



Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2011

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, 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		
		30.9.11 \$'000	30.9.10 \$'000 (restated)	+ / (-) %	30.9.11 \$'000	30.9.10 \$'000 (restated)	+ / (-) %
Revenue	1	172,362	149,113	16	484,416	383,390	26
Cost of sales	2	(98,714)	(82,907)	19	(272,239)	(194,923)	40
Gross profit		73,648	66,206	11	212,177	188,467	13
Investment income	3	2,075	891	133	2,477	1,173	111
Other gains/(losses) - net		400	289	38	1,046	859	22
Selling and distribution costs		(3,176)	(2,636)	20	(10,045)	(9,842)	2
Administrative expenses		(2,728)	(2,283)	19	(7,088)	(6,765)	5
Finance expenses		(426)	(834)	(49)	(1,318)	(2,782)	(53)
Share of results of associated companies		9,255	8,193	13	38,294	50,542	(24)
Profit before fair valuation of investment properties		79,048	69,826	13	235,543	221,652	6
Fair value gain on investment properties	4	-	-	-	247,595	10,133	2,343
Profit before income tax	5	79,048	69,826	13	483,138	231,785	108
Income tax expense	6	(11,501)	(10,666)	8	(74,182)	(31,801)	133
Net profit		67,547	59,160	14	408,956	199,984	104
Attributable to:							
Equity holders of the Company		56,560	50,216	13	378,682	169,896	123
Non-controlling interests		10,987	8,944	23	30,274	30,088	1
		67,547	59,160	14	408,956	199,984	104

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

Net profit from operations		56,560	50,216	13	160,497	160,478	0
Net fair value gain on investment properties held by subsidiary and associated companies		-	-	-	218,185	9,418	2,217
Net attributable profit		56,560	50,216	13	378,682	169,896	123

Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.11	30.9.10	30.9.11	30.9.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Net profit	67,547	59,160	408,956	199,984
Other comprehensive income/(expense) taken directly to equity:				
Net exchange differences on translation of financial statements of foreign entities	13,178	(2,995)	9,552	(2,532)
Total comprehensive income	<u>80,725</u>	<u>56,165</u>	<u>418,508</u>	<u>197,452</u>
Total comprehensive income attributable to:				
Equity holders of the Company	69,738	47,221	388,234	167,364
Non-controlling interests	10,987	8,944	30,274	30,088
	<u>80,725</u>	<u>56,165</u>	<u>418,508</u>	<u>197,452</u>

The net exchange gain of \$13.2 million for the 3 months ended 30 September 2011 was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

Notes to the income statement

	3 months ended		9 months ended	
	30.9.11	30.9.10	30.9.11	30.9.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
1. Revenue				
Gross rental income	58,797	61,926	176,910	185,117
Gross revenue from hotel operations	31,271	27,274	88,444	80,299
Sales of properties held for sale	80,691	58,439	214,376	113,681
Car parking income and property management fees	1,603	1,474	4,686	4,293
	<u>172,362</u>	<u>149,113</u>	<u>484,416</u>	<u>383,390</u>
2. Cost of sales				
Property operating expenses	14,639	14,530	43,260	43,371
Cost of sales from hotel operations	19,779	18,699	56,624	53,913
Cost of properties held for sale sold	64,296	49,678	172,355	97,639
	<u>98,714</u>	<u>82,907</u>	<u>272,239</u>	<u>194,923</u>
3. Investment income				
Interest income	410	891	812	351
Dividend income	1,665	-	1,665	822
	<u>2,075</u>	<u>891</u>	<u>2,477</u>	<u>1,173</u>
4. Fair value gain on investment properties				
This relates to the valuation by independent professional valuers of investment properties held by subsidiary companies as at 30 June. Valuations are carried half yearly in June and December.				
5. Profit before income tax				
Profit before income tax is stated after charging:				
Depreciation	2,747	2,846	8,330	8,486
	<u>2,747</u>	<u>2,846</u>	<u>8,330</u>	<u>8,486</u>
6. Income tax expense				
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
	<u>-</u>	<u>-</u>	<u>42,091</u>	<u>1,728</u>
7. Restatement of comparative figures				

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 9 months ended 30 September 2010 by \$0.1 million and \$11.6 million respectively compared with the results reported previously.

Please refer to Section 5 for details.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		30.9.11 \$'000	31.12.10 \$'000	30.9.11 \$'000	31.12.10 \$'000
ASSETS					
Non-current assets					
Other receivables	1	71,402	7,490	341,525	176,941
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies	2	532,996	404,383	350	350
Investments in subsidiary companies		-	-	972,442	972,442
Investment properties	3	4,603,118	4,350,000	-	-
Property, plant and equipment		374,232	381,039	-	-
		<u>5,593,793</u>	<u>5,154,957</u>	<u>1,314,317</u>	<u>1,149,733</u>
Current assets					
Cash and cash equivalents		76,765	84,870	235	259
Properties held for sale		413,280	373,548	-	-
Trade and other receivables		21,006	39,759	211	194
Inventories		885	948	-	-
		<u>511,936</u>	<u>499,125</u>	<u>446</u>	<u>453</u>
Total assets		6,105,729	5,654,082	1,314,763	1,150,186
LIABILITIES					
Current liabilities					
Trade and other payables		188,104	171,258	957	1,014
Current income tax liabilities		37,687	41,145	1,163	1,261
Borrowings		305,308	181,607	180,000	46,772
		<u>531,099</u>	<u>394,010</u>	<u>182,120</u>	<u>49,047</u>
Non-current liabilities					
Trade and other payables	1	48,456	40,279	128,181	37,364
Borrowings		30,000	104,945	-	-
Deferred income tax liabilities		517,598	468,060	-	-
		<u>596,054</u>	<u>613,284</u>	<u>128,181</u>	<u>37,364</u>
Total liabilities		1,127,153	1,007,294	310,301	86,411
NET ASSETS		<u>4,978,576</u>	<u>4,646,788</u>	<u>1,004,462</u>	<u>1,063,775</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,589,468	3,283,730	164,113	223,426
		<u>4,429,817</u>	<u>4,124,079</u>	<u>1,004,462</u>	<u>1,063,775</u>
Non-controlling interests		548,759	522,709	-	-
TOTAL EQUITY		<u>4,978,576</u>	<u>4,646,788</u>	<u>1,004,462</u>	<u>1,063,775</u>

Notes to the statement of financial position

- 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 mainly in second quarter 2011.
- The Group's investments in associated companies increased due mainly to additional capital contribution to associated company, Shanghai Jin Peng Realty Co Ltd in first quarter 2011.
- The increase in investment properties was due mainly to the \$247.6 million fair value gain on the Group's investment properties (see Section 1(a) note 4).
- As at 30 September 2011, total current liabilities exceeds total current assets due to current borrowings made mainly in the first half of 2011 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 30.9.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
99,908	205,400	134,835	46,772

Amount repayable after one year

At 30.9.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
30,000	-	7,445	97,500

Details of any collateral

The \$129.9 million (31 December 2010: \$142.3 million) loans are secured by way of mortgages over the property development projects and Pan Pacific Singapore hotel.

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

	3 months ended	
	30.9.11	30.9.10
	\$'000	\$'000
		(restated)
Cash flows from operating activities		
Profit before income tax	79,048	69,826
Adjustments to profit	(8,183)	(5,425)
Working capital changes	(2,404)	(10,578)
Interest paid	(1,170)	(2,781)
Income tax paid	(9,874)	(10,922)
Net cash provided by operating activities	<u>57,417</u>	<u>40,120</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(474)	(1,154)
Upgrading of investment properties	(2,316)	(1,501)
Repayment of loan by associated companies	970	14,361
Loan to an associated company	(1,749)	-
Investment in an associated company	(500)	-
Dividends received from unquoted equity investments	1,665	822
Dividend received from an associated company	1,750	15,535
Interest received from loan to an associated company	-	6,044
Interest received	355	155
Net cash (used in)/provided by investing activities	<u>(299)</u>	<u>34,262</u>
Cash flows from financing activity		
Repayment of borrowings	(49,209)	(59,960)
Net cash used in financing activity	<u>(49,209)</u>	<u>(59,960)</u>
Net increase in cash and cash equivalents	7,909	14,422
Cash and cash equivalents at 1 July	<u>68,856</u>	<u>76,798</u>
Cash and cash equivalents at 30 September	<u>76,765</u>	<u>91,220</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.

<u>Group</u>	Attributable to equity holders of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Foreign currency reserve \$'000	Asset revaluation reserve \$'000			
2011							
Balance at 1 July 2011	840,349	3,483,213	(4,053)	40,570	4,360,079	537,772	4,897,851
Total comprehensive income	-	56,560	13,178	-	69,738	10,987	80,725
Balance at 30 September 2011	840,349	3,539,773	9,125	40,570	4,429,817	548,759	4,978,576
2010							
Balance at 1 July 2010							
- as previously reported	840,349	2,690,018	2,729	40,570	3,573,666	507,457	4,081,123
- effect of adopting INT FRS 115	-	(817)	(30)	-	(847)	-	(847)
Balance at 1 July 2010, as restated	840,349	2,689,201	2,699	40,570	3,572,819	507,457	4,080,276
Total comprehensive income/(expense)	-	50,216	(2,995)	-	47,221	8,944	56,165
Balance at 30 September 2010	840,349	2,739,417	(296)	40,570	3,620,040	516,401	4,136,441

<u>Company</u>	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
2011			
Balance at 1 July 2011	840,349	162,254	1,002,603
Total comprehensive income	-	1,859	1,859
Balance at 30 September 2011	840,349	164,113	1,004,462
2010			
Balance at 1 July 2010	840,349	137,348	977,697
Total comprehensive income	-	15,489	15,489
Balance at 30 September 2010	840,349	152,837	993,186

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.

	30.9.11	31.12.10
	'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 quarter and 9 months ended 30 September 2010 are as follows:

	3 months ended 30 September 2010			9 months ended 30 September 2010		
	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000
<u>Income Statement</u>						
Revenue	154,024	149,113	(4,911)	414,426	383,390	(31,036)
Cost of sales	(87,889)	(82,907)	(4,982)	(225,213)	(194,923)	(30,290)
Share of results of associated companies	8,193	8,193	-	38,191	50,542	12,351
Net profit	59,089	59,160	71	188,379	199,984	11,605
Attributable to :						
- Equity holders of the Company	50,145	50,216	71	158,291	169,896	11,605
- Non-controlling interests	8,944	8,944	-	30,088	30,088	-
	<u>59,089</u>	<u>59,160</u>	<u>71</u>	<u>188,379</u>	<u>199,984</u>	<u>11,605</u>
Basic and diluted earnings per share (cents)	12.2	12.2	-	38.4	41.2	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.**

	Latest quarter	Previous quarter
	30.9.11	30.9.10
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	13.7 cents	12.2 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.

	30.9.11	31.12.10
Net asset value per ordinary share		
Group	\$10.74	\$10.00
Company	\$2.44	\$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 3rd quarter 2011 results with 2010

Revenue increased by \$23.2 million (16%) to \$172.4 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 \$80.7 million was higher by \$22.3 million (38%) due to additional units sold and higher percentage of completion in The Trizon residential project. Revenue in Pan Pacific Singapore hotel increased by \$4.0 million (15%) to \$31.3 million with higher room and occupancy rates, and higher F&B revenue. Although office occupancy rates have improved, gross rental income from investment properties dropped by \$3.1 million (5%) to \$58.8 million as office renewal rental rates were still lower than the expiry rates.

Overall, net profit from operations increased by \$6.3 million (13%) to \$56.6 million.

Comparison of 9 months ended 30 September 2011 results with 2010

Revenue at \$484.4 million increased by \$101.0 million (26%) due to higher progressive sales recognition of trading property 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 was flat at \$160.5 million due primarily to the absence of associated company's contribution from the One Amber project amounting to \$20.7 million in first half of 2010. The net fair value gain on investment properties of \$218.2 million (YTD 3Q 2010: \$9.4 million) led to an overall net attributable profit of \$378.7 million (YTD 3Q 2010: \$169.9 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 uncertainty in the global economic outlook coupled with the increasing supply of primary and secondary office space will likely impact the office rental market. The retail rental market is however expected to stay resilient with healthy demand from international retailers and in suburban malls serving large catchment area.

Although demand for new private homes may ease, the residential property market is likely to be sustained by high employment, low interest rates and upgraders demand.

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 September 2011.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

14. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

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 2011 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
28 October 2011