



Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2009

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		
		30.9.09 \$'000	30.9.08 \$'000	+ / (-) %	30.9.09 \$'000	30.9.08 \$'000	+ / (-) %
Revenue	1	119,066	89,691	33	290,936	262,020	11
Cost of sales	2	(58,423)	(38,741)	51	(119,478)	(107,687)	11
Gross profit		60,643	50,950	19	171,458	154,333	11
Investment income	3	2,921	684	327	3,570	4,099	(13)
Other gains/(losses) - net		654	519	26	1,018	1,326	(23)
Selling and distribution costs		(3,929)	(3,960)	(1)	(8,525)	(10,133)	(16)
Administrative expenses		(2,107)	(2,722)	(23)	(6,341)	(8,061)	(21)
Finance expenses		(1,957)	(2,488)	(21)	(5,977)	(7,695)	(22)
Share of results of associated companies		15,981	14,080	14	46,066	36,736	25
Operating profit (before fair value loss/gain on investment properties)		72,206	57,063	27	201,269	170,605	18
Fair value (loss)/gain on investment properties	4	-	-	-	(492,072)	54,624	n.m.
Profit/(Loss) before income tax	5	72,206	57,063	27	(290,803)	225,229	n.m.
Income tax (expense)/credit	6	(8,508)	(8,758)	(3)	83,157	(35,524)	n.m.
Net profit/(loss)		63,698	48,305	32	(207,646)	189,705	n.m.
Attributable to:							
Owners of the parent		56,277	39,842	41	(215,322)	141,491	n.m.
Minority interests		7,421	8,463	(12)	7,676	48,214	(84)
		63,698	48,305	32	(207,646)	189,705	n.m.

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

Net profit from operations	56,277	39,842	41	154,854	117,484	32
Net one-time write-back of deferred income tax (resulting from reduction in corporate tax rate)	-	-	-	25,543	-	n.m.
Net fair value (loss)/gain on investment properties held by subsidiary and associated companies	-	-	-	(395,719)	24,007	n.m.
Net attributable profit/(loss)	56,277	39,842	41	(215,322)	141,491	n.m.

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.09	30.9.08	30.9.09	30.9.08
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) net of tax	63,698	48,305	(207,646)	189,705
Other comprehensive (expense)/income taken directly to equity:				
Exchange (loss)/gain on translation of financial statement of a foreign entity	(535)	2,687	2	2,989
Effect of reduction in deferred income tax on asset revaluation reserve	-	-	1,629	-
	<u>(535)</u>	<u>2,687</u>	<u>1,631</u>	<u>2,989</u>
Total comprehensive income/(expense) for the period	<u>63,163</u>	<u>50,992</u>	<u>(206,015)</u>	<u>192,694</u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	55,742	42,529	(214,456)	144,480
Minority interests	7,421	8,463	8,441	48,214
	<u>63,163</u>	<u>50,992</u>	<u>(206,015)</u>	<u>192,694</u>

Notes to the income statement

	3 months ended		9 months ended	
	30.9.09	30.9.08	30.9.09	30.9.08
	\$'000	\$'000	\$'000	\$'000
<u>1. Revenue</u>				
Gross rental income	63,773	60,123	190,847	169,100
Gross revenue from hotel operations	21,065	27,997	62,967	88,276
Sales of properties held for sale	32,878	-	32,878	-
Car parking income and property management fees	1,350	1,571	4,244	4,644
	<u>119,066</u>	<u>89,691</u>	<u>290,936</u>	<u>262,020</u>
<u>2. Cost of sales</u>				
Property operating expenses	14,376	20,003	46,940	51,655
Cost of sales from hotel operations	14,588	18,738	43,079	56,032
Cost of properties held for sale sold	29,459	-	29,459	-
	<u>58,423</u>	<u>38,741</u>	<u>119,478</u>	<u>107,687</u>

The decrease in property operating expenses was due mainly to lower property tax.

3. Investment income

Interest income	214	333	863	1,303
Dividend income	2,707	351	2,707	2,796
	<u>2,921</u>	<u>684</u>	<u>3,570</u>	<u>4,099</u>

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

The fair value loss of \$492.1 million relates to the revaluation of investment properties held by subsidiary companies in June 2009. 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	<u>2,827</u>	<u>2,890</u>	<u>8,497</u>	<u>8,491</u>
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6. Income tax (expense)/credit

Income tax (expense)/credit includes the following:

Deferred income tax credit/(expense) on fair value loss/gain on investment properties held by subsidiary companies	-	-	82,941	(9,832)
One-time write-back of deferred income tax resulting from reduction in corporate tax rate from 18% to 17%	-	-	26,426	-
Adjustment in respect of prior years	<u>897</u>	<u>-</u>	<u>897</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	
		30.9.09 \$'000	31.12.08 \$'000	30.9.09 \$'000	31.12.08 \$'000
ASSETS					
Non-current assets					
Other receivables	1	78,869	85,066	223,812	174,393
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		393,486	351,720	350	350
Investment in subsidiary companies		-	-	972,442	972,442
Investment properties	2	3,918,558	4,406,687	-	-
Property, plant and equipment		391,876	396,750	-	-
		<u>4,794,834</u>	<u>5,252,268</u>	<u>1,196,604</u>	<u>1,147,185</u>
Current assets					
Cash and cash equivalents		37,152	46,849	225	198
Properties held for sale		442,877	423,190	-	-
Trade and other receivables		9,763	10,951	160	152
Inventories, at cost		913	1,031	-	-
Other current assets		769	627	-	-
		<u>491,474</u>	<u>482,648</u>	<u>385</u>	<u>350</u>
Total assets		5,286,308	5,734,916	1,196,989	1,147,535
LIABILITIES					
Current liabilities					
Trade and other payables		73,442	79,966	1,757	1,316
Current income tax liabilities		29,672	33,940	399	424
Borrowings		219,606	236,825	192,167	60,624
		<u>322,720</u>	<u>350,731</u>	<u>194,323</u>	<u>62,364</u>
Non-current liabilities					
Trade and other payables		45,397	45,030	25,591	25,591
Borrowings		433,775	452,879	-	-
Deferred income tax liabilities		394,547	505,080	-	-
		<u>873,719</u>	<u>1,002,989</u>	<u>25,591</u>	<u>25,591</u>
Total liabilities		1,196,439	1,353,720	219,914	87,955
NET ASSETS		<u>4,089,869</u>	<u>4,381,196</u>	<u>977,075</u>	<u>1,059,580</u>
EQUITY					
Equity attributable to owners of the parent					
Share capital		840,349	840,349	840,349	840,349
Reserves		2,758,458	3,055,410	136,726	219,231
		<u>3,598,807</u>	<u>3,895,759</u>	<u>977,075</u>	<u>1,059,580</u>
Minority interests		491,062	485,437	-	-
TOTAL EQUITY		<u>4,089,869</u>	<u>4,381,196</u>	<u>977,075</u>	<u>1,059,580</u>

Notes to the balance sheet

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

2. Investment properties decreased due to the \$492.1 million fair value loss on revaluation of the Group's investment properties in June 2009.

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

Amount repayable in one year or less, or on demand

At 30.9.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	219,606	-	236,825

Amount repayable after one year

At 30.9.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
264,275	169,500	247,379	205,500

Details of any collateral

The \$264.3 million (31 December 2008: \$247.4 million) loans are secured by way of mortgages over certain 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	
	30.9.09	30.9.08
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	72,206	57,063
Adjustments to profit	(14,093)	(6,036)
Working capital changes	2,980	576
Interest paid	(4,797)	(4,676)
Income tax paid	(12,575)	(7,484)
Net cash provided by operating activities	<u>43,721</u>	<u>39,443</u>
Cash flows from investing activities		
Interest and dividends received	2,782	394
Repayment of loans by associated companies	2,200	2,635
Dividends received from associated companies	-	6,500
Purchase of property, plant and equipment	(2,546)	(2,271)
Development and upgrading of investment properties	(1,760)	(933)
Net cash provided by investing activities	<u>676</u>	<u>6,325</u>
Cash flows from financing activity		
Repayment of borrowings	(42,011)	(60,710)
Net cash used in financing activity	<u>(42,011)</u>	<u>(60,710)</u>
Net increase/(decrease) in cash and cash equivalents	2,386	(14,942)
Cash and cash equivalents at 1 July	34,766	58,125
Cash and cash equivalents at 30 September	<u>37,152</u>	<u>43,183</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.

	Group		Company	
	30.9.09 \$'000	30.9.08 \$'000	30.9.09 \$'000	30.9.08 \$'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	2,658,732	3,231,920	136,992	135,359
Total comprehensive income/(expense) - net profit/(loss)	56,277	39,842	(266)	(260)
Balance at 30 September	2,715,009	3,271,762	136,726	135,099
<u>Foreign currency reserve</u>				
Balance at 1 July	3,414	471	-	-
Total comprehensive (expense)/income - exchange (loss)/gain on translation of financial statement of a foreign entity	(535)	2,687	-	-
Balance at 30 September	2,879	3,158	-	-
<u>Asset revaluation reserve</u>				
Balance at 1 July and 30 September	40,570	39,706	-	-
<u>Minority interests</u>				
Balance at 1 July	483,641	488,333	-	-
Total comprehensive income	7,421	8,463	-	-
Balance at 30 September	491,062	496,796	-	-
<u>Total equity</u>				
Balance at 1 July	4,026,706	4,600,779	977,341	975,708
Total comprehensive income/(expense)	63,163	50,992	(266)	(260)
Balance at 30 September	4,089,869	4,651,771	977,075	975,448

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.

	30.9.09	31.12.08
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 2008 audited annual financial statements have been applied for the current reporting period.

The Group has adopted the revised Financial Reporting Standard ("FRS") 1 *Presentation of Financial Statements*, which is effective for financial year beginning 1 January 2009. The key impact of the application of the revised FRS 1 is the presentation of an additional primary statement, that is, the Statement of Comprehensive Income.

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
	30.9.09	30.9.08
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	13.6 cents	9.7 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.**

	30.9.09	31.12.08
Net asset value per ordinary share		
Group	\$8.72	\$9.44
Company	\$2.37	\$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 2009 results with 2008

The Group's revenue increased by \$29.4 million (33%) to \$119.1 million due to sales of The Trizon residential project and higher office rental income, partially offset by lower revenue from Pan Pacific Singapore hotel. Gross rental income from investment properties at \$63.8 million was higher by \$3.7 million (6%) attributable to higher rental rates. Revenue in Pan Pacific Singapore hotel decreased by \$6.9 million (25%) to \$21.1 million with lower room rates and lower F&B revenue.

Overall, the Group's attributable net profit for the 3 months ended 30 September 2009 increased by \$16.5 million (41%) to \$56.3 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 is expected to be weak in view of the significant new supply.

Retail market rents are expected to soften.

The market for private homes is showing signs of recovery although the pace is uncertain.

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the quarter ended 30 September 2009.

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 2009 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
6 November 2009