



20 July 2006

**MCL LAND LIMITED  
FIRST HALF 2006 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**Highlights**

- 93% of developments under construction in Singapore were sold
- Agreements to acquire two new sites

“The Singapore residential property market in general is expected to remain positive in the second half of the year, although interest rates and oil prices are areas of concern. The high-end sector is benefiting from continued foreign investment, while demand for mass-market private condominiums should continue to be stable. Completion of the MeraPrime project in Singapore and the Desa Villas and Desa Putra projects in Malaysia will contribute to the Group’s overall performance in 2006.”

Nicholas Sallnow-Smith, Chairman  
20 July 2006

**Group Results**

	<b>Six months ended 30 June</b>				
	<b>2006</b>	2005	<i>Change</i>	<b>2006</b>	<i>Change</i>
	<b>US\$m</b>	US\$m	%	<b>S\$m</b>	%
Revenue	<b>4.1</b>	1.1	283	<b>6.7</b>	276
Profit after tax	<b>6.7</b>	1.1	<i>n/m</i>	<b>10.8</b>	<i>n/m</i>
Underlying profit attributable to shareholders	<b>6.7</b>	0.2	<i>n/m</i>	<b>10.8</b>	<i>n/m</i>
Profit attributable to shareholders	<b>6.7</b>	1.0	<i>n/m</i>	<b>10.8</b>	<i>n/m</i>
	<b>US¢</b>	US¢		<b>S¢</b>	
Underlying earnings* per share	<b>1.82</b>	0.06	<i>n/m</i>	<b>2.92</b>	<i>n/m</i>
Earnings per share	<b>1.82</b>	0.27	<i>n/m</i>	<b>2.92</b>	<i>n/m</i>
	<b>At</b>	<b>At</b>	<i>Change</i>	<b>At</b>	<i>Change</i>
	<b>30.6.2006</b>	31.12.2005	%	<b>30.6.2006</b>	%
	<b>US\$m</b>	US\$m		<b>S\$m</b>	
Shareholders’ funds	<b>410.4</b>	396.3	4	<b>652.3</b>	- 1
	<b>US\$</b>	US\$		<b>S\$</b>	
Net asset value per share	<b>1.11</b>	1.07	4	<b>1.76</b>	- 1

*n/m = not meaningful*

The exchange rate of US\$1=S\$1.5895 (31.12.2005: US\$1=S\$1.665) was used for translating assets and liabilities at the balance sheet date and US\$1=S\$1.6041 (30.6.2005: US\$1=S\$1.6518) was used for translating the results for the six months ended 30 June 2006.

The financial results for the six months ended 30 June 2006 and 30 June 2005 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”). These results have not been audited or reviewed by the Auditors.

\* The basis for calculating underlying earnings is set out in Note 5 of this report.

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## **CHAIRMAN'S STATEMENT**

### **Overview**

The residential property market in Singapore remained firm during the first half 2006, although sales began to slow towards the end of the period. Residential property prices increased by 1.6% in the second quarter of 2006, slightly higher than the 1.5% increase seen in the first quarter. The increases continued to be led by demand for high-end condominiums, while prices in the mass market sector were relatively stable.

### **Group Performance**

MCL Land recorded an underlying profit of US\$6.7 million for the first half of 2006, compared with US\$0.2 million for the corresponding period in 2005. As no development profit was recognised during this period, the improvement was due primarily to a gain of US\$3.0 million on the sale of land in Senai-Kulai in Malaysia, the write-back of prior-year tax provisions of US\$2.3 million and a provision of US\$1.0 million in respect of a development project.

In the absence of exceptional items, net profit attributable to shareholders for the first half was US\$6.7 million, substantially higher than the US\$1.0 million recorded for the same period in 2005.

Shareholders' funds were US\$410.4 million at the end of June 2006, up from US\$396.3 million at the prior year end. The increase was attributable to translation differences partly offset by the dividend payment. The acquisition of development sites led to the Group's net debt increasing from US\$43.7 million at 31 December 2005 to US\$147.4 million at the half year, representing a net gearing of 36% compare with 11% at 31 December 2005.

### **Dividends**

The Board is not recommending the payment of any interim dividend for the first half of 2006 (2005: nil).

### **Properties**

The Group continued to make good progress with the pre-sales of its Singapore development properties with some 93% of the units being sold as at 30 June 2006. The Calrose, a 421-unit condominium that will be completed in 2007, was 96% sold. Some 89% of the 400 units in The Esta and 97% of the 95 units in The Grange, a 53.5% joint venture project, had also been sold. These two projects are scheduled for completion in 2008. Mera Springs, a 129-unit condominium at Norfolk Road scheduled to complete in 2008, was successfully launched in April 2006 and more than 73% of the units were sold. Work on the Group's fully sold development properties is progressing well. Completion of MeraPrime is expected by the end of this year, while The Metz and Mera East are due to complete in 2007.

The Group's joint venture development with the Landmarks Group also performed well with nearly all 94 units in Desa Villas and 94% of the 436 units in Desa Putra having been committed.

Construction is in progress for the first two phases of the development of 110 terrace houses and 41 bungalow units in Seremban, Malaysia, the Group's other joint venture development with Sunrise Berhad. So far, 43 terrace houses and 2 bungalow units have been sold.

### **Acquisitions**

The Group is to acquire a 256,000 sq. ft leasehold site at No.1 Hillcrest Road for US\$64.5 million, subject to Singapore Land Authority approving a fresh 99-year lease and allowing the property to be used for a landed development with a plot ratio of 1.4.

In May, the Group agreed the US\$11.0 million purchase of Serangoon Apartments, a 46,100 sq. ft freehold site at Upper Serangoon Road. Completion is expected in August 2006.

If all current acquisitions are completed, the Group's landbank has the potential to generate some one million sq. ft gross floor area.

### **Prospects**

The Singapore residential property market in general is expected to remain positive in the second half of the year, although interest rates and oil prices are areas of concern. The high-end sector is benefiting from continued foreign investment, while demand for mass-market private condominiums should continue to be stable. Completion of the MeraPrime project in Singapore and the Desa Villas and Desa Putra projects in Malaysia will contribute to the Group's overall performance in 2006.

Nicholas Sallnow-Smith  
Chairman  
20 July 2006

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**MCL Land Limited**  
**Consolidated Profit and Loss Account**


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	Note	Three months ended			Six months ended		
		30.06.06 US\$'000	30.06.05 US\$'000	Change %	30.06.06 US\$'000	30.06.05 US\$'000	Change %
<b>Revenue</b>		<b>403</b>	592	- 32	<b>4,143</b>	1,081	283
Cost of sales		<b>(10)</b>	-	n/m	<b>(366)</b>	-	n/m
<b>Gross profit</b>		<b>393</b>	592	- 34	<b>3,777</b>	1,081	249
Other operating income		<b>522</b>	1,933	- 73	<b>2,380</b>	2,813	- 15
Property related expenses		<b>(220)</b>	(237)	- 7	<b>(385)</b>	(362)	6
Administrative expenses		<b>(110)</b>	(1,107)	- 90	<b>(279)</b>	(2,181)	- 87
<b>Operating profit</b>		<b>585</b>	1,181	- 50	<b>5,493</b>	1,351	307
Financing charges		<b>(37)</b>	(68)	- 46	<b>(77)</b>	(68)	13
Share of joint ventures' results		<b>(139)</b>	-	n/m	<b>(237)</b>	-	n/m
<b>Profit before tax</b>	3	<b>409</b>	1,113	- 63	<b>5,179</b>	1,283	304
Tax	4	<b>2,422</b>	(78)	n/m	<b>1,548</b>	(207)	n/m
<b>Profit after tax</b>		<b>2,831</b>	1,035	174	<b>6,727</b>	1,076	n/m
<b>Profit attributable to:</b>							
Shareholders		<b>2,831</b>	1,014	179	<b>6,727</b>	995	n/m
Minority interests		-	21	-100	-	81	-100
		<b>2,831</b>	1,035	174	<b>6,727</b>	1,076	n/m

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		US¢	US¢	%	US¢	US¢	%
Earnings per share							
- basic and diluted*	5	<b>0.77</b>	0.27	185	<b>1.82</b>	0.27	n/m

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n/m = not meaningful

\* As there were no outstanding share options, the diluted EPS is the same as the basic earnings per share.

**MCL Land Limited**  
**Consolidated Balance Sheet**

	Note	At 30.6.2006 US\$'000	At 31.12.2005 US\$'000
<b>Non-current assets</b>			
Plant and equipment		1,606	1,602
Investment properties		24,839	24,099
Investments in joint ventures		25,153	34,023
		<u>51,598</u>	<u>59,724</u>
<b>Current assets</b>			
Development properties for sale		595,574	415,927
Amounts owing by joint ventures		65,089	60,392
Debtors		17,387	15,755
Bank balances and other liquid funds		36,092	26,098
		<u>714,142</u>	<u>518,172</u>
<b>Total assets</b>		<u>765,740</u>	<u>577,896</u>
<b>Non-current liabilities</b>			
Borrowings due after one year	6	134,901	69,782
Deferred tax liabilities		1,071	911
Retention money payable		3,779	1,865
		<u>139,751</u>	<u>72,558</u>
<b>Current liabilities</b>			
Borrowings due within one year	6	48,569	-
Amounts owing to joint ventures		314	9,783
Creditors		163,928	94,861
Current tax liabilities		2,817	4,382
		<u>215,628</u>	<u>109,026</u>
<b>Total liabilities</b>		<u>355,379</u>	<u>181,584</u>
<b>Net assets</b>		<u>410,361</u>	<u>396,312</u>
<b>Financed by:</b>			
<b>Share capital and reserves</b>			
Share capital		276,657	200,034
Share premium		-	76,623
Translation reserve		62,357	43,802
Retained earnings		71,347	75,853
Shareholders' funds		<u>410,361</u>	<u>396,312</u>
<b>Net asset value per share</b>		<b>US\$1.11</b>	<b>US\$1.07</b>

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**MCL Land Limited**  
**Consolidated Statement of Changes in Equity for the three months ended 30 June**


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	Attributable to shareholders					Minority interests	Total equity
	Share capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	US\$'000	US\$'000
<b>2006</b>							
<b>Balance at 1 April</b>	276,657	-	54,796	79,749	411,202	-	411,202
Translation difference	-	-	7,561	-	7,561	-	7,561
Net gain recognised directly in equity	-	-	7,561	-	7,561	-	7,561
Profit for the financial period	-	-	-	2,831	2,831	-	2,831
<b>Total recognised gain for the financial period</b>	-	-	7,561	2,831	10,392	-	10,392
Dividend (net)	-	-	-	(11,233)	(11,233)	-	(11,233)
<b>Balance at 30 June</b>	<u>276,657</u>	-	<u>62,357</u>	<u>71,347</u>	<u>410,361</u>	-	<u>410,361</u>
<b>2005</b>							
<b>Balance at 1 April</b>	200,034	76,623	48,570	169,138	494,365	6,018	500,383
Translation difference	-	-	(10,431)	-	(10,431)	-	(10,431)
Net loss recognised directly in equity	-	-	(10,431)	-	(10,431)	-	(10,431)
Profit for the financial period	-	-	-	1,014	1,014	21	1,035
<b>Total recognised gain/(loss) for the financial period</b>	-	-	(10,431)	1,014	(9,417)	21	(9,396)
Dividend (net)	-	-	-	(119,449)	(119,449)	-	(119,449)
<b>Balance at 30 June</b>	<u>200,034</u>	<u>76,623</u>	<u>38,139</u>	<u>50,703</u>	<u>365,499</u>	<u>6,039</u>	<u>371,538</u>

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**MCL Land Limited**  
**Consolidated Statement of Changes in Equity for the six months ended 30 June**


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	Attributable to shareholders					Minority interests	Total equity
	Share capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>2006</b>							
<b>Balance at 1 January</b>	200,034	76,623	43,802	75,853	396,312	-	396,312
Effect of Companies (Amendment) Act 2005 *	76,623	(76,623)	-	-	-	-	-
Translation difference	-	-	18,555	-	18,555	-	18,555
Net gain/(loss) recognised directly in equity	76,623	(76,623)	18,555	-	18,555	-	18,555
Profit for the financial period	-	-	-	6,727	6,727	-	6,727
<b>Total recognised gain/(loss) for the financial period</b>	76,623	(76,623)	18,555	6,727	25,282	-	25,282
Dividend (net)	-	-	-	(11,233)	(11,233)	-	(11,233)
<b>Balance at 30 June</b>	<b>276,657</b>	<b>-</b>	<b>62,357</b>	<b>71,347</b>	<b>410,361</b>	<b>-</b>	<b>410,361</b>
<b>2005</b>							
<b>Balance at 1 January</b>	200,006	76,622	52,858	169,157	498,643	5,958	504,601
Translation difference	-	-	(14,719)	-	(14,719)	-	(14,719)
Net loss recognised directly in equity	-	-	(14,719)	-	(14,719)	-	(14,719)
Profit for the financial period	-	-	-	995	995	81	1,076
<b>Total recognised gain/(loss) for the financial period</b>	-	-	(14,719)	995	(13,724)	81	(13,643)
Dividend (net)	-	-	-	(119,449)	(119,449)	-	(119,449)
Issue of shares	28	1	-	-	29	-	29
<b>Balance at 30 June</b>	<b>200,034</b>	<b>76,623</b>	<b>38,139</b>	<b>50,703</b>	<b>365,499</b>	<b>6,039</b>	<b>371,538</b>

\* Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concept of par value was abolished and the amount of share premium account as at 30 January 2006, is required to become part of the company's share capital.

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**MCL Land Limited**  
**Company Balance Sheet**


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	At 30.6.2006 US\$'000	At 31.12.2005 US\$'000
<b>Non-current assets</b>		
Plant and equipment	392	315
Interests in subsidiaries	92,376	86,362
Investments in joint ventures	25,789	34,228
	<u>118,557</u>	<u>120,905</u>
<b>Current assets</b>		
Amounts owing by subsidiaries	355,948	303,987
Amounts owing by joint ventures	63,995	59,669
Debtors	828	666
Bank balances and other liquid funds	677	961
	<u>421,448</u>	<u>365,283</u>
<b>Total assets</b>	<u>540,005</u>	<u>486,188</u>
<b>Non-current liability</b>		
Deferred tax liabilities	48	46
	<u>48</u>	<u>46</u>
<b>Current liabilities</b>		
Borrowings due within one year	48,569	-
Amounts owing to subsidiaries	114,250	107,048
Amounts owing to joint ventures	314	9,783
Creditors	1,454	1,940
Current tax liabilities	253	118
	<u>164,840</u>	<u>118,889</u>
<b>Total liabilities</b>	<u>164,888</u>	<u>118,935</u>
<b>Net assets</b>	<u>375,117</u>	<u>367,253</u>
<b>Financed by:</b>		
<b>Share capital and reserves</b>		
Share capital	276,657	200,034
Share premium	-	76,623
Translation reserve	53,786	36,247
Retained earnings	44,674	54,349
Shareholders' funds	<u>375,117</u>	<u>367,253</u>
<b>Net asset value per share</b>	<b>US\$1.01</b>	<b>US\$0.99</b>

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**MCL Land Limited**  
**Company Statement of Changes in Equity for the three months ended 30 June**


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	Share capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<b>2006</b>					
<b>Balance at 1 April</b>	276,657	-	46,475	55,905	379,037
Translation difference	-	-	7,311	-	7,311
Net gain recognised directly in equity	-	-	7,311	-	7,311
Profit for the financial period	-	-	-	2	2
<b>Total recognised gain for the financial period</b>	-	-	7,311	2	7,313
Dividend (net)	-	-	-	(11,233)	(11,233)
<b>Balance at 30 June</b>	<u>276,657</u>	<u>-</u>	<u>53,786</u>	<u>44,674</u>	<u>375,117</u>
<b>2005</b>					
<b>Balance at 1 April</b>	200,034	76,623	40,929	149,514	467,100
Translation difference	-	-	(10,146)	-	(10,146)
Net loss recognised directly in equity	-	-	(10,146)	-	(10,146)
Profit for the financial period	-	-	-	2,788	2,788
<b>Total recognised gain/(loss) for the financial period</b>	-	-	(10,146)	2,788	(7,358)
Dividend (net)	-	-	-	(119,449)	(119,449)
<b>Balance at 30 June</b>	<u>200,034</u>	<u>76,623</u>	<u>30,783</u>	<u>32,853</u>	<u>340,293</u>

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**MCL Land Limited**  
**Company Statement of Changes in Equity for the six months ended 30 June**


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	Share capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<b>2006</b>					
<b>Balance at 1 January</b>	200,034	76,623	36,247	54,349	367,253
Effect of Companies (Amendment) Act 2005 *	76,623	(76,623)	-	-	-
Translation difference	-	-	17,539	-	17,539
Net gain/(loss) recognised directly in equity	76,623	(76,623)	17,539	-	17,539
Profit for the financial period	-	-	-	1,558	1,558
<b>Total recognised gain/(loss) for the financial period</b>	76,623	(76,623)	17,539	1,558	19,097
Dividend (net)	-	-	-	(11,233)	(11,233)
<b>Balance at 30 June</b>	<b>276,657</b>	<b>-</b>	<b>53,786</b>	<b>44,674</b>	<b>375,117</b>
<b>2005</b>					
<b>Balance at 1 January</b>	200,006	76,622	45,131	149,502	471,261
Translation difference	-	-	(14,348)	-	(14,348)
Net loss recognised directly in equity	-	-	(14,348)	-	(14,348)
Profit for the financial period	-	-	-	2,800	2,800
<b>Total recognised gain/(loss) for the financial period</b>	-	-	(14,348)	2,800	(11,548)
Dividend (net)	-	-	-	(119,449)	(119,449)
Issue of shares	28	1	-	-	29
<b>Balance at 30 June</b>	<b>200,034</b>	<b>76,623</b>	<b>30,783</b>	<b>32,853</b>	<b>340,293</b>

\*Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concept of par value was abolished and the amount of share premium account as at 30 January 2006, is required to become part of the company's share capital.

## MCL Land Limited

### Consolidated Statement of Cash Flows

	Three months ended		Six months ended	
	30.06.06 US\$'000	30.06.05 US\$'000	30.06.06 US\$'000	30.06.05 US\$'000
<b>Profit before tax</b>	<b>409</b>	<b>1,113</b>	<b>5,179</b>	<b>1,283</b>
<b>Non-cash items</b>				
Interest income	(252)	(382)	(752)	(1,008)
Financing charges	37	68	77	68
Share of joint ventures' results	139	-	237	-
Depreciation	66	116	144	176
Profit on sale of an investment property	-	(823)	-	(786)
Foreign currency translation difference	74	(344)	138	(343)
Loss on disposal/write-off of plant and equipment	15	-	15	15
	<b>79</b>	<b>(1,365)</b>	<b>(141)</b>	<b>(1,878)</b>
<b>Operating profit/(loss) before working capital changes</b>	<b>488</b>	<b>(252)</b>	<b>5,038</b>	<b>(595)</b>
<b>Changes in working capital</b>				
Development properties for sale	(106,635)	(109,781)	(157,413)	(112,881)
Debtors	321	(5,600)	(1,810)	44,741
Creditors	32,723	21,574	65,978	13,920
	<b>(73,591)</b>	<b>(93,807)</b>	<b>(93,245)</b>	<b>(54,220)</b>
<b>Cash flows used in operations</b>	<b>(73,103)</b>	<b>(94,059)</b>	<b>(88,207)</b>	<b>(54,815)</b>
Interest paid	(1,461)	(440)	(2,137)	(589)
Interest received	424	524	642	1,015
Income tax refunded/(paid)	140	(2,990)	(116)	(3,070)
	<b>(897)</b>	<b>(2,906)</b>	<b>(1,611)</b>	<b>(2,644)</b>
<b>Net cash flows used in operating activities</b>	<b>(74,000)</b>	<b>(96,965)</b>	<b>(89,818)</b>	<b>(57,459)</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(231)	(180)	(235)	(1,516)
Purchase of shares in joint ventures	-	-	-	(2)
Purchase of investment properties	-	-	-	(8,209)
Net proceeds from sale of plant & equipment	123	-	123	-
Net proceeds from sale of an investment property	-	8,504	-	8,467
Net cash flows generated from/(used in) investing activities	<b>(108)</b>	<b>8,324</b>	<b>(112)</b>	<b>(1,260)</b>
<b>Cash flows from financing activities</b>				
Repayment from/(advances to) joint ventures	(143)	(581)	(450)	4,155
Proceeds from issue of shares	-	-	-	29
Dividend paid	(11,233)	(119,449)	(11,233)	(119,449)
Net drawdown of loans	78,378	114,484	110,373	76,694
Net cash flows generated from/(used in) financing activities	<b>67,002</b>	<b>(5,546)</b>	<b>98,690</b>	<b>(38,571)</b>
<b>Net change in cash and cash equivalents</b>	<b>(7,106)</b>	<b>(94,187)</b>	<b>8,760</b>	<b>(97,290)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>42,678</b>	<b>135,614</b>	<b>26,098</b>	<b>139,887</b>
<b>Effect of exchange rate changes</b>	<b>520</b>	<b>(2,590)</b>	<b>1,234</b>	<b>(3,760)</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>36,092</b>	<b>38,837</b>	<b>36,092</b>	<b>38,837</b>

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**MCL Land Limited**  
**Notes**

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**1 Basis of preparation**

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and are consistent with those set out in the 2005 annual report.

In 2006, the Group adopted the following amendments and interpretation to existing standards which are relevant to its operations.

IAS 39 (amended 2005)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
IAS 39 (amended 2005)	The Fair Value Option
IAS 39 and IFRS 4 (amended 2005)	Financial Guarantee Contracts
IFRIC 4	Determining whether an Arrangement contains a Lease

There have been no changes to the accounting policies described in the 2005 annual report as a result of adoption of the above amendments and interpretation.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

**2 Reconciliation between IAS 17 and IAS 40 and FRS 25**

A reconciliation on the differences between IAS 17 Leases ("IAS 17") and IAS 40 Investment Properties ("IAS 40") and Singapore's FRS 25: Accounting for Investments is to be disclosed as required by the Accounting and Corporate Regulatory Authority in approving the Company's application for the adoption of International Financial Reporting Standards.

The difference between IAS 17 and IAS 40 and FRS 25 arises from the accounting treatment of valuation changes in investment properties. Under IAS 40, investment properties are carried at fair value and changes in fair values are recognised directly in the profit and loss account. This contrasts with FRS 25 where the investment properties are carried at revalued amounts. The net surplus or deficit on revaluation is first taken to a revaluation reserve account unless the revaluation surplus is insufficient to cover the deficit, in which case, the amount by which the deficit exceeds the available surplus is charged to the consolidated profit and loss account. The surplus on revaluation not utilised at the date of the sale of investment properties is taken to the profit and loss account.

There are no financial effects in adopting these standards for the six months ended 30 June 2006.

### 3 Profit before tax

	Group					
	Three months ended			Six months ended		
	30.06.06 US\$'000	30.06.05 US\$'000	Change %	30.06.06 US\$'000	30.06.05 US\$'000	Change %
Profit before tax is determined after including:						
Profit on sale of an investment property	-	823	-100	-	786	-100
Profit/(Loss) on sale of land	(10)	-	n/m	2,988	-	n/m
Write-back in provisions for foreseeable losses	-	-	-	1,043	-	n/m
Net exchange gain/(loss)	(74)	344	n/m	(138)	343	n/m
Interest income	252	382	- 34	752	1,008	- 25
Interest expense	(37)	(68)	- 46	(77)	(68)	13
Depreciation	(66)	(116)	- 43	(144)	(176)	- 18
Loss on disposal/write-off of plant and equipment	(15)	-	n/m	(15)	(15)	-

n/m = not meaningful

### 4 Tax

The provision for income tax is based on the statutory tax rates prevailing in the respective countries in which Group companies operate after taking into account expenses not deductible and Group tax relief.

### 5 Earnings per share \*

	Group			
	Three months ended		Six months ended	
	30.06.06	30.06.05	30.06.06	30.06.05
<b>Basic earnings per share*</b>				
Profit attributable to shareholders (US\$'000)	2,831	1,014	6,727	995
Weighted average number of ordinary shares in issue ('000)	369,986	369,978	369,986	369,978
Basic earnings per share (US¢)	<u>0.77</u>	<u>0.27</u>	<u>1.82</u>	<u>0.27</u>
<b>Underlying earnings per share</b>				
Underlying profit attributable to shareholders (US\$'000)	2,831	191	6,727	209
Basic underlying earnings per share (US¢)	<u>0.77</u>	<u>0.05</u>	<u>1.82</u>	<u>0.06</u>

A reconciliation of the underlying profit and profit attributable to shareholders is as follows:

	Group			
	Three months ended		Six months ended	
	30.06.06 US\$'000	30.06.05 US\$'000	30.06.06 US\$'000	30.06.05 US\$'000
<b>Profit attributable to shareholders</b>	2,831	1,014	6,727	995
<b>Exceptional item</b>				
Profit on sale of an investment property	-	(823)	-	(786)
<b>Underlying profit attributable to shareholders</b>	<u>2,831</u>	<u>191</u>	<u>6,727</u>	<u>209</u>

\* As there were no outstanding share options, the diluted EPS is the same as the basic earnings per share.

## 6 Group borrowings

	Group	
	At 30.06.06 US\$'000	At 31.12.05 US\$'000
Borrowings due within one year		
- unsecured	48,569	-
Borrowings due after one year		
- secured	<u>134,901</u>	69,782
Total borrowings	<u>183,470</u>	<u>69,782</u>

Certain subsidiaries of the Company have mortgaged their development properties in order to obtain bank loans. The net book value of development properties mortgaged as at 30 June 2006 was US\$192.1 million (31 December 2005: US\$293.5 million).

## 7 Interested person transactions

<u>Name of interested person</u>	<u>Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)</u> US\$'000	<u>Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</u> US\$'000
<b>Six months ended 30 June 2006</b>		
Sale of one condominium unit at The Esta to a director	1,032	-
Republic Auto Pte Ltd - Sale of vehicle	-	101
Cycle & Carriage Industries Pte Ltd - Purchase of vehicle	-	127
Jardine OneSolution (2001) Pte Ltd and Jardine OneSolution (HK) Ltd - Computer expenses	<u>-</u>	<u>160</u>
<b>Three months ended 30 June 2006</b>		
Republic Auto Pte Ltd - Sale of vehicle	-	101
Cycle & Carriage Industries Pte Ltd - Purchase of vehicle	-	127
Jardine OneSolution (2001) Pte Ltd and Jardine OneSolution (HK) Ltd - Computer expenses	<u>-</u>	<u>160</u>

## 8 Issue of shares

There were no rights, bonus or equity issues during the period 1 April 2006 to 30 June 2006.

## 9 Others

The results do not include any pre-acquisition profits and have not been affected by any item, transaction or event of a material and unusual nature. No significant transactions or events have occurred between 30 June 2006 and the date of this report.

- end -

For further information, please contact:

MCL Land Limited

Steve Chu

Tel: 65 64290828

Full text of the Financial Statements and Dividend Announcement for the six months ended 30 June 2006 can be accessed through the internet at [www.mclland.com.sg](http://www.mclland.com.sg).