



Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2010

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

	Note	3 months ended			9 months ended		
		30.9.10 \$'000	30.9.09 \$'000	+ / (-) %	30.9.10 \$'000	30.9.09 \$'000	+ / (-) %
Revenue	1	154,024	119,066	29	414,426	290,936	42
Cost of sales	2	(87,889)	(58,423)	50	(225,213)	(119,478)	88
Gross profit		66,135	60,643	9	189,213	171,458	10
Investment income	3	891	2,921	(69)	1,173	3,570	(67)
Other gains/(losses) - net		289	654	(56)	859	1,018	(16)
Selling and distribution costs		(2,636)	(3,929)	(33)	(9,842)	(8,525)	15
Administrative expenses		(2,283)	(2,107)	8	(6,765)	(6,341)	7
Finance expenses		(834)	(1,957)	(57)	(2,782)	(5,977)	(53)
Share of results of associated companies		8,193	15,981	(49)	38,191	46,066	(17)
Profit before fair value gain/loss on investment properties		69,755	72,206	(3)	210,047	201,269	4
Fair value gain/(loss) on investment properties	4	-	-	-	10,133	(492,072)	n.m.
Profit/(Loss) before income tax	5	69,755	72,206	(3)	220,180	(290,803)	n.m.
Income tax (expense)/credit	6	(10,666)	(8,508)	25	(31,801)	83,157	n.m.
Net profit/(loss)		59,089	63,698	(7)	188,379	(207,646)	n.m.
Profit/(Loss) attributable to:							
Owners of the parent		50,145	56,277	(11)	158,291	(215,322)	n.m.
Minority interests		8,944	7,421	21	30,088	7,676	292
		59,089	63,698	(7)	188,379	(207,646)	n.m.

The above net profit/(loss) attributable to owners of the parent can be analysed as follows:

Net profit from operations	50,145	56,277	(11)	148,873	156,371	(5)
Net fair value gain/(loss) on investment properties held by subsidiary and associated companies	-	-	-	9,418	(371,693)	n.m.
Net attributable profit/(loss)	50,145	56,277	(11)	158,291	(215,322)	n.m.

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.10	30.9.09	30.9.10	30.9.09
	\$'000	\$'000	\$'000	\$'000
Net profit/(loss)	59,089	63,698	188,379	(207,646)
Other comprehensive income/(expense) taken directly to equity:				
Net exchange differences on translation of financial statement of a foreign entity	(3,137)	(535)	(2,635)	2
Effect of reduction in deferred income tax liability on asset revaluation reserve	-	-	-	1,629
	(3,137)	(535)	(2,635)	1,631
Total comprehensive income/(expense)	55,952	63,163	185,744	(206,015)
Total comprehensive income/(expense) attributable to:				
Owners of the parent	47,008	55,742	155,656	(214,456)
Minority interests	8,944	7,421	30,088	8,441
	55,952	63,163	185,744	(206,015)

Notes to the income statement

	3 months ended		9 months ended	
	30.9.10	30.9.09	30.9.10	30.9.09
	\$'000	\$'000	\$'000	\$'000
1. Revenue				
Gross rental income	61,926	63,773	185,117	190,847
Gross revenue from hotel operations	27,274	21,065	80,299	62,967
Sales of properties held for sale	63,350	32,878	144,717	32,878
Car parking income and property management fees	1,474	1,350	4,293	4,244
	154,024	119,066	414,426	290,936
2. Cost of sales				
Property operating expenses	14,530	14,376	43,371	46,940
Cost of sales from hotel operations	18,699	14,588	53,913	43,079
Cost of properties held for sale sold	54,660	29,459	127,929	29,459
	87,889	58,423	225,213	119,478
3. Investment income				
Interest income	69	214	351	863
Dividend income	822	2,707	822	2,707
	891	2,921	1,173	3,570

4. Fair value gain/(loss) on investment properties:

The fair value gain of \$10.1 million relates to the revaluation of investment properties held by subsidiary companies in June 2010. Valuations are carried out half yearly in June and December.

5. Profit/(Loss) before income tax

Profit/(Loss) before income tax is stated after charging:

Depreciation	2,846	2,827	8,486	8,497
--------------	-------	-------	-------	-------

6. Income tax (expense)/credit

Income tax (expense)/credit includes the following:

(Provision for)/Write-back of deferred income tax liability attributable to the fair value gain/loss on investment properties held by subsidiary companies

	-	-	(1,728)	82,941
One-time write-back of deferred income tax liability resulting from reduction in corporate tax rate from 18% to 17%				
- attributable to investment properties	-	-	-	24,992
- attributable to accelerated tax depreciation	-	-	-	1,434
Adjustment in respect of prior years	-	897	-	897

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	
		30.9.10 \$'000	31.12.09 \$'000	30.9.10 \$'000	31.12.09 \$'000
ASSETS					
Non-current assets					
Other receivables	1	1,193	72,810	135,275	256,798
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		372,005	364,530	350	350
Investment in subsidiary companies		-	-	972,442	972,442
Investment properties		3,818,001	3,803,500	-	-
Property, plant and equipment		384,743	389,753	-	-
		<u>4,587,987</u>	<u>4,642,638</u>	<u>1,108,067</u>	<u>1,229,590</u>
Current assets					
Cash and cash equivalents		91,220	88,861	1,263	277
Properties held for sale	2	309,278	389,579	-	-
Trade and other receivables	3	51,015	10,353	191	173
Inventories, at cost		976	929	-	-
		<u>452,489</u>	<u>489,722</u>	<u>1,454</u>	<u>450</u>
Total assets		5,040,476	5,132,360	1,109,521	1,230,040
LIABILITIES					
Current liabilities					
Trade and other payables		80,284	88,707	1,166	1,606
Current income tax liabilities		39,462	41,387	1,514	1,572
Borrowings		130,603	141,252	46,955	141,252
		<u>250,349</u>	<u>271,346</u>	<u>49,635</u>	<u>144,430</u>
Non-current liabilities					
Trade and other payables	4	42,468	43,750	66,700	25,565
Borrowings		235,425	407,945	-	-
Deferred income tax liabilities		375,159	371,268	-	-
		<u>653,052</u>	<u>822,963</u>	<u>66,700</u>	<u>25,565</u>
Total liabilities		903,401	1,094,309	116,335	169,995
NET ASSETS		<u>4,137,075</u>	<u>4,038,051</u>	<u>993,186</u>	<u>1,060,045</u>
EQUITY					
Equity attributable to owners of the parent					
Share capital		840,349	840,349	840,349	840,349
Reserves		2,780,325	2,707,165	152,837	219,696
		<u>3,620,674</u>	<u>3,547,514</u>	<u>993,186</u>	<u>1,060,045</u>
Minority interests		516,401	490,537	-	-
TOTAL EQUITY		<u>4,137,075</u>	<u>4,038,051</u>	<u>993,186</u>	<u>1,060,045</u>

Notes to the balance sheet

1. The Group's and Company's other receivables, decreased due to repayment of loans by associated companies. The Company's other receivables, which include amounts due from subsidiary companies, were further reduced due to intercompany funding.
2. Properties held for sale decreased due mainly to higher progress billings of residential property projects sold.
3. The Group's trade and other receivables increased due to cash deposits placed for land tenders.
4. The Company's trade and other payables, which include 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 30.9.10		At 31.12.09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	130,603	-	141,252

Amount repayable after one year

At 30.9.10		At 31.12.09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
172,925	62,500	258,945	149,000

Details of any collateral

The \$172.9 million (31 December 2009: \$258.9 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.

	3 months ended	
	30.9.10	30.9.09
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	69,755	72,206
Adjustments to profit	(5,425)	(14,093)
Working capital changes	(10,507)	2,980
Interest paid	(2,781)	(4,797)
Income tax paid	(10,922)	(12,575)
Net cash provided by operating activities	40,120	43,721
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,154)	(2,546)
Upgrading of investment properties	(1,501)	(1,760)
Repayment of loans by associated companies	14,361	2,200
Dividends received from unquoted equity investments	822	2,707
Dividend received from associated company	15,535	-
Interest received from loan to associated company	6,044	-
Interest received	155	75
Net cash provided by investing activities	34,262	676
Cash flows from financing activities		
Repayment of borrowings	(59,960)	(42,011)
Net cash used in financing activities	(59,960)	(42,011)
Net increase in cash and cash equivalents	14,422	2,386
Cash and cash equivalents at 1 July	76,798	34,766
Cash and cash equivalents at 30 September	91,220	37,152

- 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	
	30.9.10	30.9.09	30.9.10	30.9.09
	\$'000	\$'000	\$'000	\$'000
<u>Share capital</u>				
Balance at 1 July and 30 September	840,349	840,349	840,349	840,349
<u>Retained earnings</u>				
Balance at 1 July	2,690,018	2,658,732	137,348	136,992
Total comprehensive income/(expense)				
- net profit/(loss)	50,145	56,277	15,489	(266)
Balance at 30 September	2,740,163	2,715,009	152,837	136,726
<u>Foreign currency reserve</u>				
Balance at 1 July	2,729	3,414	-	-
Total comprehensive income/(expense)				
- net exchange differences on translation	(3,137)	(535)	-	-
Balance at 30 September	(408)	2,879	-	-
<u>Asset revaluation reserve</u>				
Balance at 1 July and 30 September	40,570	40,570	-	-
<u>Minority interests</u>				
Balance at 1 July	507,457	483,641	-	-
Total comprehensive income/(expense)	8,944	7,421	-	-
Balance at 30 September	516,401	491,062	-	-
<u>Total equity</u>				
Balance at 1 July	4,081,123	4,026,706	977,697	977,341
Total comprehensive income/(expense)	55,952	63,163	15,489	(266)
Balance at 30 September	4,137,075	4,089,869	993,186	977,075

- 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.

	30.9.10	31.12.09
Total number of issued shares	412,477,559	412,477,559

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 2009 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
	30.9.10	30.9.09
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	12.2 cents	13.6 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 shares excluding treasury shares of the issuer at the end of the :-

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

	30.9.10	31.12.09
Net asset value per ordinary share		
Group	\$8.78	\$8.60
Company	\$2.41	\$2.57

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 2010 results with 2009

Revenue at \$154.0 million increased by \$35.0 million (29%) due to higher sales of trading properties and higher revenue in Pan Pacific Singapore hotel, partially offset by lower rental income. Sales of trading properties at \$63.4 million was higher by \$30.5 million (93%) due to higher progressive recognition of sales of The Trizon and The Excellency residential projects. Revenue in Pan Pacific Singapore hotel increased by \$6.2 million (29%) to \$27.3 million with higher room and F&B revenue.

However, gross rental income from investment properties dropped by \$1.8 million (3%) to \$61.9 million with lower rental rates, as renewal rates are still lower than current expiry rates. Share of operating results of associated companies decreased by \$7.8 million (49%) to \$8.2 million due to absence of contribution (\$9.7 million in 3Q2009) from the One Amber and The Sixth Avenue Residences projects (fully sold and completed in April 2010 and August 2009 respectively), partially offset by higher contributions from Mandarin Oriental and Marina Mandarin hotels (higher room and F&B revenue).

Overall, net profit from operations decreased by \$6.1 million (11%) to \$50.1 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.

The office market continues to strengthen notwithstanding rising new supply and demand for office space is expected to improve.

Whilst the outlook for the retail leasing sector remains positive, underpinned by strong visitor arrivals and good economic growth prospects, the market is expected to be competitive in view of new supply.

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 2010.

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 2010 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
9 November 2010