

**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		
		2016	2015	+ / (-)	2016	2015	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	393,392	353,988	11	1,087,060	934,484	16
Cost of sales		(263,154)	(217,294)	21	(717,488)	(553,871)	30
Gross profit		130,238	136,694	(5)	369,572	380,613	(3)
Other income							
- Finance income	B	2,047	1,598	28	6,437	4,462	44
- Miscellaneous income		3,662	3,424	7	12,853	13,382	(4)
Expenses							
- Marketing and distribution	C	(15,260)	(16,524)	(8)	(47,721)	(46,048)	4
- Administrative		(20,192)	(19,705)	2	(57,950)	(59,246)	(2)
- Finance	D	(7,775)	(12,847)	(39)	(23,305)	(30,330)	(23)
- Other operating		(21,049)	(21,787)	(3)	(61,044)	(62,393)	(2)
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		33,040	34,479	(4)	97,593	96,214	1
Share of (loss)/profit of joint venture companies		(3,934)	10,272	(138)	3,672	22,690	(84)
Profit before fair value and other gains/(losses) and income tax		100,777	115,604	(13)	300,107	319,344	(6)
Other gains/(losses)	E	3,088	2,886	7	(3,622)	4,083	(189)
Fair value gains on associated companies' investment properties		-	-	-	9,112	2,371	284
Fair value (losses)/gains on the Group's investment properties		-	-	-	(28,687)	57,940	(150)
Profit before income tax	F	103,865	118,490	(12)	276,910	383,738	(28)
Income tax expense	G	(12,328)	(13,717)	(10)	(35,398)	(36,740)	(4)
Net profit		91,537	104,773	(13)	241,512	346,998	(30)
<u>Attributable to:</u>							
Equity holders of the Company		87,124	100,828	(14)	233,005	327,556	(29)
Non-controlling interests		4,413	3,945	12	8,507	19,442	(56)
		91,537	104,773	(13)	241,512	346,998	(30)
<b>The above net profit attributable to equity holders of the Company can be analysed as follows:</b>							
Attributable profit before fair value and other gains/(losses)		84,036	97,942	(14)	251,218	270,149	(7)
Other gains/(losses)		3,088	2,886	7	(3,622)	4,083	(189)
Fair value (losses)/gains on investment properties including those of associated companies		-	-	-	(14,591)	53,324	(127)
Net attributable profit		87,124	100,828	(14)	233,005	327,556	(29)

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>A Revenue</b>						
Revenue from property development	206,569	174,008	19	556,391	413,697	34
Revenue from property investments	57,541	56,368	2	168,188	164,443	2
Gross revenue from hotel ownership and operations	110,277	105,583	4	316,261	306,821	3
Revenue from hotel and other management services	5,596	4,869	15	16,039	14,652	9
Dividend income from available-for-sale financial assets	13,409	13,160	2	30,181	34,871	(13)
	393,392	353,988	11	1,087,060	934,484	16
<b>B Finance income</b>						
Interest income	1,913	1,598	20	3,980	4,462	(11)
Currency exchange gains (net)	134	-	n.m.	2,457	-	n.m.
	2,047	1,598	28	6,437	4,462	44
<b>C Marketing and distribution expense</b>						
Advertising and promotion	5,564	6,347	(12)	18,061	17,696	2
Marketing and distribution payroll and related expenses	4,960	4,569	9	14,399	13,612	6
Sales commissions	3,442	3,631	(5)	9,682	9,243	5
Showflat expenses	1,294	1,977	(35)	5,579	5,497	1
	15,260	16,524	(8)	47,721	46,048	4
<b>D Finance expense</b>						
Bank facility fees	821	1,011	(19)	2,634	2,752	(4)
Interest expense	13,451	15,131	(11)	42,740	42,847	(0)
Less: borrowing costs capitalised	(6,497)	(8,273)	(21)	(22,069)	(23,509)	(6)
Currency exchange losses (net)	-	4,978	(100)	-	8,240	(100)
	7,775	12,847	(39)	23,305	30,330	(23)
<b>E Other gains/(losses)</b>						
Negative goodwill on acquisition of interests in an associated company	3,088	2,886	7	3,461	3,407	2
Acquisition of 110 High Holborn						
- Gain on purchase <sup>1</sup>	-	-	-	3,709	-	n.m.
- Business acquisition costs <sup>1</sup>	-	-	-	(10,792)	-	n.m.
Gain on liquidation of an available-for-sale financial asset	-	-	-	-	676	(100)
	3,088	2,886	7	(3,622)	4,083	(189)

n.m. : not meaningful

<sup>1</sup> The gain on purchase for the nine months ended 30 September 2016 represents the provisional amount recognised upon the acquisition of 110 High Holborn, an investment property in London, where the transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations ("FRS103"). The gain resulted as the consideration for the acquisition was lower than the fair value of the net identifiable assets acquired. Business acquisition costs, comprising mainly stamp duty and professional fees incurred for the acquisition, were recognised in the income statement in accordance with FRS 103.

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>F</b> <u>Profit before income tax</u>						
Profit before income tax is stated after charging:						
Depreciation and amortisation	16,438	17,161	(4)	49,249	51,387	(4)
<b>G</b> <u>Income tax expense</u>						
Tax expense attributable to profit is made up of:						
- Profit for the financial year:						
Current income tax						
- Singapore	7,098	8,034	(12)	22,027	22,907	(4)
- Foreign	2,142	1,705	26	5,644	4,648	21
- Withholding tax paid	158	147	7	432	402	7
Deferred income tax						
- fair value losses of investment properties	-	-	-	(225)	(975)	(77)
- others	2,939	3,817	(23)	7,543	9,684	(22)
	12,337	13,703	(10)	35,421	36,666	(3)
- (Over)/under provision in prior financial years:						
Current income tax						
- Singapore	(9)	(8)	13	(9)	52	(117)
- Foreign	-	22	(100)	(14)	22	(164)
	12,328	13,717	(10)	35,398	36,740	(4)

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

	Note	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2016	2015	+ / (-)	2016	2015	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		91,537	104,773	(13)	241,512	346,998	(30)
Other comprehensive income/(loss):							
Available-for-sale financial assets:							
- Fair value gains/(losses)	A	17,927	(170,513)	111	(24,872)	(222,222)	89
- Reversal of deferred tax liabilities	B	-	-	-	-	96,328	(100)
Cash flow hedges:							
- Fair value gains/(losses)		127	(1,451)	109	(4,265)	(1,255)	(240)
- Transfer to income statement		(585)	115	(609)	(1,116)	94	(1,287)
Currency translation differences arising from consolidation of foreign operations	C	5,254	(11,766)	145	(14,693)	(16,624)	12
Share of other comprehensive income/(loss) of an associated company		919	3,220	(71)	(5,862)	5,189	(213)
Other comprehensive income/(loss), net of tax		23,642	(180,395)	113	(50,808)	(138,490)	63
Total comprehensive income/(loss)		115,179	(75,622)	252	190,704	208,508	(9)
<u>Attributable to:</u>							
Equity holders of the Company		110,809	(79,584)	239	182,322	188,797	(3)
Non-controlling interests		4,370	3,962	10	8,382	19,711	(57)
		115,179	(75,622)	252	190,704	208,508	(9)

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 2016 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Reversal of deferred tax liabilities

In 2015, the deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets were reversed following the agreement with Inland Revenue Authority of Singapore that these assets are non-trading in nature.

C 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, VND and GBP.

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	
		30.09.16	31.12.15	30.09.16	31.12.15
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		265,304	276,398	740	1,546
Trade and other receivables		230,236	197,106	3,261	2,551
Derivative financial instrument		63	1,338	-	-
Developed properties held for sale		34,525	40,251	-	-
Development properties	A	1,228,149	1,444,041	-	-
Inventories		666	734	-	-
Other assets		42,667	15,618	544	199
Current income tax assets		156	125	-	-
		1,801,766	1,975,611	4,545	4,296
<b>Non-current assets</b>					
Trade and other receivables	B	76,830	13,348	937,513	745,969
Derivative financial instrument		24	-	-	-
Available-for-sale financial assets		793,114	804,872	611,114	619,647
Investments in associated companies		3,384,230	3,279,632	163,725	162,737
Investments in joint venture companies		83,960	86,349	-	-
Investments in subsidiaries		-	-	1,800,714	1,800,714
Investment properties	C	4,277,054	4,134,897	416,200	421,500
Property, plant and equipment		1,155,439	1,178,534	1,060	1,113
Intangibles		22,980	23,336	2	14
Deferred income tax assets		4,250	4,702	-	-
		9,797,881	9,525,670	3,930,328	3,751,694
<b>Total assets</b>		<b>11,599,647</b>	<b>11,501,281</b>	<b>3,934,873</b>	<b>3,755,990</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		220,695	238,322	587,247	397,787
Current income tax liabilities		37,707	41,788	1,607	1,205
Bank loans	D	1,023,663	523,339	265,530	179,403
3.043% unsecured fixed rate notes due 2017		74,936	-	74,936	-
Finance lease liabilities		270	266	-	-
		1,357,271	803,715	929,320	578,395
<b>Non-current liabilities</b>					
Trade and other payables		159,265	156,027	4,265	4,279
Finance lease liabilities		3,611	3,553	-	-
Bank loans	D	988,221	1,730,325	174,809	207,434
2.5% unsecured fixed rate notes due 2020	E	239,060	-	-	-
2.5% unsecured fixed rate notes due 2018		174,724	174,646	-	-
3.043% unsecured fixed rate notes due 2017		-	74,899	-	74,899
Derivative financial instrument	F	6,210	978	4,969	978
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		4,360	3,854	-	-
Deferred income tax liabilities		96,625	89,159	2,740	3,490
		1,735,085	2,296,450	186,783	291,080
<b>Total liabilities</b>		<b>3,092,356</b>	<b>3,100,165</b>	<b>1,116,103</b>	<b>869,475</b>
<b>NET ASSETS</b>		<b>8,507,291</b>	<b>8,401,116</b>	<b>2,818,770</b>	<b>2,886,515</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,271,453	1,216,099	1,271,453	1,216,099
Reserves		840,018	889,866	454,738	475,608
Retained earnings		5,897,505	5,788,210	1,092,579	1,194,808
		8,008,976	7,894,175	2,818,770	2,886,515
<b>Non-controlling interests</b>		<b>498,315</b>	<b>506,941</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>8,507,291</b>	<b>8,401,116</b>	<b>2,818,770</b>	<b>2,886,515</b>

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 Development properties

The decrease in development properties was mainly due to the completion of Seventy Saint Patrick's during third quarter 2016 and progressive billings for on-going development projects.

B Non-current trade and other receivables

Non-current trade and other receivables have increased with a new shareholder's loan granted to a joint venture company, United Venture Development (Clementi) Pte. Ltd., to fund its acquisition of a residential site at Clementi Avenue 1 which was successfully tendered at a price of \$302.1 million. The development at this site is named Clement Canopy.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. It is the practice of the Group to revalue its investment properties half yearly. The increase in investment properties was due mainly to 1) the acquisition of an investment property at 110 High Holborn, London for a consideration of £97.1 million (\$\$181.6 million); offset in part by 2) fair value losses of \$28.7 million recognised in the second quarter of 2016.

D Current and non-current bank loans

The net decrease in current and non-current bank loans of \$242.7 million was due mainly to repayments from the proceeds of a \$240 million unsecured fixed rate note issued in September 2016.

E 2.5% unsecured fixed rate notes due 2020

A \$240 million 2.5% unsecured fixed rate note was issued on 29 September 2016 and will mature on 29 September 2020.

F Derivative financial instrument

The \$6.2 million of derivative financial instrument under non-current liability resulted mainly from fair value losses on interest rate swaps entered into by the Group to hedge floating rate interest payments on bank loans where the Group pays fixed and receives floating rates on the swaps.

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

	As at 30.09.16		As at 31.12.15	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	333,076	766,205	91,989	431,535
Amount repayable after one year	615,830	854,163	1,027,767	1,022,129

Details of any collaterals

The borrowings are secured by bank deposits, 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	
		3rd Qtr	3rd Qtr
		2016	2015
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		91,537	104,773
Adjustments for:			
Income tax expense		12,328	13,717
Non-cash items		(25,247)	(20,394)
Dividend and interest income		(15,322)	(14,758)
Interest expense		7,775	7,869
Negative goodwill on acquisition of interests in an associated company		(3,088)	(2,886)
		<u>67,983</u>	<u>88,321</u>
Change in working capital			
Receivables	i	(30,917)	(81,904)
Development properties	ii	68,226	46,944
Inventories		2	6
Payables	iii	9,965	58,953
		<u>47,276</u>	<u>23,999</u>
Cash generated from operations		115,259	112,320
Income tax paid		(16,062)	(29,302)
<b>Net cash from operating activities</b>		<u>99,197</u>	<u>83,018</u>
<b>Cash flows from investing activities</b>			
Payments for intangibles		(137)	(561)
Payments for interest in an associated company		(4,559)	(9,862)
Loans to joint venture and associated companies		(1,750)	(1,375)
Repayment of loan by a joint venture company	iv	55,450	-
Net proceeds from disposal of property, plant and equipment		76	148
Purchase of property, plant and equipment and investment properties		(3,508)	(12,632)
Interest received		844	1,598
Dividends received		2,336	15,200
<b>Net cash from/(used in) investing activities</b>		<u>48,752</u>	<u>(7,484)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		216	128
Loans from non-controlling shareholder of a subsidiary		-	2,670
Proceeds from 2.5% unsecured fixed rate notes due 2020	v	240,000	-
Proceeds from borrowings		55	178,894
Repayment of borrowings	v	(381,799)	(219,536)
Expenditure relating to bank borrowings		(1,016)	(1,432)
Interest paid		(12,382)	(13,401)
Payment of finance lease liabilities		(67)	(65)
<b>Net cash used in financing activities</b>		<u>(154,993)</u>	<u>(52,742)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(7,044)</u>	<u>22,792</u>
Cash and cash equivalents at the beginning of the financial period		272,166	262,316
Effects of currency translation on cash and cash equivalents		(18)	(1,501)
<b>Cash and cash equivalents at the end of the financial period</b>	vi	<u>265,104</u>	<u>283,607</u>

- 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. Receivables

The cashflow movements for receivables in the third quarter of 2016 and 2015 were due mainly to the timing of progressive billings of development projects.

i. Development properties

The cashflow movement for development properties in the third quarter of 2016 arose mainly from the receipt of temporary occupation permit ("TOP") for Seventy Saint Patrick's while the cash inflow in the third quarter of 2015 related mainly to the receipt of TOP for Katong Regency.

iii. Payables

The movements in cashflow for payables in the third quarter of 2016 and 2015 were due mainly to higher accrued expenditure on development projects.

iv. Repayment of loan by a joint venture company

The repayment of loan was by United Venture Development (Thomson) Pte. Ltd., with proceeds from the completion of its development project, Thomson Three.

v. Proceeds from 2.5% unsecured fixed rate notes due 2020/Repayment of borrowings

Net repayment of borrowings in the third quarter of 2016 were made with funds from the progressive billings of development projects and the issue of the \$240 million unsecured fixed rate note due 2020, with a coupon rate of 2.5%.

vi. Cash and cash equivalents

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

	<u>The Group</u>	
	<u>30.09.16</u>	<u>30.06.15</u>
	\$'000	\$'000
Fixed deposits with financial institutions	177,563	156,656
Cash at bank and on hand	<u>87,741</u>	<u>130,654</u>
Cash and bank balances per Statement of Financial Position	265,304	287,310
Less: Bank deposits pledged as security	(200)	(3,703)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u><u>265,104</u></u>	<u><u>283,607</u></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>The Group</u>	<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
<b>2016</b>					
Balance at 1 July 2016	1,271,237	816,064	5,810,381	493,945	8,391,627
Profit for the period	-	-	87,124	4,413	91,537
Other comprehensive income/(loss) for the period	-	23,685	-	(43)	23,642
Total comprehensive income for the period	-	23,685	87,124	4,370	115,179
Employee share option scheme					
- value of employee services	-	269	-	-	269
- proceeds from shares issued	216	-	-	-	216
Total transactions with owners, recognised directly in equity	216	269	-	-	485
Balance at 30 September 2016	1,271,453	840,018	5,897,505	498,315	8,507,291
<b>2015</b>					
Balance at 1 July 2015	1,215,896	1,019,362	5,623,416	501,107	8,359,781
Profit for the period	-	-	100,828	3,945	104,773
Other comprehensive (loss)/income for the period	-	(180,412)	-	17	(180,395)
Total comprehensive (loss)/income for the period	-	(180,412)	100,828	3,962	(75,622)
Employee share option scheme					
- value of employee services	-	341	-	-	341
- proceeds from shares issued	128	-	-	-	128
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	51	-	51
Total transactions with owners, recognised directly in equity	128	341	51	-	520
Balance at 30 September 2015	1,216,024	839,291	5,724,295	505,069	8,284,679

- 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. (cont'd)

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

<u>The Company</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
Balance at 1 July 2016	1,271,237	441,163	1,084,146	2,796,546
Profit for the period	-	-	8,433	8,433
Other comprehensive income for the period	-	13,306	-	13,306
Total comprehensive income for the period	-	13,306	8,433	21,739
Employee share option scheme				
- value of employee services	-	269	-	269
- proceeds from shares issued	216	-	-	216
Total transactions with owners, recognised directly in equity	216	269	-	485
Balance at 30 September 2016	1,271,453	454,738	1,092,579	2,818,770
<b>2015</b>				
Balance at 1 July 2015	1,215,896	583,241	1,182,217	2,981,354
Profit for the period	-	-	7,287	7,287
Other comprehensive loss for the period	-	(130,281)	-	(130,281)
Total comprehensive (loss)/income for the period	-	(130,281)	7,287	(122,994)
Employee share option scheme				
- value of employee services	-	341	-	341
- proceeds from shares issued	128	-	-	128
Total transactions with owners, recognised directly in equity	128	341	-	469
Balance at 30 September 2015	1,216,024	453,301	1,189,504	2,858,829

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 2016, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 July 2016	805,960,603
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S\$4.91 per share	23,000
2011 Options at exercise price of S\$4.62 per share	6,000
2012 Options at exercise price of S\$5.40 per share	14,000
Ordinary shares issued upon exercise of options	43,000
Issued share capital as at 30 September 2016	<u>806,003,603</u>

As at 30 September 2016, there were 5,442,000 (30.9.2015: 4,605,000) ordinary shares which may be issued upon the exercise of options 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 2016 and 30 September 2015.

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	
	30.09.16	31.12.15
Total number of issued shares, excluding treasury shares	806,003,603	796,219,003

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 2015.

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 2016, the Group adopted the new or amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the new or amended FRS that are relevant to the Group:

- Improvements to Financial Reporting Standards (issued in November 2014)
- Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements
- Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 111 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interests in Other Entities, FRS 28 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

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.

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 2016	3rd Qtr 2015
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 10.90	cents 12.76
(ii) On a fully diluted basis	cents 10.90	cents 12.75

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the financial 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	
	30.09.16	31.12.15	30.09.16	31.12.15
Net asset value per ordinary share	\$9.94	\$9.91	\$3.50	\$3.63
Net tangible asset backing per ordinary share	\$9.91	\$9.89	\$3.50	\$3.63

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 2016 increased by \$39.4 million or 11% to \$393.4 million from \$354.0 million in the previous corresponding quarter with improvements in all segments. Revenue for property development increased due mainly to higher progressive recognition of revenue from development projects, Riverbank@Fernvale, Botanique at Bartley and Principal Garden. The increase in revenue from hotel operations was mainly from Pan Pacific Tianjin, PARKROYAL Penang and PARKROYAL Parramatta.

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. (cont'd)

#### **Gross profit margin**

Gross profit margin for the third quarter of 2016 was lower at 33% compared to 39% for the third quarter of 2015 due mainly to 1) higher revenue from property development which has higher cost ratio; and 2) higher property development margin in 2015.

#### **Finance income**

Finance income has increased in the third quarter of 2016 due mainly to higher interest income from shareholder's loan to a joint venture company for its development project, Clement Canopy.

#### **Expenses**

Finance expenses have decreased by \$5.1 million as expenses for the third quarter of 2015 included \$5.0 million in unrealised currency exchange losses on the Group's borrowings in US Dollars to fund its investments in the People's Republic of China. Currency exchange gains of \$0.1 million were recognised in the current quarter and have been included in finance income.

#### **Joint venture companies**

The decrease in contribution from joint venture companies was due mainly to the completion of joint venture development projects Archipelago and Thomson Three in September 2015 and May 2016 respectively.

#### **Profit & Loss**

##### **Third quarter ended 30 September 2016/2015**

The pre-tax profit before fair value and other gains/(losses) for the third quarter of 2016 was \$100.8 million, a decline of 13% compared to the profit of \$115.6 million for the third quarter of 2015. The decrease was due mainly to lower profit from joint venture companies.

The Group recorded a pre-tax profit of \$103.9 million, a decrease of 12% from the profit of \$118.5 million in the corresponding period of 2015. Profit after tax and non-controlling interest was \$87.1 million, a decrease of 14% from the profit of \$100.8 million in the corresponding quarter of 2015.

##### **Nine Months Ended 30 September 2016/2015**

The pre-tax profit before fair value and other gains/(losses) was \$300.1 million, a decrease of 6% from the profit of \$319.3 million for the first nine months of 2015. The decrease was attributed mainly to lower profit from property development and lower share of profit from joint venture companies.

With attributable net fair value and other losses of \$18.2 million in comparison with fair value and other gains of \$57.4 million in the previous corresponding period, profit after tax and non-controlling interest was \$233.0 million or a 29% decrease from the attributable profit of \$327.6 million in 2015.

#### **Net tangible asset and gearing**

The Group shareholders' funds increased from \$7.89 billion as at 31 December 2015 to \$8.01 billion as at 30 September 2016 due mainly to issue of shares under the scrip dividend scheme and profits recognised in the first nine months of 2016. The net tangible asset per ordinary share of the Group increased to \$9.91 as at 30 September 2016 from \$9.89 as at 31 December 2015.

The Group's gearing ratio remained the same at 0.27 as at 31 December 2015 and 30 September 2016. Although new loans were secured to fund the Group's acquisition of 110 High Holborn and for advances to a joint venture company for its development project, Clement Canopy, these were largely offset by repayments with funds from operations.

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

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.

Singapore's GDP growth for third quarter 2016 eased to 0.6% on a year-on-year basis from the 2.0% growth in the previous quarter. The Ministry of Trade and Industry expects full-year GDP growth to be between 1.0% and 2.0%.

The decline in prices of private residential properties in Singapore accelerated to 1.5% in third quarter 2016 compared with the 0.4% decline in the previous quarter. Demand for new homes is expected to remain sluggish. The large influx of upcoming supply in the next one to two years coupled with soft demand will put pressure on office rentals. Retail rents are likely to remain subdued as the market is still undergoing structural changes.

The weak global economic outlook will continue to weigh on the performance of the Group's hotels.

- 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 2016.

- 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 2016 to be false or misleading.

#### **CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

#### **BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
10 November 2016