



## First Quarter Financial Statement Announcement for the Period Ended 31 March 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		+ / (-) %
		31.3.09 \$'000	31.3.08 \$'000	
Revenue	1	86,167	83,042	4
Cost of sales	2	(31,417)	(33,496)	(6)
Gross profit		54,750	49,546	11
Investment income		357	514	(31)
Other gains/(losses) - net		201	311	(35)
Selling and distribution costs		(2,628)	(3,101)	(15)
Administrative expenses		(2,091)	(2,459)	(15)
Finance expenses		(2,029)	(2,777)	(27)
Share of results of associated companies		16,158	8,290	95
Profit before income tax	3	64,718	50,324	29
Income tax credit/(expense)	4	17,779	(8,014)	n.m.
Net profit		82,497	42,310	95
Profit attributable to:				
Owners of the parent		73,150	33,657	117
Minority interests		9,347	8,653	8
		82,497	42,310	95

n.m. - not meaningful

## Consolidated Statement of Comprehensive Income

	<b>3 months ended</b>	
	<b>31.3.09</b>	<b>31.3.08</b>
	\$'000	\$'000
Profit net of tax	82,497	42,310
Other comprehensive income (taken directly to equity):		
Exchange gain/(loss) on translation of financial statement of a foreign entity	3,047	(94)
Effect of reduction in deferred income tax on asset revaluation reserve	1,629	-
	<u>4,676</u>	<u>(94)</u>
Total comprehensive income for the period	<u>87,173</u>	<u>42,216</u>
Total comprehensive income attributable to:		
Owners of the parent	77,061	33,563
Minority interests	10,112	8,653
	<u>87,173</u>	<u>42,216</u>

### Notes to the income statement

	<b>3 months ended</b>	
	<b>31.3.09</b>	<b>31.3.08</b>
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	63,486	52,193
Gross revenue from hotel operations	21,261	29,430
Car parking income and property management fees	1,420	1,419
	<u>86,167</u>	<u>83,042</u>
<u>2. Cost of sales</u>		
Property operating expenses	17,106	15,013
Cost of sales from hotel operations	14,311	18,483
	<u>31,417</u>	<u>33,496</u>
<u>3. Profit before income tax</u>		
Profit before income tax is stated after charging:		
Depreciation	2,832	2,817
	<u>2,832</u>	<u>2,817</u>
<u>4. Income tax credit/(expense)</u>		
Income tax credit/(expense) includes the following:		
One-time write-back of deferred income tax resulting from reduction in corporate tax rate from 18% to 17%	26,426	-
	<u>26,426</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	
		31.3.09	31.12.08	31.3.09	31.12.08
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	82,542	85,066	129,280	174,393
Financial assets, available-for-sale		12,045	12,045	-	-
Investment in associated companies		367,877	351,720	350	350
Investment in subsidiary companies		-	-	972,442	972,442
Investment properties	2	4,407,240	4,406,687	-	-
Property, plant and equipment		394,375	396,750	-	-
		<u>5,264,079</u>	<u>5,252,268</u>	<u>1,102,072</u>	<u>1,147,185</u>
<b>Current assets</b>					
Cash and cash equivalents		41,580	46,849	80	198
Properties held for sale		433,709	423,190	-	-
Trade and other receivables		17,915	10,951	144	152
Inventories, at cost		924	1,031	-	-
Other current assets		680	627	-	-
		<u>494,808</u>	<u>482,648</u>	<u>224</u>	<u>350</u>
<b>Total assets</b>		<b>5,758,887</b>	<b>5,734,916</b>	<b>1,102,296</b>	<b>1,147,535</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		77,241	79,966	1,321	1,316
Current income tax liabilities		40,393	33,940	750	424
Borrowings		193,124	236,825	14,624	60,624
		<u>310,758</u>	<u>350,731</u>	<u>16,695</u>	<u>62,364</u>
<b>Non-current liabilities</b>					
Trade and other payables		46,259	45,030	25,591	25,591
Borrowings		456,332	452,879	-	-
Deferred income tax liabilities		477,169	505,080	-	-
		<u>979,760</u>	<u>1,002,989</u>	<u>25,591</u>	<u>25,591</u>
<b>Total liabilities</b>		<b>1,290,518</b>	<b>1,353,720</b>	<b>42,286</b>	<b>87,955</b>
<b>NET ASSETS</b>		<b>4,468,369</b>	<b>4,381,196</b>	<b>1,060,010</b>	<b>1,059,580</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital		840,349	840,349	840,349	840,349
Reserves		3,132,471	3,055,410	219,661	219,231
		<u>3,972,820</u>	<u>3,895,759</u>	<u>1,060,010</u>	<u>1,059,580</u>
Minority interests		495,549	485,437	-	-
<b>TOTAL EQUITY</b>		<b>4,468,369</b>	<b>4,381,196</b>	<b>1,060,010</b>	<b>1,059,580</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 are stated at 31 December 2008 independent professional valuations with \$0.6 million upgrading costs incurred during the first quarter.

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

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

At 31.3.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	193,124	-	236,825

**Amount repayable after one year**

At 31.3.09		At 31.12.08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
263,331	193,001	247,379	205,500

**Details of any collateral**

The \$263.3 million (31 December 2008: \$247.4 million) loans are secured by way of mortgages over certain residential 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>31.3.09</b>	<b>31.3.08</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	64,718	50,324
Adjustments to profit	(11,390)	(3,180)
Working capital changes	(13,167)	(7,102)
Interest paid	(4,832)	(4,991)
Income tax paid	(2,050)	(172)
<b>Net cash provided by operating activities</b>	<b>33,279</b>	<b>34,879</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(626)	(3,515)
Development and upgrading of investment properties	(553)	(12,255)
Repayment of loan by associated company	2,800	2,544
Interest received	80	31
<b>Net cash provided by/(used in) investing activities</b>	<b>1,701</b>	<b>(13,195)</b>
<b>Cash flows from financing activity</b>		
Repayment of borrowings	(40,249)	(24,009)
<b>Net cash used in financing activity</b>	<b>(40,249)</b>	<b>(24,009)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,269)</b>	<b>(2,325)</b>
Cash and cash equivalents at 1 January	46,849	25,675
<b>Cash and cash equivalents at 31 March</b>	<b>41,580</b>	<b>23,350</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	
	31.3.09	31.3.08	31.3.09	31.3.08
	\$'000	\$'000	\$'000	\$'000
<u>Share capital</u>				
<b>Balance at 1 January and 31 March</b>	840,349	840,349	840,349	840,349
<u>Retained earnings</u>				
<b>Balance at 1 January</b>	3,012,827	3,212,767	219,231	217,143
Total comprehensive income - net profit	73,150	33,657	430	540
<b>Balance at 31 March</b>	3,085,977	3,246,424	219,661	217,683
<u>Foreign currency reserve</u>				
<b>Balance at 1 January</b>	2,877	169	-	-
Total comprehensive income				
- exchange gain/(loss) on translation of financial statement of a foreign entity	3,047	(94)	-	-
<b>Balance at 31 March</b>	5,924	75	-	-
<u>Asset revaluation reserve</u>				
<b>Balance at 1 January</b>	39,706	39,706	-	-
Total comprehensive income				
- effect of reduction in deferred income tax	864	-	-	-
<b>Balance at 31 March</b>	40,570	39,706	-	-
<u>Minority interests</u>				
<b>Balance at 1 January</b>	485,437	451,398	-	-
Total comprehensive income	10,112	8,653	-	-
<b>Balance at 31 March</b>	495,549	460,051	-	-
<u>Total equity</u>				
<b>Balance at 1 January</b>	4,381,196	4,544,389	1,059,580	1,057,492
Total comprehensive income	87,173	42,216	430	540
<b>Balance at 31 March</b>	4,468,369	4,586,605	1,060,010	1,058,032

- 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.

	31.3.09	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.**

	<b>Latest quarter</b>	<b>Previous quarter</b>
	<b>31.3.09</b>	<b>31.3.08</b>
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	17.7 cents	8.2 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 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>31.3.09</b>	<b>31.12.08</b>
Net asset value per ordinary share		
Group	\$9.63	\$9.44
Company	\$2.57	\$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 1st quarter 2009 results with 2008

The Group's revenue increased by \$3.1 million (4%) to \$86.2 million due to higher rental income, which was partially offset by lower revenue in Pan Pacific Singapore hotel. Gross rental income at \$63.5 million was higher by \$11.3 million (22%) attributable mainly to higher rental rates. Revenue in Pan Pacific Singapore hotel decreased by \$8.2 million (28%) to \$21.3 million with lower room rates and occupancy, and lower F&B revenue.

The share of results of associated companies increased by \$7.9 million (95%) due mainly to higher contribution from The Sixth Avenue Residences and One Amber projects with progressive recognition of development profits on a percentage of completion basis.

Arising from the reduction in corporate tax rate from 18% to 17%, the Group recognised a one-time write-back of deferred income tax of \$26.4 million, provided in prior year mainly on the cumulative fair value gain of investment properties.

Overall, the Group's attributable net profit increased by \$39.5 million (117%) to \$73.2 million. Excluding the one-time write-back of deferred income tax (net of minority interests) of \$25.5 million, net profit from operations increased by \$13.9 million (41%) to \$47.6 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 prevailing weak business sentiment coupled with the growing supply of new office and retail space in Singapore will put downward pressure on market rentals. Similarly, the outlook for the residential property market remains bearish.

**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 31 March 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 first quarter ended 31 March 2009 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
24 April 2009