



## Third Quarter Financial Statement Announcement for the Period Ended 30 September 2008

**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		+ / (-) %
		30.9.08 \$'000	30.9.07 \$'000		30.9.08 \$'000	30.9.07 \$'000	
Revenue	1	89,691	71,956	25	262,020	188,644	39
Cost of sales	2	(38,741)	(30,800)	26	(107,687)	(71,914)	50
Gross profit		50,950	41,156	24	154,333	116,730	32
Investment income	3	684	563	21	4,099	4,874	(16)
Other gains/(losses) - net		519	681	(24)	1,326	1,747	(24)
Selling and distribution costs		(3,960)	(2,101)	88	(10,133)	(4,605)	120
Administrative expenses		(2,722)	(2,335)	17	(8,061)	(5,731)	41
Finance expenses		(2,488)	(3,636)	(32)	(7,695)	(8,396)	(8)
Share of results of associated companies		14,080	9,105	55	36,736	25,973	41
		57,063	43,433	31	170,605	130,592	31
Fair value gain on investment properties		-	-	-	54,624	-	n.m.
Profit before income tax	4	57,063	43,433	31	225,229	130,592	72
Income tax expense	5	(8,758)	(6,647)	32	(35,524)	(17,563)	102
Net profit		48,305	36,786	31	189,705	113,029	68
Attributable to:							
Equity holders of the Company		39,842	30,107	32	141,491	92,148	54
Minority interests		8,463	6,679	27	48,214	20,881	131
		48,305	36,786	31	189,705	113,029	68

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

Net profit before fair value gain on investment properties		39,842	30,107	32	117,484	92,148	27
Net fair value gain on investment properties held by subsidiary and associated companies		-	-	-	24,007	-	n.m.
Net attributable profit		39,842	30,107	32	141,491	92,148	54

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

n.m. - not meaningful

Notes to the income statement

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.08</b>	<b>30.9.07</b>	<b>30.9.08</b>	<b>30.9.07</b>
	\$'000	\$'000	\$'000	\$'000
<b><u>1. Revenue</u></b>				
Gross rental income	60,123	47,449	169,100	136,501
Gross revenue from hotel operations	27,997	23,178	88,276	47,844
Car parking income and property management fees	1,571	1,329	4,644	4,299
	<u>89,691</u>	<u>71,956</u>	<u>262,020</u>	<u>188,644</u>
<b><u>2. Cost of sales</u></b>				
Property operating expenses	20,003	14,377	51,655	39,316
Cost of sales from hotel operations	18,738	16,423	56,032	32,598
	<u>38,741</u>	<u>30,800</u>	<u>107,687</u>	<u>71,914</u>
<b><u>3. Investment income</u></b>				
Interest income	333	563	1,303	2,532
Dividend income	351	-	2,796	2,342
	<u>684</u>	<u>563</u>	<u>4,099</u>	<u>4,874</u>
<b><u>4. Profit before income tax</u></b>				
Profit before income tax is stated after charging:				
Depreciation	<u>2,890</u>	<u>2,521</u>	<u>8,491</u>	<u>5,156</u>
<b><u>5. Income tax expense</u></b>				
Income tax expense includes the following:				
Deferred income tax expense provided on fair value gain on investment properties held by subsidiary companies	<u>-</u>	<u>-</u>	<u>9,832</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.

	Note	Group		Company	
		30.9.08 \$'000	31.12.07 \$'000	30.9.08 \$'000	31.12.07 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	78,933	84,510	228,950	341,662
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		362,576	336,590	350	350
Investments in subsidiary companies		-	-	965,698	965,698
Investment properties	2	4,779,013	4,702,961	-	-
Property, plant and equipment		398,924	400,716	-	-
		<u>5,631,491</u>	<u>5,536,822</u>	<u>1,194,998</u>	<u>1,307,710</u>
<b>Current assets</b>					
Cash and cash equivalents		43,183	25,675	173	170
Properties held for sale		410,722	385,751	-	-
Trade and other receivables		7,840	13,088	113	211
Inventories, at cost		986	984	-	-
Tax recoverable		-	4,999	-	4,999
Other current assets		576	532	-	-
		<u>463,307</u>	<u>431,029</u>	<u>286</u>	<u>5,380</u>
<b>Total assets</b>		<b>6,094,798</b>	<b>5,967,851</b>	<b>1,195,284</b>	<b>1,313,090</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		68,116	64,510	1,084	1,323
Current income tax liabilities		29,752	25,953	448	-
Borrowings		269,020	259,472	114,624	192,624
		<u>366,888</u>	<u>349,935</u>	<u>116,156</u>	<u>193,947</u>
<b>Non-current liabilities</b>					
Trade and other payables	3	48,114	37,706	103,680	61,651
Borrowings		460,436	479,000	-	-
Deferred income tax liabilities		567,589	556,821	-	-
		<u>1,076,139</u>	<u>1,073,527</u>	<u>103,680</u>	<u>61,651</u>
<b>Total liabilities</b>		<b>1,443,027</b>	<b>1,423,462</b>	<b>219,836</b>	<b>255,598</b>
<b>NET ASSETS</b>		<b>4,651,771</b>	<b>4,544,389</b>	<b>975,448</b>	<b>1,057,492</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		3,314,626	3,252,642	135,099	217,143
		<u>4,154,975</u>	<u>4,092,991</u>	<u>975,448</u>	<u>1,057,492</u>
Minority interests		496,796	451,398	-	-
<b>TOTAL EQUITY</b>		<b>4,651,771</b>	<b>4,544,389</b>	<b>975,448</b>	<b>1,057,492</b>

Notes to the balance sheet

1. The Company's other receivables, comprising mainly amounts due from subsidiary companies, decreased due to intercompany funding.

2. Investment properties increased due mainly to the \$54.6 million fair value gain on the Group's investment properties arising from the revaluation in June 2008.

3. The Company's trade and other payables, comprising mainly amounts due to subsidiary companies, increased due to intercompany funding.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

At 30.9.08		At 31.12.07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	269,020	-	259,472

**Amount repayable after one year**

At 30.9.08		At 31.12.07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
236,936	223,500	231,000	248,000

**Details of any collateral**

The \$236.9 million (31 December 2007: \$231.0 million) loan is secured by way of a legal mortgage over a residential property development project.

**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	
	30.9.08	30.9.07
	\$'000	\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	57,063	43,433
Adjustments to profit	(6,036)	(3,948)
Working capital changes	576	7,605
Interest paid	(4,676)	(2,956)
Income tax paid	(7,484)	(4,729)
<b>Net cash provided by operating activities</b>	<b>39,443</b>	<b>39,405</b>
<b>Cash flows from investing activities:</b>		
Interest and dividends received	394	89
Dividend received from associated companies	6,500	1,685
Development and upgrading of investment properties	(933)	(2,982)
Purchase of property, plant and equipment	(2,271)	(5,446)
Repayment of loans by associated companies	2,635	4,434
<b>Net cash provided by/(used in) investing activities</b>	<b>6,325</b>	<b>(2,220)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(60,710)	(36,295)
Dividends paid to minority shareholders	-	(4,618)
<b>Net cash used in financing activities</b>	<b>(60,710)</b>	<b>(40,913)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(14,942)</b>	<b>(3,728)</b>
Cash and cash equivalents at 1 July	58,125	19,843
<b>Cash and cash equivalents at 30 September</b>	<b>43,183</b>	<b>16,115</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.

	Group		Company	
	30.9.08	30.9.07	30.9.08	30.9.07
	\$'000	\$'000	\$'000	\$'000
<u>Equity holders of the Company</u>				
<b>Balance at 1 July</b>	4,112,446	3,041,909	975,708	966,457
Exchange gain/(loss) on translation of financial statement of a foreign entity	2,687	(461)	-	-
Net income/(loss) recognised directly in equity	2,687	(461)	-	-
Net profit /(loss)	39,842	30,107	(260)	(220)
<b>Balance at 30 September</b>	<b>4,154,975</b>	<b>3,071,555</b>	<b>975,448</b>	<b>966,237</b>
<u>Minority interests</u>				
<b>Balance at 1 July</b>	488,333	427,427	-	-
Net profit	8,463	6,679	-	-
Dividends paid by a subsidiary company	-	(4,618)	-	-
<b>Balance at 30 September</b>	<b>496,796</b>	<b>429,488</b>	<b>-</b>	<b>-</b>
<u>Total equity</u>				
<b>Balance at 1 July</b>	4,600,779	3,469,336	975,708	966,457
Exchange gain/(loss) on translation of financial statement of a foreign entity	2,687	(461)	-	-
Net income/(loss) recognised directly in equity	2,687	(461)	-	-
Net profit /(loss)	48,305	36,786	(260)	(220)
Dividends paid by a subsidiary company to minority shareholders	-	(4,618)	-	-
<b>Balance at 30 September</b>	<b>4,651,771</b>	<b>3,501,043</b>	<b>975,448</b>	<b>966,237</b>

- 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 2007 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.**

	Latest quarter	Previous quarter
	30.9.08	30.9.07
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	9.7 cents	7.3 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 issued share capital of the issuer at the end of the:-**

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

	At 30.9.08	At 31.12.07
Net asset value per ordinary share		
Group	\$10.07	\$9.92
Company	\$2.36	\$2.56

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 2008 results with 2007

Revenue increased by \$17.7 million (25%) to \$89.7 million with higher rental income and higher revenue from the Pan Pacific Singapore hotel operations. Gross rental income at \$60.1 million was higher by \$12.7 million (27%) attributable to higher rental rates. Gross revenue from the hotel operations at \$28.0 million increased by \$4.8 million (21%) due mainly to higher room rate and occupancy.

Share of results of associated companies increased by \$5.0 million (55%) to \$14.1 million due mainly to higher contribution from The Sixth Avenue Residences and One Amber residential projects with the progressive recognition of profits on percentage of completion basis.

Overall, the Group's net profit for the 3 months ended 30 September 2008 increased by \$9.7 million (32%) to \$39.8 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.**

In view of the current global financial turmoil and economic downturn, the office and retail rental market as well as the residential property market are expected to be weak.

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/recommended, a statement to that effect.**

No dividend has been declared/recommended for the quarter ended 30 September 2008.

**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 2008 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
14 November 2008