$'000	30.9.06 \$'000	+ / (-) %	30.9.07 \$'000	30.9.06 \$'000	+ / (-) %
Revenue	1	70,520	55,640	27	184,548	158,702	16
Cost of sales	2	(29,364)	(21,188)	39	(67,818)	(63,399)	7
Gross profit		41,156	34,452	19	116,730	95,303	22
Investment income	3	563	1,359	(59)	4,874	8,160	(40)
Other gains/(losses) - net		681	550	24	1,747	1,011	73
Selling and distribution costs	4	(2,101)	(3,866)	(46)	(4,605)	(8,169)	(44)
Administrative expenses	5	(2,335)	(1,045)	123	(5,731)	(2,919)	96
Finance expenses	6	(3,636)	(2,085)	74	(8,396)	(7,472)	12
Share of results of associated companies		9,105	5,861	55	25,973	16,763	55
Profit before income tax	7	43,433	35,226	23	130,592	102,677	27
Income tax expense		(6,647)	(5,836)	14	(17,563)	(16,600)	6
Net profit		36,786	29,390	25	113,029	86,077	31
Attributable to:							
Equity holders of the Company		30,107	23,191	30	92,148	71,470	29
Minority interests		6,679	6,199	8	20,881	14,607	43
		36,786	29,390	25	113,029	86,077	31

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

Notes to the income statement

	3 months ended		9 months ended	
	30.9.07	30.9.06	30.9.07	30.9.06
	\$'000	\$'000	\$'000	\$'000
<u>1. Revenue</u>				
Gross rental income	47,449	39,383	136,501	113,891
Gross revenue from hotel operations	21,742	-	43,748	-
Sales of residential properties	-	14,916	-	40,658
Car parking income and property management fees	1,329	1,341	4,299	4,153
	<u>70,520</u>	<u>55,640</u>	<u>184,548</u>	<u>158,702</u>
<u>2. Cost of sales</u>				
Property operating expenses	14,377	11,972	39,316	35,664
Cost of sales from hotel operations	14,987	-	28,502	-
Cost of residential properties sold	-	11,016	-	33,226
Writeback of allowance for foreseeable losses on properties held for sale	-	(1,800)	-	(5,491)
	<u>29,364</u>	<u>21,188</u>	<u>67,818</u>	<u>63,399</u>

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

3. Investment income

Interest income	563	1,359	2,532	4,653
Dividend income	-	-	2,342	3,507
	<u>563</u>	<u>1,359</u>	<u>4,874</u>	<u>8,160</u>

4. Selling and distribution costs was lower due mainly to the absence of selling and commission costs for The Paterson residential property fully sold in 2006.

5. The increase in administrative expenses was due mainly to the consolidation of the results of Hotel Marina City Pte Ltd (see paragraph 8).

6. Finance expenses was higher in line with higher borrowings.

7. Profit before income tax

Profit before income tax is stated after charging:

Depreciation	<u>2,521</u>	<u>148</u>	<u>5,156</u>	<u>461</u>
--------------	--------------	------------	--------------	------------

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	
		30.9.07 \$'000	31.12.06 \$'000	30.9.07 \$'000	31.12.06 \$'000
ASSETS					
Non-current assets					
Other receivables	1	88,123	138,015	231,209	300,822
Financial assets, available-for-sale		12,706	12,706	-	-
Investments in associated companies	2	293,295	340,595	350	350
Investments in subsidiary companies		-	-	965,514	965,514
Investment properties	3	3,234,079	3,223,068	-	-
Property, plant and equipment	4	373,410	3,592	-	-
		<u>4,001,613</u>	<u>3,717,976</u>	<u>1,197,073</u>	<u>1,266,686</u>
Current assets					
Cash and cash equivalents		16,115	21,055	151	93
Properties held for sale	5	36,919	-	-	-
Trade and other receivables		8,852	5,752	42	45
Inventories, at cost		895	481	-	-
Other current assets	6	45,467	2,909	-	-
		<u>108,248</u>	<u>30,197</u>	<u>193</u>	<u>138</u>
Total assets		4,109,861	3,748,173	1,197,266	1,266,824
LIABILITIES					
Current liabilities					
Trade and other payables		57,691	35,974	970	1,327
Current income tax liabilities		23,009	24,810	1,530	1,152
Borrowings		215,190	107,318	163,924	92,600
		<u>295,890</u>	<u>168,102</u>	<u>166,424</u>	<u>95,079</u>
Non-current liabilities					
Trade and other payables		38,001	36,377	64,605	54,818
Borrowings		250,500	56,000	-	-
Deferred income tax liabilities		24,427	15,552	-	-
		<u>312,928</u>	<u>107,929</u>	<u>64,605</u>	<u>54,818</u>
Total liabilities		608,818	276,031	231,029	149,897
NET ASSETS		<u>3,501,043</u>	<u>3,472,142</u>	<u>966,237</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		2,231,206	2,251,371	125,888	276,578
		<u>3,071,555</u>	<u>3,091,720</u>	<u>966,237</u>	<u>1,116,927</u>
Minority interests		429,488	380,422	-	-
TOTAL EQUITY		<u>3,501,043</u>	<u>3,472,142</u>	<u>966,237</u>	<u>1,116,927</u>

Notes to the balance sheet

1. The Group's other receivables decreased due mainly to the partial repayment of shareholder's loan granted to an associated company for a residential development project. The Company's other receivables, comprising mainly amounts due from subsidiary companies, decreased due mainly to intercompany funding.
2. Investments in associated companies decreased mainly as Hotel Marina City Pte Ltd ceased to be an associated company (see paragraph 8).
3. Investment properties are stated at 31 December 2006 independent professional valuations. The value as at 30 September 2007 includes upgrading costs of \$11.0 million incurred during the nine months period.
4. Property, plant and equipment ("PPE") increased mainly due to the inclusion of PPE (mainly leasehold land and building) of Hotel Marina City Pte Ltd (see paragraph 8).
5. Properties held for sale increased due to the purchase of land for a residential project in Chengdu, People's Republic of China.
6. The Group's other current assets increased due to payment of deposit for the purchase of land for a residential development project.

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

Amount repayable in one year or less, or on demand

At 30.9.07		At 31.12.06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	215,190	-	107,318

Amount repayable after one year

At 30.9.07		At 31.12.06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	250,500	-	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	
	30.9.07	30.9.06
	\$'000	\$'000
Cash flows from operating activities:		
Profit before income tax	43,433	35,226
Adjustments to profit	(3,948)	(6,779)
Working capital changes	7,605	12,309
Interest paid	(2,956)	(2,708)
Income tax paid	(4,729)	(2,736)
Net cash provided by operating activities	39,405	35,312
Cash flows from investing activities:		
Interest and dividends received	1,774	2,597
Upgrading of investment properties	(2,982)	(912)
Purchase of property, plant and equipment	(5,446)	(22)
Repayment of loans by associated companies	4,434	4,885
Net cash (used in)/provided by investing activities	(2,220)	6,548
Cash flows from financing activities:		
Repayment of borrowings	(36,295)	(75,818)
Dividends paid by a subsidiary company to minority shareholders	(4,618)	-
Net cash used in financing activities	(40,913)	(75,818)
Net decrease in cash and cash equivalents held	(3,728)	(33,958)
Cash and cash equivalents at 1 July	19,843	45,912
Cash and cash equivalents at 30 September	16,115	11,954

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	
	30.9.07	30.9.06	30.9.07	30.9.06
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
Balance at 1 July	3,041,909	2,510,424	966,457	1,047,249
Exchange loss on translation of financial statement of a foreign entity	(461)	-	-	-
Net loss recognised directly in equity	(461)	-	-	-
Net profit/(loss) for the financial period	30,107	23,191	(220)	853
Balance at 30 September	3,071,555	2,533,615	966,237	1,048,102
<u>Minority interests</u>				
Balance at 1 July	427,427	363,773	-	-
Net profit for the financial period	6,679	6,199	-	-
Dividends paid by a subsidiary company	(4,618)	-	-	-
Balance at 30 September	429,488	369,972	-	-
<u>Total equity</u>				
Balance at 1 July	3,469,336	2,874,197	966,457	1,047,249
Exchange loss on translation of financial statement of a foreign entity	(461)	-	-	-
Net loss recognised directly in equity	(461)	-	-	-
Net profit/(loss) for the financial period	36,786	29,390	(220)	853
Dividends paid by a subsidiary company to minority shareholders	(4,618)	-	-	-
Balance at 30 September	3,501,043	2,903,587	966,237	1,048,102

- 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. In accordance with past practice, the Group's investment properties will be revalued at year end and any surplus or deficit arising from the revaluation shall be taken to the income statement at year end.

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
	30.9.07	30.9.06
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	7.3 cents	5.6 cents
(b) On a fully diluted basis	7.3 cents	5.6 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 30.9.07	At 31.12.06
Net asset value per ordinary share		
Group	\$7.45	\$7.50
Company	\$2.34	\$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 3rd quarter 2007 results with 2006

Revenue increased by \$14.9 million (27%) to \$70.5 million due to the contribution from Pan Pacific Singapore hotel (\$21.7 million) and higher rental income, despite absence of \$14.9 million sales of The Paterson residential property which was fully sold in 2006.

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. For the first quarter 2007, HMC was reflected in the balance sheet as investments in associated companies and its net profit was equity accounted for under "share of results of associated companies".

Gross rental income at \$47.4 million was higher by \$8.1 million (20%) attributable to higher rental rates and improved occupancy.

Share of associates' results increased by \$3.2 million (55%) due mainly to higher contribution from the One Amber and The Sixth Avenue Residences residential projects in which the Group has a 35% and 48% interest respectively.

Overall, the Group's net profit increased by \$6.9 million (30%) to \$30.1 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.**

With Singapore's economic growth and positive consumer sentiment, demand for office and retail space, and private housing is expected to remain steady.

- 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 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 third quarter ended 30 September 2007 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
2 November 2007