



## Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 2011

## PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 &amp; Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Note	3 months ended		+ / (-) %	6 months ended		+ / (-) %
		30.6.11 \$'000	30.6.10 \$'000 (restated)		30.6.11 \$'000	30.6.10 \$'000 (restated)	
Revenue	1	173,740	126,690	37	312,054	234,277	33
Cost of sales	2	(101,101)	(63,342)	60	(173,525)	(112,016)	55
Gross profit		72,639	63,348	15	138,529	122,261	13
Investment income		340	126	170	402	282	43
Other gains/(losses) - net		335	141	138	646	570	13
Selling and distribution costs		(3,656)	(4,313)	(15)	(6,869)	(7,206)	(5)
Administrative expenses		(2,285)	(2,404)	(5)	(4,360)	(4,482)	(3)
Finance expenses		(423)	(981)	(57)	(892)	(1,948)	(54)
Share of results of associated companies		20,812	31,846	(35)	29,039	42,349	(31)
Profit before fair valuation of investment properties		87,762	87,763	(0)	156,495	151,826	3
Fair value gain on investment properties	3	247,595	10,133	2,343	247,595	10,133	2,343
Profit before income tax	4	335,357	97,896	243	404,090	161,959	150
Income tax expense	5	(52,182)	(12,041)	333	(62,681)	(21,135)	197
Net profit		283,175	85,855	230	341,409	140,824	142
Attributable to:							
Equity holders of the Company		273,343	72,509	277	322,122	119,680	169
Non-controlling interests		9,832	13,346	(26)	19,287	21,144	(9)
		283,175	85,855	230	341,409	140,824	142

The above net profit attributable to equity holders of the Company can be analysed as follows:

Net profit from operations	55,158	63,091	(13)	103,937	110,262	(6)
Net fair value gain on investment properties held by subsidiary and associated companies	218,185	9,418	2,217	218,185	9,418	2,217
Net attributable profit	273,343	72,509	277	322,122	119,680	169

## Consolidated Statement of Comprehensive Income

	3 months ended		6 months ended	
	30.6.11	30.6.10	30.6.11	30.6.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Net profit	283,175	85,855	341,409	140,824
Other comprehensive (expense)/income taken directly to equity:				
Net exchange differences on translation of financial statements of foreign entities	(1,591)	683	(3,626)	472
Total comprehensive income	<u>281,584</u>	<u>86,538</u>	<u>337,783</u>	<u>141,296</u>
Total comprehensive income attributable to:				
Equity holders of the Company	271,752	73,192	318,496	120,152
Non-controlling interests	9,832	13,346	19,287	21,144
	<u>281,584</u>	<u>86,538</u>	<u>337,783</u>	<u>141,296</u>

### Notes to the income statement

	3 months ended		6 months ended	
	30.6.11	30.6.10	30.6.11	30.6.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
<u>1. Revenue</u>				
Gross rental income	58,141	61,746	118,113	123,191
Gross revenue from hotel operations	28,677	27,586	57,173	53,025
Sales of properties held for sale	85,325	35,942	133,685	55,242
Car parking income and property management fees	1,597	1,416	3,083	2,819
	<u>173,740</u>	<u>126,690</u>	<u>312,054</u>	<u>234,277</u>
<u>2. Cost of sales</u>				
Property operating expenses	14,299	14,283	28,621	28,841
Cost of sales from hotel operations	18,373	17,840	36,845	35,214
Cost of properties held for sale sold	68,429	31,219	108,059	47,961
	<u>101,101</u>	<u>63,342</u>	<u>173,525</u>	<u>112,016</u>
<u>3. Fair value gain on investment properties</u>				
This relates to the valuation by independent professional valuers of investment properties held by subsidiary companies as at 30 June.				
<u>4. Profit before income tax</u>				
Profit before income tax is stated after charging:				
Depreciation	2,775	2,820	5,583	5,640
<u>5. Income tax expense</u>				
Income tax expense includes the following:				
Provision for deferred income tax attributable to the fair value gain on investment properties held by subsidiary companies	42,091	1,728	42,091	1,728
<u>6. Restatement of comparative figures</u>				

Following the adoption of Interpretation of Financial Reporting Standard "INT FRS" 115 – Agreements for the Construction of Real Estate, certain comparative figures for 2010 have been restated resulting in the increase in the Group's net attributable profit for the 3 months and 6 months ended 30 June 2010 by \$12.5 million and \$11.5 million respectively compared with the results reported previously.

Please refer to Section 5 for details.

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	
		30.6.11 \$'000	31.12.10 \$'000	30.6.11 \$'000	31.12.10 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	70,295	7,490	338,528	176,941
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies	2	515,011	404,383	350	350
Investments in subsidiary companies		-	-	972,442	972,442
Investment properties	3	4,600,800	4,350,000	-	-
Property, plant and equipment		376,481	381,039	-	-
		<u>5,574,632</u>	<u>5,154,957</u>	<u>1,311,320</u>	<u>1,149,733</u>
<b>Current assets</b>					
Cash and cash equivalents		68,856	84,870	284	259
Properties held for sale		396,720	373,548	-	-
Trade and other receivables		16,051	39,759	197	194
Inventories		862	948	-	-
		<u>482,489</u>	<u>499,125</u>	<u>481</u>	<u>453</u>
<b>Total assets</b>		<b>6,057,121</b>	<b>5,654,082</b>	<b>1,311,801</b>	<b>1,150,186</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		175,879	171,258	846	1,014
Current income tax liabilities		38,584	41,145	1,195	1,261
Borrowings		354,517	181,607	208,300	46,772
		<u>568,980</u>	<u>394,010</u>	<u>210,341</u>	<u>49,047</u>
<b>Non-current liabilities</b>					
Trade and other payables	1	45,215	40,279	98,857	37,364
Borrowings		30,000	104,945	-	-
Deferred income tax liabilities		515,075	468,060	-	-
		<u>590,290</u>	<u>613,284</u>	<u>98,857</u>	<u>37,364</u>
<b>Total liabilities</b>		<b>1,159,270</b>	<b>1,007,294</b>	<b>309,198</b>	<b>86,411</b>
<b>NET ASSETS</b>		<b><u>4,897,851</u></b>	<b><u>4,646,788</u></b>	<b><u>1,002,603</u></b>	<b><u>1,063,775</u></b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,519,730	3,283,730	162,254	223,426
		<u>4,360,079</u>	<u>4,124,079</u>	<u>1,002,603</u>	<u>1,063,775</u>
Non-controlling interests		537,772	522,709	-	-
<b>TOTAL EQUITY</b>		<b><u>4,897,851</u></b>	<b><u>4,646,788</u></b>	<b><u>1,002,603</u></b>	<b><u>1,063,775</u></b>

Notes to the balance sheet

- The Company's other receivables and trade and other payables, which include amounts due from and to subsidiary companies, increased due to intercompany funding.  
The Group's other receivables, comprising mainly loans to associated companies, increased due to shareholder's loans granted to associated company, United Venture Development (Bedok) Pte. Ltd.
- The Group's investments in associated companies increased due mainly to additional capital contribution to associated company, Shanghai Jin Peng Realty Co Ltd in 1Q 2011.
- The increase in investment properties was due to the \$247.6 million fair value gain on the Group's investment properties (see Section 1(a) note 3).
- As at 30 June 2011, total current liabilities exceeds total current assets due to current borrowings to fund contributions to associated companies (for development projects).

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

**Amount repayable in one year or less, or on demand**

At 30.6.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
114,717	239,800	134,835	46,772

**Amount repayable after one year**

At 30.6.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	30,000	7,445	97,500

**Details of any collateral**

The \$114.7 million (31 December 2010: \$142.3 million) loans are secured by way of mortgages over the property development projects.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>3 months ended</b>	
	<b>30.6.11</b>	<b>30.6.10</b>
	\$'000	\$'000
		(restated)
<b>Cash flows from operating activities</b>		
Profit before income tax	335,357	97,896
Adjustments to profit	(265,531)	(38,131)
Working capital changes	263	42,475
Interest paid	(1,284)	(1,813)
Income tax paid	(10,731)	(11,327)
<b>Net cash provided by operating activities</b>	<b>58,074</b>	<b>89,100</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(378)	(2,276)
Upgrading of investment properties	(1,973)	(2,170)
Repayment of loan by associated companies	2,250	48,570
Loan to an associated company	(23,194)	-
Dividends received from associated companies	24,960	13,851
Interest received	281	2
<b>Net cash provided by investing activities</b>	<b>1,946</b>	<b>57,977</b>
<b>Cash flows from financing activities</b>		
Proceeds from/(Repayment of) borrowings	18,008	(31,591)
Dividends paid to shareholders	(82,496)	(82,496)
Dividends paid to non-controlling shareholders	(4,224)	(4,224)
<b>Net cash used in financing activities</b>	<b>(68,712)</b>	<b>(118,311)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(8,692)</b>	<b>28,766</b>
Cash and cash equivalents at 1 April	77,548	48,032
<b>Cash and cash equivalents at 30 June</b>	<b>68,856</b>	<b>76,798</b>

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.

	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Foreign currency reserve	Asset revaluation reserve			
<u>Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011</b>							
Balance at 1 April 2011	840,349	3,292,366	(2,462)	40,570	4,170,823	532,164	4,702,987
Total comprehensive income/(expense)	-	273,343	(1,591)	-	271,752	9,832	281,584
Dividends paid	-	(82,496)	-	-	(82,496)	(4,224)	(86,720)
Balance at 30 June 2011	840,349	3,483,213	(4,053)	40,570	4,360,079	537,772	4,897,851
<b>2010</b>							
Balance at 1 April 2010							
- as previously reported	840,349	2,712,521	2,016	40,570	3,595,456	498,335	4,093,791
- effect of adopting INT FRS 115	-	(13,333)	-	-	(13,333)	-	(13,333)
Balance at 1 April 2010, as restated	840,349	2,699,188	2,016	40,570	3,582,123	498,335	4,080,458
Total comprehensive income	-	72,509	683	-	73,192	13,346	86,538
Dividends paid	-	(82,496)	-	-	(82,496)	(4,224)	(86,720)
Balance at 30 June 2010	840,349	2,689,201	2,699	40,570	3,572,819	507,457	4,080,276
<b>Company</b>							
	Share capital	Retained earnings	Total equity				
	\$'000	\$'000	\$'000				
<b>2011</b>							
Balance at 1 April 2011	840,349	223,451	1,063,800				
Total comprehensive income	-	21,299	21,299				
Dividends paid	-	(82,496)	(82,496)				
Balance at 30 June 2011	840,349	162,254	1,002,603				
<b>2010</b>							
Balance at 1 April 2010	840,349	219,859	1,060,208				
Total comprehensive income	-	(15)	(15)				
Dividends paid	-	(82,496)	(82,496)				
Balance at 30 June 2010	840,349	137,348	977,697				

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>30.6.11</b>	<b>31.12.10</b>
	'000	'000
Total number of issued shares	412,478	412,478

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**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 2010 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

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.**

Interpretation of Financial Reporting Standard "INT FRS" 115- Agreements for the Construction of Real Estate was issued by the Accounting Standards Council (ASC) in August 2010 and applies for financial year beginning on or after 1 January 2011. The Group had early adopted this interpretation for the full financial year 2010 in the last quarter of 2010. Based on INT FRS 115, revenue for the sale of The Excellency development property in China was recognised only upon completion of construction whereas the sale of residential properties in Singapore continued to be recognised on a percentage of completion basis.

In June 2011, the ASC clarified that its earlier ruling on the recognition of revenue by stage of completion on sales of uncompleted residential properties in Singapore does not address the accounting treatment of sales made with a Deferred Payment Scheme ("DPS") feature. Following this clarification note, the Group has retrospectively recognised such sales on the completion of construction method.

In respect of sales of development properties in Singapore with a DPS feature and in China, the effects of adopting INT FRS 115 on the previously reported Group's results for the quarters ended 31 March 2010, 30 June 2010 and the 6 months ended 30 June 2010 are as follows:

	<b>3 months ended 31 March 2010</b>			<b>3 months ended 30 June 2010</b>		
	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000
<b><u>Income Statement</u></b>						
Revenue	116,187	107,587	(8,600)	144,215	126,690	(17,525)
Cost of sales	(56,822)	(48,674)	(8,148)	(80,502)	(63,342)	(17,160)
Share of results of associated companies	11,033	10,503	(530)	18,965	31,846	12,881
Net profit	55,951	54,969	(982)	73,339	85,855	12,516
Attributable to :						
- Equity holders of the Company	48,153	47,171	(982)	59,993	72,509	12,516
- Non-controlling interests	7,798	7,798	-	13,346	13,346	-
	55,951	54,969	(982)	73,339	85,855	12,516
Basic and diluted earnings per share (cents)	11.7	11.4	(0.3)	14.5	17.6	3.1
<b><u>6 months ended 30 June 2010</u></b>						
	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000			
<b><u>Income Statement</u></b>						
Revenue	260,402	234,277	(26,125)			
Cost of sales	(137,324)	(112,016)	(25,308)			
Share of results of associated companies	29,998	42,349	12,351			
Net profit	129,290	140,824	11,534			
Attributable to :						
- Equity holders of the Company	108,146	119,680	11,534			
- Non-controlling interests	21,144	21,144	-			
	129,290	140,824	11,534			
Basic and diluted earnings per share (cents)	26.2	29.0	2.8			

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.**

	<b>Latest quarter</b>	<b>Previous quarter</b>
	<b>30.6.11</b>	<b>30.6.10</b>
Earnings per ordinary share		(restated)
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain/loss on investment properties	13.4 cents	15.3 cents
- including fair value gain/loss on investment properties	66.3 cents	17.6 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 the total number of issued shares excluding treasury shares of the issuer at the end of the :-**

- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year.**

	<b>30.6.11</b>	<b>31.12.10</b>
Net asset value per ordinary share		
Group	\$10.57	\$10.00
Company	\$2.43	\$2.58

**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 2nd quarter 2011 results with 2010

Revenue increased by \$47.1 million (37%) to \$173.7 million due to higher progressive sales recognition of trading property and improved revenue in Pan Pacific Singapore hotel, partially offset by lower rental income. Sales of trading properties at \$85.3 million was higher by \$49.4 million (137%) due to additional units sold and higher percentage of completion in The Trizon residential project. Revenue in Pan Pacific Singapore hotel increased by \$1.1 million (4%) to \$28.7 million with higher room and occupancy rates. Although office occupancy rates have improved, gross rental income from investment properties dropped by \$3.6 million (6%) to \$58.1 million as office renewal rental rates were still lower than the expiry rates.

Excluding the Group's share of fair value gain on investment properties held by associated companies of \$12.4 million (2Q 2010: \$5.6 million), share of operating results of associated companies decreased by \$17.9 million (68%) to \$8.4 million due mainly to absence of the \$17.0 million contribution in 2Q 2010 from One Amber residential project (fully sold and completed in April 2010).

Based on valuations by independent professional valuers as at 30 June 2011 on the investment properties held by subsidiary companies, a fair value gain of \$247.6 million (2Q 2010: \$10.1 million) was credited to the income statement.

Non-controlling interests' share of profit included a \$0.3 million share of fair value loss (2Q 2010: share of fair value gain \$4.6 million) on Marina Square, owned by Marina Centre Holdings which the Group has 53% interest.

Despite the higher revenue in the second quarter 2011, net profit from operations decreased by \$7.9 million (13%) to \$55.2 million due primarily to the lower contribution from associated companies. After adding the fair value gain on investment properties, net of deferred income tax and non-controlling interests, of \$218.2 million (2Q 2010: \$9.4 million), the Group achieved an overall net attributable profit of \$273.3 million (2Q 2010: \$72.5 million).

Comparison of 6 months ended 30 June 2011 results with 2010

Revenue at \$312.1 million increased by \$77.8 million (33%) due to higher progressive sales recognition of trading properties and improved revenue in Pan Pacific Singapore hotel, partially offset by lower rental income from investment properties.

Despite the higher revenue, net profit from operations decreased by \$6.3 million (6%) to \$103.9 million due primarily to the absence of associated company's contribution from the One Amber project amounting to \$20.7 million in first half 2010. The net fair value gain on investment properties of \$218.2 million (1H 2010: \$9.4 million) led to an overall net attributable profit of \$322.1 million (1H 2010: \$119.7 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 growth of office rental is likely to continue to moderate amidst increasing supply of new and second-hand office space.

In spite of substantial future retail space supply especially in the suburbs, retail rents are expected to be relatively resilient, underpinned by high employment, rising income and visitor arrivals.

11. **Dividend**

*(a) Current Financial Period Reported On*

Any dividend recommended 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/recommended, a statement to that effect.**

No dividend has been declared/recommended for the quarter ended 30 June 2011.

**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 second quarter ended 30 June 2011 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
5 August 2011