



UNAUDITED THIRD QUARTER FINANCIAL STATEMENT

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

1(a)(i) 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	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2012	2011	+ / (-)	2012	2011	+ / (-)
		\$'000	\$'000	%	\$'000	(Restated) \$'000	%
Revenue	A	277,732	413,281	(33)	874,306	1,594,275	(45)
Cost of sales		(157,549)	(273,404)	(42)	(507,116)	(983,101)	(48)
Gross profit		120,183	139,877	(14)	367,190	611,174	(40)
Other income							
- Finance income	B	8,596	778	1,005	10,504	1,880	459
- Miscellaneous income		2,378	3,210	(26)	9,434	9,273	2
Expenses							
- Marketing and distribution	C	(9,564)	(7,530)	27	(27,120)	(20,643)	31
- Administrative		(16,660)	(16,320)	2	(49,169)	(47,423)	4
- Finance	D	(8,153)	(18,065)	(55)	(24,623)	(30,234)	(19)
- Other operating	E	(17,919)	(16,106)	11	(51,074)	(49,691)	3
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		25,366	36,769	(31)	76,600	127,751	(40)
Profit before fair value and other gains/(losses) and income tax		104,227	122,613	(15)	311,742	602,087	(48)
Other gains/(losses)	F	6,841	2,731	150	7,779	(2,753)	383
Fair value gains on associated companies' investment properties		-	-	-	22,839	41,064	(44)
Fair value gains on the Group's investment properties		-	-	-	59,588	80,651	(26)
Profit before income tax	G	111,068	125,344	(11)	401,948	721,049	(44)
Income tax expense	H	(14,541)	(15,078)	(4)	(26,838)	(83,409)	(68)
Net profit		96,527	110,266	(12)	375,110	637,640	(41)
<u>Attributable to:</u>							
Equity holders of the Company		87,838	100,977	(13)	343,521	543,873	(37)
Non-controlling interests		8,689	9,289	(6)	31,589	93,767	(66)
		96,527	110,266	(12)	375,110	637,640	(41)
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains/(losses)		80,997	98,246	(18)	258,168	437,965	(41)
Other gains/(losses)		6,841	2,731	150	7,779	(1,252)	721
Fair value gains on investment properties including those of associated companies		-	-	-	77,574	107,160	(28)
Net attributable profit		87,838	100,977	(13)	343,521	543,873	(37)

1(a)(ii) Explanatory Notes to the Consolidated Income Statement

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2012	2011	+ / (-)	2012	2011	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
A Revenue						
Revenue from property development	133,665	267,445	(50)	435,400	1,175,137	(63)
Revenue from property investments	41,699	41,160	1	124,903	119,631	4
Gross revenue from hotel ownership and operations	91,084	92,058	(1)	277,364	259,212	7
Revenue from hotel and other management services	3,889	5,223	(26)	13,448	14,076	(4)
Dividend income from available-for-sale financial assets	7,395	7,395	-	23,191	26,219	(12)
	277,732	413,281	(33)	874,306	1,594,275	(45)
B Finance income						
Interest income	783	778	1	2,533	1,880	35
Currency exchange gains (net)	7,813	-	n.m.	7,971	-	n.m.
	8,596	778	1,005	10,504	1,880	459
C Marketing and distribution						
Sales commissions	126	-	n.m.	2,835	364	679
Showflat expenses	2,447	713	243	2,990	1,443	107
Advertising and promotion	3,990	3,988	0	12,391	10,723	16
Marketing and distribution payroll expenses	3,001	2,829	6	8,904	8,113	10
	9,564	7,530	27	27,120	20,643	31
D Finance expense						
Bank facility fees	362	979	(63)	1,304	2,938	(56)
Interest expense	7,791	8,354	(7)	23,319	24,197	(4)
Currency exchange losses (net)	-	8,732	(100)	-	3,099	(100)
	8,153	18,065	(55)	24,623	30,234	(19)
E Other operating expense						
Property tax	4,449	3,547	25	13,534	12,288	10
Repairs, maintenance and security	2,195	2,561	(14)	6,353	6,247	2
Heat, light and power	6,179	5,264	17	17,822	15,717	13
Rebranding expenses for Australian hotels	-	448	(100)	-	3,529	(100)
Others	5,096	4,286	19	13,365	11,910	12
	17,919	16,106	11	51,074	49,691	3
F Other gains/(losses)						
Negative goodwill on acquisition of interests in an associated company	2,142	2,731	(22)	3,080	5,390	(43)
Business acquisition costs ¹	-	-	-	-	(8,143)	(100)
Gain on sale of an available-for-sale financial asset	4,699	-	n.m.	4,699	-	n.m.
	6,841	2,731	150	7,779	(2,753)	383

n.m. : not meaningful

¹ Business acquisition costs for the nine months ended 30 September 2011 comprised mainly stamp duty and legal fees incurred for the acquisition of PARKROYAL Melbourne Airport which were recognised in the income statement as the transaction was deemed a business combination under Financial Reporting Standard 103 Business Combinations.

1(a)(ii) Explanatory Notes to the Consolidated Income Statement (cont'd)

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2012	2011	+ / (-)	2012	2011	+ / (-)
	\$'000	\$'000	%	\$'000	(Restated) \$'000	%
G <u>Profit before income tax</u>						
Profit before income tax is stated after charging/(crediting):						
Depreciation and amortisation	12,247	12,060	2	35,169	34,932	1
Property, plant and equipment written off and net loss on disposals	1,048	57	n.m.	1,089	83	n.m.
Gain on sale of office space	(600)	-	n.m.	(600)	-	n.m.
H <u>Income tax expense</u>						
Tax expense attributable to profit is made up of:						
Current income tax						
- Singapore	6,464	5,085	27	18,924	47,400	(60)
- Foreign	2,726	2,205	24	6,974	14,042	(50)
- Withholding tax paid	321	-	n.m.	615	-	n.m.
Deferred income tax	5,167	8,006	(35)	15,409	21,918	(30)
	14,678	15,296	(4)	41,922	83,360	(50)
(Over)/under provision in preceding financial years						
- Singapore current income tax ²	(137)	(218)	(37)	(15,084)	49	n.m.
	14,541	15,078	(4)	26,838	83,409	(68)

n.m. : not meaningful

² A reversal of tax provisions of \$15 million was made in the second quarter of 2012 following the resolution of certain tax issues with the Inland Revenue Authority of Singapore.

1(a)(iii) Consolidated Statement of Comprehensive Income

	Note	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2012	2011	+ / (-)	2012	2011	+ / (-)
Net profit		\$'000	\$'000	%	\$'000	(Restated) \$'000	%
		96,527	110,266	(12)	375,110	637,640	(41)
Other comprehensive income/(loss):							
Fair value gains/(losses) on available-for-sale financial assets	A	33,236	(86,925)	138	142,284	(42,344)	436
Fair value gains/(losses) on cash-flow hedges		173	(1)	n.m.	55	862	(94)
Currency translation differences arising from consolidation of foreign operations	B	(11,631)	12,950	(190)	(23,221)	(576)	n.m.
Share of other comprehensive (losses)/gains of associated companies		(1,896)	5,220	(136)	(4,408)	3,898	(213)
Other comprehensive income/(loss) for the period, net of tax		19,882	(68,756)	129	114,710	(38,160)	401
Total comprehensive income for the period		116,409	41,510	180	489,820	599,480	(18)
<u>Attributable to:</u>							
Equity holders of the Company		108,871	31,064	250	461,251	506,869	(9)
Non-controlling interests		7,538	10,446	(28)	28,569	92,611	(69)
		116,409	41,510	180	489,820	599,480	(18)

1(a)(iv) Explanatory Notes to the Consolidated Statement of Comprehensive Income

A Fair value gains/(losses) on available-for-sale financial assets

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The increase in value for the third quarter ended 30 September 2012 is due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Currency translation differences arising from consolidation of foreign operations

The currency translation differences arose mainly from the translation of the net assets of the Group's foreign subsidiaries which are denominated in USD, AUD, RMB, MYR and VND.

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	The Group			The Company		
	30.09.12	31.12.11 (Restated)	31.12.10 (Restated)	30.09.12	31.12.11 (Restated)	31.12.10 (Restated)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
	267,603	297,358	313,169	3,123	6,515	1,727
A	391,397	126,247	215,691	123,791	243,732	254,866
	873	5,452	-	-	-	-
A	917,723	1,145,435	1,192,916	-	-	-
	878	1,110	1,622	-	-	-
	518,066	402,833	479,767	518,066	402,833	479,767
	13,940	23,258	45,695	2,020	774	315
	458	647	904	-	-	-
	2,110,938	2,002,340	2,249,764	647,000	653,854	736,675
Non-current assets						
B	124,998	73,150	1,906	1,148,733	970,364	685,866
	811	754	-	811	754	-
	264,492	220,565	246,972	71,909	64,778	66,184
	2,513,862	2,438,141	2,290,327	161,589	161,589	161,589
	-	-	-	1,309,546	1,308,546	1,295,483
C	2,942,551	2,838,328	2,261,613	298,670	296,580	285,650
	1,113,248	1,090,066	980,523	1,131	983	843
	28,240	29,908	42,807	918	1,031	793
	4,542	4,338	3,651	12	-	298
	6,992,744	6,695,250	5,827,799	2,993,319	2,804,625	2,496,706
Total assets	9,103,682	8,697,590	8,077,563	3,640,319	3,458,479	3,233,381
LIABILITIES						
Current liabilities						
D	201,013	301,832	360,275	72,620	68,696	155,296
	-	-	2,213	-	-	1,756
	37,497	94,988	61,494	4,605	20,789	19,931
	42,537	43,364	18,990	-	-	-
	-	217	9	-	-	-
E	-	149,959	-	-	149,959	-
E	-	99,973	-	-	99,973	-
F	800,272	948,581	745,651	241,571	157,382	469,951
	333	343	-	-	-	-
	1,081,652	1,639,257	1,188,632	318,796	496,799	646,934
Non-current liabilities						
	59,555	57,257	53,287	4,354	3,526	3,051
	61	-	-	61	-	-
	4,450	4,582	-	-	-	-
F	1,071,366	772,299	1,128,939	199,589	199,439	149,849
	299,475	299,250	-	299,475	299,250	99,899
E	74,655	-	-	74,655	-	-
E	174,545	-	-	174,545	-	-
	-	-	149,849	-	-	-
	-	-	99,899	-	-	-
	8,788	7,353	47,278	-	-	-
	2,961	2,758	2,539	-	-	-
	178,827	143,911	136,359	78,371	58,759	71,681
	1,874,683	1,287,410	1,618,150	831,050	560,974	324,480
Total liabilities	2,956,335	2,926,667	2,806,782	1,149,846	1,057,773	971,414
NET ASSETS	6,147,347	5,770,923	5,270,781	2,490,473	2,400,706	2,261,967
Capital & reserves attributable to equity holders of the Company						
	1,044,191	1,040,694	1,051,898	1,044,191	1,040,694	1,051,898
	780,856	661,039	758,005	388,429	283,513	358,646
	3,825,766	3,582,240	3,041,937	1,057,853	1,076,499	851,423
	5,650,813	5,283,973	4,851,840	2,490,473	2,400,706	2,261,967
Non-controlling interests	496,534	486,950	418,941	-	-	-
TOTAL EQUITY	6,147,347	5,770,923	5,270,781	2,490,473	2,400,706	2,261,967

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. (cont'd)

Explanatory Notes to the Statement of Financial Position

A Current Trade and other receivables/ Development properties

The increase in current Trade and other receivables was due mainly to the recognition of receivables for the balance of payments for development projects, Meadows@Peirce and Double Bay Residences upon their receipt of temporary occupation permit. The completion of these projects also resulted in a decrease in development properties from the balance as of 31 December 2011, which was offset partially by payments for the enbloc acquisition of St Patrick's Garden.

B Non-current Trade and other receivables

The increase in non-current Trade and other receivables was due mainly to loans to joint venture companies for the development of Archipelago and the acquisition of a land parcel at Bright Hill Drive.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 30 June 2012. It is the practice of the Group to revalue its investment properties half yearly. The increase from 31 December 2011 was due mainly to fair value gains recognised in June 2012 and expenditure incurred for the construction of One Upper Pickering, One KM and The Esplanade in Tianjin.

D Trade and other payables

The decrease in Trade and other payables arose mainly from the payment of accrued development charges of \$88.1 million for the development of Katong Regency and One KM.

E 2.49% unsecured fixed rate notes due 2015/3.04% unsecured fixed rate notes due 2017
3.34% unsecured fixed rate notes due 2012/Unsecured floating rate notes due 2012

The 3.34% unsecured fixed rate notes and unsecured floating rate notes which matured in May 2012 were redeemed with the proceeds from the issue of the 2.49% unsecured fixed rate notes due in 2015 and 3.04% unsecured fixed rate notes due in 2017.

F Bank loans

The decrease in current bank loans and increase in non-current banks loans was due mainly to the restructuring of some of the Group's bank loans from short term to long term. The increase in the aggregate amount of bank loans was due mainly to loans drawn for 1) the en-bloc acquisition of St Patrick's Garden; 2) advances to joint venture companies for the development of Archipelago and acquisition of land parcel at Bright Hill Drive; and 3) the construction of PARKROYAL on Pickering, One Upper Pickering, One KM and The Esplanade in Tianjin.

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

	As at 30.9.12		As at 31.12.11	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	166,869	676,507	318,491	924,489
Amount repayable after one year	875,049	758,788	575,606	507,353

Details of any collaterals

The borrowings are secured by mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties, and/or assignment of all rights and benefits with respect to the properties and/or corporate guarantees from the Company or other group subsidiaries.

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.

Consolidated Statement of Cash Flows for the third quarter ended 30 September

	Note	The Group	
		3 rd Qtr	3 rd Qtr
		2012	2011
		\$'000	\$'000
Cash flows from operating activities			
Net profit		96,527	110,266
Adjustments for:			
Income tax expense		14,541	15,078
Non-cash items		(21,223)	(14,464)
Dividend income and interest income		(8,178)	(8,173)
Interest expense		8,153	9,333
Negative goodwill on acquisition of interests in an associated company		(2,142)	(2,731)
Gain on sale of an available-for-sale financial asset		(4,699)	-
Operating cash flow before working capital changes		82,979	109,309
Change in working capital			
Receivables		(9,520)	1,322
Development properties	i	(178,576)	16,538
Derivative financial instrument		516	-
Inventories		131	1,174
Payables		(7,774)	(4,787)
		(195,223)	14,247
Cash (used in)/generated from operations		(112,244)	123,556
Income tax paid		(34,659)	(17,938)
Retirement benefits paid		(16)	(31)
Net cash (used in)/provided by operating activities		(146,919)	105,587
Cash flows from investing activities			
Proceeds from sale of an available-for-sale financial asset		7,413	-
Payments for intangibles		(89)	-
Payments for interests in associated companies		(7,200)	(12,192)
Payments for interests in joint venture companies		-	(500)
Loans to joint venture companies	ii	(45,709)	(1,750)
Net proceeds from disposal of property, plant and equipment		3,731	20
Purchase of property, plant and equipment and investment properties	iii	(44,795)	(31,406)
Interest received		783	777
Dividend received		25,410	124,208
Net cash (used in)/provided by investing activities		(60,456)	79,157
Cash flows from financing activities			
Proceeds from shares issued		2,968	1,220
Net proceeds from issue of shares to minority shareholders of subsidiaries		1,947	-
Loan from non-controlling shareholders of a subsidiary		-	491
Proceeds from unsecured fixed rate notes		-	300,000
Proceeds from borrowings	iv	567,834	18,761
Repayment of borrowings		(380,731)	(495,731)
Expenditure relating to bank borrowings		(54)	(969)
Interest paid		(14,923)	(10,338)
Dividends paid to non-controlling interests		(7,416)	(6,900)
Net cash provided by/(used in) financing activities		169,625	(193,466)
Net decrease in cash and cash equivalents		(37,750)	(8,722)
Cash and cash equivalents at 1 July		301,207	281,172
Effects of currency translation on cash and cash equivalents		(1,030)	499
Cash and cash equivalents at 30 September	v	262,427	272,949

- 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. (cont'd)

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Development properties

The cash outflows in the current quarter arose mainly from payments for the en-bloc acquisition of St Patrick's Garden.

ii. Loans to joint venture companies

The loans to joint venture companies were to 1) United Venture Development (Bedok) Pte. Ltd., for its development project, Archipelago and 2) UVD Pte. Ltd., for the acquisition of the land parcel at Bright Hill Drive.

iii. Purchase of property, plant and equipment and investment properties

Purchases of property, plant and equipment and investment properties in the third quarter of 2011 relate mainly to payments made for capital enhancements to the Group's hotels and for the construction of PARKROYAL on Pickering, One Upper Pickering, One KM and The Esplanade, Tianjin.

iv. Proceeds from borrowings

The proceeds from borrowings in the third quarter of 2012 were mainly for the Group's acquisition of development properties and construction of hotel and investment properties.

v. Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprise the following:

	The Group	
	<u>30.09.12</u>	<u>30.09.11</u>
	\$'000	\$'000
Fixed deposits with financial institutions	168,586	188,467
Cash at bank and on hand	99,017	93,285
Cash and bank balances per Statement of Financial Position	267,603	281,752
Less: Bank overdrafts	-	(2,803)
Less: Bank deposits pledged as security	(5,176)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>262,427</u>	<u>272,949</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.

Consolidated Statement of Changes in Equity for the third quarter ended 30 September

	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
<u>2012</u>					
Balance at 1 July 2012	1,041,223	757,622	3,722,686	494,465	6,015,996
Employee share option scheme					
- value of employee services	-	2,201	-	-	2,201
- proceeds from shares issued	2,968	-	-	-	2,968
Dividends	-	-	-	(7,416)	(7,416)
Issue of shares to non-controlling interests	-	-	-	1,947	1,947
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	15,242	-	15,242
Total comprehensive income for the period	-	21,033	87,838	7,538	116,409
Balance at 30 September 2012	<u>1,044,191</u>	<u>780,856</u>	<u>3,825,766</u>	<u>496,534</u>	<u>6,147,347</u>
<u>2011</u>					
Balance at 1 July 2011	1,039,474	800,119	3,335,077	453,002	5,627,672
Employee share option scheme					
- proceeds from shares issued	1,220	-	-	-	1,220
Dividends	-	-	-	(6,900)	(6,900)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	1,941	-	1,941
Total comprehensive income for the period	-	(69,913)	100,977	10,446	41,510
Balance at 30 September 2011	<u>1,040,694</u>	<u>730,206</u>	<u>3,437,995</u>	<u>456,548</u>	<u>5,665,443</u>
<u>The Company</u>					
<u>2012</u>					
Balance at 1 July 2012	1,041,223	362,156	1,025,937	-	2,429,316
Employee share option scheme					
- value of employee services	-	2,201	-	-	2,201
- proceeds from shares issued	2,968	-	-	-	2,968
Total comprehensive income for the period	-	24,072	31,916	-	55,988
Balance at 30 September 2012	<u>1,044,191</u>	<u>388,429</u>	<u>1,057,853</u>	<u>-</u>	<u>2,490,473</u>
<u>2011</u>					
Balance at 1 July 2011	1,039,474	393,520	896,968	-	2,329,962
Employee share option scheme					
- proceeds from shares issued	1,220	-	-	-	1,009
Total comprehensive income for the period	-	(61,209)	128,960	-	111,814
Balance at 30 September 2011	<u>1,040,694</u>	<u>332,311</u>	<u>1,025,928</u>	<u>-</u>	<u>2,442,785</u>

- 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.

During the quarter ended 30 September 2012, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 July 2012	768,455,154
Issue of ordinary shares arising from the exercise of:	
2006 Options granted under the UOL 2000 Share Option Scheme	90,000
2007 Options granted under the UOL 2000 Share Option Scheme	86,000
2008 Options granted under the UOL 2000 Share Option Scheme	103,000
2009 Options granted under the UOL 2000 Share Option Scheme	63,000
2010 Options granted under the UOL 2000 Share Option Scheme	248,000
2011 Options granted under the UOL 2000 Share Option Scheme	172,000
Issued capital as at 30 September 2012	<u>769,217,154</u>

As at 30 September 2012, there were unexercised options for 4,860,000 (30.9.2011: 4,506,000) of unissued ordinary shares under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 30 September 2012 and 30 September 2011.

- 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.

	The Company	
	30.09.12	31.12.11
Total number of issued shares, excluding treasury shares	769,217,154	768,248,154

- 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 standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have neither been audited nor reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of 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.

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2011.

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.

On 1 January 2012, the Group adopted the amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the amended FRS that are relevant to the Group:

Amendments to FRS 107	Disclosures - Transfers of Financial Assets
Amendments to FRS 12	Deferred Tax: Recovery of Underlying Assets

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements except for the amendments to FRS 12, of which the effects are disclosed below:

Amendments to FRS 12 – Income taxes – deferred tax accounting for investment properties

The amendment introduces a presumption that an investment property is recovered entirely through sale. Accordingly, unless the presumption is rebutted, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Previously, the Group and the Company had recognised deferred tax liability on its investment properties on the basis of recovery through use. Upon the adoption of Amendments to FRS 12, the deferred tax liabilities on the Group's and the Company's investment properties are recognised on the basis of recovery through sale.

The effects of the adoption on the results of the Group and financial position of the Group and the Company for the third quarter of 2012 and the relevant comparatives, subject to year-end audit, are as follows.

Effect on Consolidated Income Statement

	The Group	
	9 Months Ended	
	2012	2011
	\$'000	\$'000
Increase in share of profit of associated companies	3,883	6,779
Increase in profit before income tax	3,883	6,779
Decrease in income tax expense	4,748	5,201
	<u>8,631</u>	<u>11,980</u>
Increase in net profit attributable to:		
- Equity holders of the Company	7,806	10,686
- Non-controlling interests	825	1,294
	<u>8,631</u>	<u>11,980</u>
Increase in basic earnings per share (cents)	1.02	1.38
Increase in diluted earnings per share (cents)	1.02	1.38

Effect on Statement of Financial Position

	The Group			The Company		
	<u>30.09.12</u>	<u>31.12.11</u>	<u>1.1.11</u>	<u>30.09.12</u>	<u>31.12.11</u>	<u>1.1.11</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Decrease in deferred income tax liabilities	73,834	69,086	49,630	5,273	5,241	5,355
Increase in investment in associated companies	177,049	173,166	173,575	-	-	-
	<u>250,883</u>	<u>242,252</u>	<u>223,205</u>	<u>5,273</u>	<u>5,241</u>	<u>5,355</u>
Increase in retained earnings	237,048	229,242	214,865	5,273	5,241	5,355
Increase in non-controlling interests	13,835	13,010	8,340	-	-	-
	<u>250,883</u>	<u>242,252</u>	<u>223,205</u>	<u>5,273</u>	<u>5,241</u>	<u>5,355</u>
Increase in net asset value per ordinary share (\$)	0.31	0.30	0.28	0.01	0.01	0.01
Increase in net tangible asset backing per ordinary share (\$)	0.31	0.30	0.28	0.01	0.01	0.01

- 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. (cont'd)

INT FRS 115 – Agreements for the Construction of Real Estate

On 1 January 2011, the Group adopted INT FRS 115 – Agreements for the Construction of Real Estate ("INT FRS 115"). The following shows the results of the Group should there be no adjustments made in relation to the adoption of INT FRS 115:

<u>Consolidated Income Statement</u>	3rd Quarter Ended 30 September			9 Months Ended 30 September		
	2012 \$'000	2011 \$'000	+ / (-) %	2012 \$'000	2011 \$'000	+ / (-) %
Revenue	277,732	413,281	(33)	874,306	1,198,515	(27)
Cost of sales	(157,549)	(273,404)	(42)	(507,116)	(777,708)	(35)
Share of profit of associated companies	25,366	36,769	(31)	76,600	127,751	(40)
Profit before income tax	111,068	125,344	(11)	401,948	530,682	(24)
Income tax expense	(14,541)	(15,078)	(4)	(26,838)	(48,921)	(45)
Net profit	<u>96,527</u>	<u>110,266</u>	<u>(12)</u>	<u>375,110</u>	<u>481,761</u>	<u>(22)</u>
Net profit attributable to:						
- Equity holders of the Company	87,838	100,977	(13)	343,521	437,748	(22)
- Non-controlling interests	8,689	9,289	(6)	31,589	44,013	(28)
	<u>96,527</u>	<u>110,266</u>	<u>(12)</u>	<u>375,110</u>	<u>481,761</u>	<u>(22)</u>
Basic earnings per share (cents)	11.43	13.07		44.70	56.67	
Diluted earnings per share (cents)	<u>11.42</u>	<u>13.06</u>		<u>44.67</u>	<u>56.62</u>	

- 6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	3rd Qtr 2012	3rd Qtr 2011
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 11.43	cents 13.07
(ii) On a fully diluted basis	cents 11.42	cents 13.06

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than market value.

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

	The Group		The Company	
	30.09.12	31.12.11	30.09.12	31.12.11
Net asset value per ordinary share	\$7.35	(Restated) \$6.88	\$3.24	\$3.12
Net tangible asset backing per ordinary share	\$7.31	\$6.84	\$3.24	\$3.12

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

Group revenue in the third quarter of 2012 decreased by \$135.5 million or 33% to \$277.7 million from \$413.3 million in the corresponding period of 2011. The reduction was due mainly to 1) lower revenues from the sale of development properties following the completion of some of the Group's development projects in 2011 and 2012; and 2) lower revenues from hotel management services mainly from the closure of Pan Pacific Singapore for major renovations from April to September 2012.

Other income

Finance income for the third quarter of 2012 increased with unrealised currency exchange gains from the Group's borrowings in US Dollars.

Expenses

Gross profit margin of 43% for the third quarter of 2012 was higher than the 34% recorded for the third quarter of 2011 due mainly to higher revenue in the third quarter of 2011 from property development which has a higher cost margin. The increase in marketing and distribution expenses by 27% from \$7.5 million to \$9.6 million resulted mainly from showflat expenses for Katong Regency. Finance expenses decreased by 55% from \$18.1 million to \$8.2 million due mainly to the absence of currency exchange losses recognised in the third quarter of 2011 from borrowings in US Dollars.

Associated companies

The decrease in the share of profit of associated companies in the third quarter of 2012 was due mainly to a lower share of profit from Marina Centre Holdings Pte Ltd and United Industrial Corporation Limited arising mainly from the closure of Pan Pacific Singapore for major renovations from April to September 2012.

Profit & Loss

Third quarter ended 30 September 2012/2011

Group pre-tax profit before fair value and other gains/(losses) for the third quarter of 2012 was \$104.2 million compared with \$122.6 million for the third quarter of 2011. The decrease was attributed mainly to lower income from property development and lower share of profit from associated companies, offset partially by higher unrealised currency exchange gains.

The Group recorded a pre-tax profit of \$111.1 million in the third quarter of 2012, a decrease of 11% from the profit of \$125.3 million in the corresponding period of 2011. Profit after tax and non-controlling interest was \$87.8 million, representing a 13% decrease from \$101.0 million in the corresponding period of 2011.

Nine Months Ended 30 September 2012/2011

For the nine months ended 30 September 2012, pre-tax profit before fair value and other gains/(losses) for the Group was \$311.7 million or a 48% decrease from the profit of \$602.1 million in the corresponding period of 2011.

Group profit before tax for the nine months ended 30 September 2012 was \$401.9 million, a decrease of 44% from the profit of \$721.0 million for the corresponding period in 2011. The decrease was mainly from lower income from property development and associated companies and lower fair value gains on investment properties of the Group and associated companies. The results for the nine months ended 30 September 2011 also included the recognition of development profits using the completion of construction method instead of the percentage of completion method following the adoption of INT FRS 115 for the sale of units in Duchess Residences and Panorama. Profit after tax and non-controlling interest was \$343.5 million or a 37% decrease from the profit of \$543.9 million for the first nine months of 2011.

Net tangible asset and gearing

The Group shareholders' funds increased from \$5.3 billion as at 31 December 2011 to \$5.7 billion as at 30 September 2012. The increase was due mainly to profits recognised in the first nine months of 2012 and higher reserves from fair value gains on available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$7.31 as at 30 September 2012 from \$6.84 as at 31 December 2011.

The Group's gearing ratio has increased marginally to 0.36 as at 30 September 2012 from 0.35 as at 31 December 2011 with higher borrowings for the Group's acquisitions offset partially by the effects of the increase in total equity.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual

Nil.

10 A commentary at the date of this announcement of the 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.

Competition for acquisition of new land sites is expected to remain intense. The residential market is still driven by high liquidity and low interest rate. The recent restrictions to the tenure of loans could moderate demand and overall prices are expected to remain flat. The slowing rate of economic growth and new supply could put pressure on office rents though retail rents are expected to remain stable.

The outlook for hotels in Singapore remains positive with the addition of new attractions but uncertainties in the global economy could impact demand for hotel accommodation in the Asia Pacific region.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(c) Date payable : N.A.

(d) Books closure date : N.A.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the third quarter ended 30 September 2012.

13 If the Group has obtained a general mandate from shareholders for 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.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the nine months/ third quarter ended 30 September 2012 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
8 November 2012