

**Full Year Financial Statement Announcement for the Period Ended 31 December 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 financial year ended 31 December 2006

	Note	2006 \$'000	2005 \$'000	+ / (-) %
Revenue	1	202,955	181,527	12
Cost of sales	2	(77,788)	(89,175)	(13)
Gross profit		125,167	92,352	36
Investment income	3	9,612	7,259	32
Other gains/(losses) - net	4	2,033	3,219	(37)
Selling and distribution costs		(9,840)	(8,396)	17
Administrative expenses		(3,599)	(4,987)	(28)
Finance expenses		(8,992)	(9,035)	(0)
Gain on sale of investment property	5	-	7,041	(100)
Share of results of associated companies		25,715	16,114	60
Profit before income tax		140,096	103,567	35
Income tax expense	6	(18,742)	(10,524)	78
Net profit		121,354	93,043	30
Attributable to:				
Equity holders of the Company		100,360	89,351	12
Minority interests		20,994	3,692	469
		121,354	93,043	30

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

Notes to the consolidated income statement

	2006	2005
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	156,817	115,266
Sales of residential properties	40,658	60,717
Car parking income and property management fees	5,480	5,544
	<u>202,955</u>	<u>181,527</u>
<u>2. Cost of sales</u>		
Property operating expenses	50,053	44,324
Cost of residential properties sold	33,226	54,323
Writeback of allowance for foreseeable losses on properties held for sale	(5,491)	(9,472)
	<u>77,788</u>	<u>89,175</u>
<u>3. Investment income</u>		
Interest income	6,105	4,478
Dividend income	3,507	2,781
	<u>9,612</u>	<u>7,259</u>
<u>4. Other gains/(losses) - net</u>		
Other gains/(losses) - net include the following:		
Office reinstatement compensation	-	4,818
Liquidated damages from tenants for early lease termination	35	2,276
Foreign exchange loss - net	(790)	(6,074)
	<u></u>	<u></u>
 5. This gain relates to the sale of the Group's investment property, Atrium Court in June 2005.		
<u>6. Income tax expense</u>		
Income tax expense includes the following:		
Overprovision in preceding financial years	2,279	4,293
	<u></u>	<u></u>

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 2006

	Note	Group		Company	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
ASSETS					
Non-current assets					
Other receivables	1	138,015	99,994	300,822	305,025
Financial assets, available-for-sale		12,706	12,706	-	-
Investment in associated companies		340,595	299,482	350	350
Investment in subsidiary companies		-	-	965,514	959,844
Investment properties		3,223,068	2,698,017	-	-
Property, plant and equipment		3,592	3,955	-	-
Deferred income tax assets		-	1,098	-	-
		<u>3,717,976</u>	<u>3,115,252</u>	<u>1,266,686</u>	<u>1,265,219</u>
Current assets					
Cash and cash equivalents		21,055	89,263	93	11,803
Properties held for sale		-	27,815	-	-
Trade and other receivables		5,752	25,303	45	81
Inventories, at cost		481	447	-	-
Tax recoverable		-	84	-	-
Other current assets		2,909	432	-	-
		<u>30,197</u>	<u>143,344</u>	<u>138</u>	<u>11,884</u>
Total assets		3,748,173	3,258,596	1,266,824	1,277,103
LIABILITIES					
Current liabilities					
Trade and other payables		35,974	38,374	1,327	864
Current income tax liabilities		24,810	18,012	1,152	724
Borrowings		107,318	195,000	92,600	-
		<u>168,102</u>	<u>251,386</u>	<u>95,079</u>	<u>1,588</u>
Non-current liabilities					
Trade and other payables	2	36,377	28,983	54,818	163,512
Borrowings		56,000	79,500	-	-
Deferred income tax liabilities		15,552	12,968	-	901
		<u>107,929</u>	<u>121,451</u>	<u>54,818</u>	<u>164,413</u>
Total liabilities		276,031	372,837	149,897	166,001
NET ASSETS		<u>3,472,142</u>	<u>2,885,759</u>	<u>1,116,927</u>	<u>1,111,102</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	3	840,349	412,478	840,349	412,478
Reserves	3	2,251,371	2,115,663	276,578	698,624
		<u>3,091,720</u>	<u>2,528,141</u>	<u>1,116,927</u>	<u>1,111,102</u>
Minority interests		380,422	357,618	-	-
TOTAL EQUITY		<u>3,472,142</u>	<u>2,885,759</u>	<u>1,116,927</u>	<u>1,111,102</u>

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

1. The Group's other receivables increased due to shareholder's loan granted to an associated company for a residential development project.

2. The Company's trade and other payables, comprising amounts due to subsidiary companies, decreased 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.

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 31.12.2006		At 31.12.2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	107,318	195,000	-

Amount repayable after one year

At 31.12.2006		At 31.12.2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	56,000	-	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 financial year ended 31 December 2006

	2006	2005
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	140,096	103,567
Adjustments for :		
Amortisation of discount on Transferable Loan Facility/Bonds	-	2,037
Depreciation of property, plant and equipment	604	559
(Gain)/Loss on disposal of property, plant and equipment	(38)	47
Share of results of associated companies	(25,715)	(16,114)
Investment income	(9,612)	(7,259)
Interest expense	8,992	6,998
Writeback of allowance for foreseeable losses on properties held for sale	(5,491)	(9,472)
Gain on sale of investment property	-	(7,041)
Operating cash flow before working capital changes	<u>108,836</u>	<u>73,322</u>
Changes in operating assets and liabilities:		
Properties held for sale	33,306	44,206
Inventories	(34)	13
Trade and other receivables	16,930	5,139
Trade and other payables	5,586	2,650
Cash generated from operations	<u>164,624</u>	<u>125,330</u>
Interest paid	(10,006)	(7,075)
Income tax paid	(8,178)	(17,218)
Net cash provided by operating activities	<u>146,440</u>	<u>101,037</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(261)	(817)
Proceeds from disposal of property, plant and equipment	57	15
Proceeds from sale of an investment property	-	64,177
Development and upgrading of investment properties	(5,823)	(52,012)
Loans to associated companies	(55,482)	(64,502)
Repayment of loans by associated companies	21,600	9,273
Investment in an associated company	(480)	(350)
Dividends received	7,567	7,701
Interest received	2,111	4,579
Net cash used in investing activities	<u>(30,711)</u>	<u>(31,936)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	105,310
Repayment of borrowings	(218,500)	(200,000)
Proceeds from borrowings	104,156	47,000
Dividends paid to shareholders	(65,996)	(49,497)
Dividends paid to minority shareholders	(6,759)	(4,505)
Net cash used in financing activities	<u>(187,099)</u>	<u>(101,692)</u>
Net decrease in cash and cash equivalents held	<u>(71,370)</u>	<u>(32,591)</u>
Cash and cash equivalents at beginning of financial year	<u>89,263</u>	<u>121,854</u>
Cash and cash equivalents at end of financial year	<u>17,893</u>	<u>89,263</u>
Cash and cash equivalents at end of financial year comprise the following:		
Cash and bank balances	21,055	89,263
Bank overdrafts (unsecured)	(3,162)	-
	<u>17,893</u>	<u>89,263</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	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<u>Equity holders of the Company</u>				
Beginning of financial year	2,528,141	2,249,454	1,111,102	1,012,379
Surplus on revaluation of investment properties	529,215	133,523	-	-
Net profit recognised directly in equity	529,215	133,523	-	-
Net profit for the financial year	100,360	89,351	71,821	42,910
Total recognised profit for the financial year	629,575	222,874	71,821	42,910
Issue of shares	-	105,310	-	105,310
Dividends paid	(65,996)	(49,497)	(65,996)	(49,497)
End of financial year	3,091,720	2,528,141	1,116,927	1,111,102
<u>Minority interests</u>				
Beginning of financial year	357,618	318,815	-	-
Surplus on revaluation of investment properties	8,569	39,616	-	-
Net profit recognised directly in equity	8,569	39,616	-	-
Net profit for the financial year	20,994	3,692	-	-
Total recognised profit for the financial year	29,563	43,308	-	-
Dividends paid by a subsidiary company	(6,759)	(4,505)	-	-
End of financial year	380,422	357,618	-	-
<u>Total equity</u>				
Beginning of financial year	2,885,759	2,568,269	1,111,102	1,012,379
Surplus on revaluation of investment properties	537,784	173,139	-	-
Net profit recognised directly in equity	537,784	173,139	-	-
Net profit for the financial year	121,354	93,043	71,821	42,910
Total recognised profit for the financial year	659,138	266,182	71,821	42,910
Issue of shares	-	105,310	-	105,310
Dividends paid	(65,996)	(49,497)	(65,996)	(49,497)
Dividends paid by a subsidiary company to minority shareholders	(6,759)	(4,505)	-	-
End of financial year	3,472,142	2,885,759	1,116,927	1,111,102

- 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 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 year 31.12.2006	Previous year 31.12.2005
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	24.3 cents	22.2 cents
(b) On a fully diluted basis	24.3 cents	22.2 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 31.12.2006	At 31.12.2005
Net asset value per ordinary share		
Group	\$7.50	\$6.13
Company	\$2.71	\$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.

Revenue at \$203.0 million was higher by \$21.4 million (12%) due mainly to higher rental income, partially offset by lower sales of residential properties as the remaining units of The Paterson were fully sold in 2006.

Rental income at \$156.8 million was higher by \$41.6 million (36%) attributable mainly to higher contribution from Marina Square following substantial completion of its remodelling works at end of 2005.

Share of results of associated companies increased by \$9.6 million with higher contribution from Marina Mandarin and The Oriental hotels whose operations in the previous year were affected by renovation works carried out.

Income tax expense was higher by \$8.2 million (78%) in line with higher operating profits and lower writeback of overprovision of prior years' taxes.

In line with higher net profit in Marina Centre Holdings ("MCH") which owns Marina Square, minority interests at \$21.0 million was higher by \$17.3 million. The Group holds an effective interest of 53% in MCH.

Overall, the Group's net attributable profit increased by \$11.0 million (12%) from \$89.4 million (which included a one off \$7.0 million gain from the divestment of office property, Atrium Court) to \$100.4 million.

The Group revalues its investment properties annually at year end. Based on the annual year-end independent valuation, the increase in asset values of \$529.2 million was credited to the asset revaluation reserve, raising it to \$1,223.1 million as at 31 December 2006. Net asset value per share increased from \$6.13 in 2005 to \$7.50 in 2006.

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.

Demand for office space is expected to continue its upward trend, especially in the Central Business District where there is an office supply shortage.

Likewise, the retail sector is expected to perform well as demand for shop space remains strong.

Outlook for the private residential property market is likely to remain bright on the back of an upbeat economic sentiment.

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	18.0%

Name of dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	25.0 cents per ordinary share
Tax rate	18.0%

(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)	20.0 cents per ordinary share
Tax rate	20.0%

(c) Date payable

The proposed dividends are payable on 18 May 2007.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed from 4 May 2007 to 7 May 2007, 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 3 May 2007 will be registered before entitlements to the dividends are determined. In respect of shares registered in securities accounts with Central Depository (Pte) Limited ("CDP"), the dividends 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 2006	Property investment \$'000	Property trading \$'000	Group \$'000
Revenue - external sales	162,297	40,658	202,955
Segment result	105,581	9,754	115,335
Unallocated costs			(1,574)
Investment income			9,612
			<u>123,373</u>
Finance expenses			(8,992)
Share of results of associated companies	22,629	3,086	25,715
Profit before income tax			<u>140,096</u>
Income tax expense			<u>(18,742)</u>
Profit after income tax			121,354
Minority interests			<u>(20,994)</u>
Net profit			<u>100,360</u>

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			<u>(10,524)</u>
Profit after income tax			93,043
Minority interests			<u>(3,692)</u>
Net profit			<u>89,351</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 investment segment was higher this year, with higher contribution from the Marina Mandarin and The Oriental hotels.

Share of results of associated companies in the property trading segment was lower due to lower contribution from The Waterfront residential property project in Hong Kong.

15. A breakdown of sales.

	2006	Group	2005	+/(-)
	\$'000		\$'000	%
(a) Sales reported for the first half year	103,062		81,225	27
(b) Operating profit after tax before deducting minority interests reported for the first half year	56,687		47,272	20
(c) Sales reported for the second half year	99,893		100,302	(0)
(d) Operating profit after tax before deducting minority interests reported for the second half year	64,667		45,771	41

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		
- First and Final	67,646	65,996
- Special	84,558	-
	152,204	65,996
Preference	-	-
Total	152,204	65,996

The Directors proposed to recommend gross dividends totalling 45.0 cents (2005: 20.0 cents) per share less Singapore Income Tax at 18% (2005: 20%) amounting to \$152.2 million (2005: \$66.0 million) in respect of the financial year ended 31 December 2006. The proposed dividends if approved at the forthcoming Annual General Meeting, will be paid on 18 May 2007. The 43rd Annual General Meeting of the Company will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Tuesday, 24 April 2007, at 2.00 pm.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
23/2/2007