

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

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Income Statement**

	Note	3 months ended		+ / (-) %	9 months ended		+ / (-) %
		30.9.11 \$'000	30.9.10 \$'000 (restated)		30.9.11 \$'000	30.9.10 \$'000 (restated)	
Revenue	1	207,666	228,924	(9)	638,919	982,740	(35)
Cost of sales	2	(121,420)	(133,109)	(9)	(371,280)	(610,481)	(39)
Gross profit		86,246	95,815	(10)	267,639	372,259	(28)
Investment income	3	2,110	1,049	101	2,578	1,509	71
Other gains/(losses) - net		353	468	(25)	1,578	1,287	23
Selling and distribution costs		(4,729)	(4,530)	4	(14,395)	(15,424)	(7)
Administrative expenses		(5,062)	(4,753)	7	(14,125)	(16,448)	(14)
Finance expenses		(1,241)	(2,074)	(40)	(4,324)	(7,832)	(45)
Share of results of associated companies		6,646	5,857	13	24,047	32,218	(25)
Profit before fair valuation of investment properties		84,323	91,832	(8)	262,998	367,569	(28)
Fair value gain on investment properties	4	-	-	-	147,789	19,828	645
Profit before income tax	5	84,323	91,832	(8)	410,787	387,397	6
Income tax expense	6	(13,131)	(15,769)	(17)	(65,160)	(62,373)	4
Net profit		71,192	76,063	(6)	345,627	325,024	6
Attributable to:							
Equity holders of the Company		47,683	55,752	(14)	231,269	236,325	(2)
Non-controlling interests		23,509	20,311	16	114,358	88,699	29
		71,192	76,063	(6)	345,627	325,024	6

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

Net profit from operations		47,683	55,752	(14)	150,265	225,268	(33)
Net fair value gain on investment properties held by subsidiary and associated companies		-	-	-	81,004	11,057	633
Net attributable profit		47,683	55,752	(14)	231,269	236,325	(2)

## Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.11	30.9.10	30.9.11	30.9.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Net profit	71,192	76,063	345,627	325,024
Other comprehensive income/(expense) taken directly to equity:				
Net exchange differences on translation of financial statements of foreign entities	18,197	(7,353)	12,940	(6,689)
Total comprehensive income	89,389	68,710	358,567	318,335
Total comprehensive income attributable to:				
Equity holders of the Company	59,786	51,360	239,914	231,783
Non-controlling interests	29,603	17,350	118,653	86,552
	89,389	68,710	358,567	318,335

The net exchange gain of \$18.2 million for the 3 months ended 30 September 2011 was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

## Notes to the income statement

	3 months ended		9 months ended	
	30.9.11	30.9.10	30.9.11	30.9.10
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
<b>1. Revenue</b>				
Gross rental income	71,137	74,686	214,781	223,708
Gross revenue from hotel operations	36,624	32,486	102,835	90,033
Sale of properties held for sale	80,988	104,369	251,111	612,908
Gross revenue from information technology operations	16,688	15,202	63,534	49,762
Car parking income and property management fees	2,229	2,181	6,658	6,329
	207,666	228,924	638,919	982,740
<b>2. Cost of sales</b>				
Property operating expenses	17,756	17,617	52,165	52,532
Cost of sales from hotel operations	24,692	24,089	71,183	65,794
Cost of properties held for sale sold	64,538	78,227	191,192	448,787
Cost of sales from information technology operations	14,434	13,176	56,740	43,368
	121,420	133,109	371,280	610,481
<b>3. Investment income</b>				
Interest income	445	227	913	687
Dividend income	1,665	822	1,665	822
	2,110	1,049	2,578	1,509
<b>4. Fair value gain on investment properties</b>				
This relates to the valuation by independent professional valuers of investment properties held by subsidiary companies as at 30 June. Valuations are carried out half yearly in June and December.				
<b>5. Profit before income tax</b>				
Profit before income tax is stated after charging:				
Depreciation	4,505	4,486	13,591	13,027
<b>6. Income tax expense</b>				
Income tax expense includes the following:				
Provision for deferred income tax attributable to the fair value gain on investment properties held by subsidiary companies	-	-	25,124	3,376
<b>7. Restatement of comparative figures</b>				

Following the adoption of Interpretation of Financial Reporting Standard "INT FRS" 115 – Agreements for the Construction of Real Estate, certain comparative figures for 2010 have been restated resulting in the decrease in the Group's net attributable profit for the 3 months by \$0.8 million and increase for the 9 months ended 30 September 2010 by \$41.1 million compared with the results reported previously.

Please refer to Section 5 for details.

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

	Note	Group		Company	
		30.9.11 \$'000	31.12.10 \$'000 (restated)	30.9.11 \$'000	31.12.10 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	74,639	4,305	1,015,950	1,057,239
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies	2	369,350	233,325	-	-
Investments in subsidiary companies		-	-	1,227,519	1,227,519
Investment properties	3	5,617,767	5,458,000	-	-
Property, plant and equipment		485,440	491,518	326	143
		<u>6,559,241</u>	<u>6,199,193</u>	<u>2,243,795</u>	<u>2,284,901</u>
<b>Current assets</b>					
Cash and cash equivalents		104,476	140,028	420	580
Properties held for sale	4	414,614	487,586	-	-
Trade and other receivables	5	89,988	182,468	330	188
Inventories		3,747	2,561	-	-
		<u>612,825</u>	<u>812,643</u>	<u>750</u>	<u>768</u>
<b>Total assets</b>		7,172,066	7,011,836	2,244,545	2,285,669
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		251,732	252,317	1,633	2,294
Current income tax liabilities		80,293	83,729	696	673
Borrowings		644,628	649,675	339,320	468,068
		<u>976,653</u>	<u>985,721</u>	<u>341,649</u>	<u>471,035</u>
<b>Non-current liabilities</b>					
Trade and other payables	6	59,229	50,245	128,579	19,391
Borrowings		40,300	114,741	-	-
Deferred income tax liabilities		591,273	581,391	-	-
		<u>690,802</u>	<u>746,377</u>	<u>128,579</u>	<u>19,391</u>
<b>Total liabilities</b>		1,667,455	1,732,098	470,228	490,426
<b>NET ASSETS</b>		<u>5,504,611</u>	<u>5,279,738</u>	<u>1,774,317</u>	<u>1,795,243</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		1,401,382	1,400,927	1,401,382	1,400,927
Reserves		2,548,778	2,326,955	372,935	394,316
		<u>3,950,160</u>	<u>3,727,882</u>	<u>1,774,317</u>	<u>1,795,243</u>
Non-controlling interests		1,554,451	1,551,856	-	-
<b>TOTAL EQUITY</b>		<u>5,504,611</u>	<u>5,279,738</u>	<u>1,774,317</u>	<u>1,795,243</u>

Notes to the statement of financial position

1. The Company's other receivables, comprising mainly amounts due from subsidiary companies, decreased due to intercompany funding.  
The Group's other receivables, comprising mainly loans to associated companies, increased due to shareholder's loans granted to associated company, United Venture Development (Bedok) Pte. Ltd mainly in second quarter 2011.
2. The Group's investments in associated companies increased due mainly to additional capital contribution to associated company, Shanghai Jin Peng Realty Co Ltd in first quarter 2011.
3. The increase in investment properties was due mainly to the \$147.8 million fair value gain on the Group's investment properties (see Section 1(a) note 3).
4. The decrease in properties held for sale was due mainly to higher progress billings for the Park Natura residential property project following its completion in May 2011.
5. The decrease in trade and other receivables was due mainly to settlement of accrued receivables pertaining to the One Amber and Grand Duchess residential property projects.
6. The Company's non-current trade and other payables, comprising mainly amounts due from subsidiary companies, increased due to intercompany funding.
7. As at 30 September 2011, total current liabilities exceeds total current assets due mainly to current borrowings to fund contributions to associated companies (for development projects) in first half of 2011, and to pay \$160.1 million development charge (in third quarter 2010) for the proposed redevelopment of UIC Building (classified under investment properties).

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

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

At 30.9.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
99,908	544,720	134,835	514,840

**Amount repayable after one year**

At 30.9.11		At 31.12.10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
40,300	-	17,241	97,500

**Details of any collateral**

The \$140.2 million (31 December 2010: \$152.1 million) loans are secured by way of mortgages over certain property development projects and Pan Pacific Singapore hotel.

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

	Note	3 months ended	
		30.9.11	30.9.10
		\$'000	\$'000
			(restated)
<b>Cash flows from operating activities</b>			
Profit before income tax		84,323	91,832
Adjustments for profit		(2,888)	1,082
Working capital changes		9,794	25,650
Interest paid		(2,204)	(4,225)
Income tax paid	1	(25,189)	(13,927)
<b>Net cash provided by operating activities</b>		<u>63,836</u>	<u>100,412</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(670)	(1,347)
Upgrading of investment properties		(2,674)	(1,766)
Redevelopment of an investment property		(3,129)	(160,137)
Investment in an associated company		(500)	-
Loan to an associated company		(1,749)	-
Dividends received from unquoted equity investments		1,665	822
Interest received		385	377
<b>Net cash used in investing activities</b>		<u>(6,672)</u>	<u>(162,051)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(62,269)	53,392
Purchase of shares from non-controlling shareholders		(6,459)	(17,933)
Dividends paid to non-controlling shareholders		(2,100)	(13,916)
<b>Net cash (used in)/provided by financing activities</b>		<u>(70,828)</u>	<u>21,543</u>
<b>Net decrease in cash and cash equivalents</b>		(13,664)	(40,096)
Cash and cash equivalents at 1 July		118,140	189,006
<b>Cash and cash equivalents at 30 September</b>		<u>104,476</u>	<u>148,910</u>

Note:

1) Higher income tax payment is attributable mainly to income tax paid for the One Amber residential project completed in 2010.

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.

<b>Group</b>	<b>Attributable to equity holders of the Company</b>				<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Asset revaluation reserve</b>	<b>Other reserves</b>			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011</b>							
Balance at 1 July 2011	1,401,382	2,456,190	29,382	(1,201)	3,885,753	1,537,940	5,423,693
Total comprehensive income	-	47,683	-	12,103	59,786	29,603	89,389
Employee share option scheme							
- value of employee services	-	-	-	88	88	-	88
Effect of purchase of shares from non-controlling shareholders	-	4,533	-	-	4,533	(10,992)	(6,459)
Dividends paid	-	-	-	-	-	(2,100)	(2,100)
Balance at 30 September 2011	1,401,382	2,508,406	29,382	10,990	3,950,160	1,554,451	5,504,611
<b>2010</b>							
Balance at 1 July 2010							
- as previously reported	1,400,927	1,731,705	29,382	6,260	3,168,274	1,456,979	4,625,253
- effect of adopting INT FRS 115	-	(6,539)	-	(20)	(6,559)	(210)	(6,769)
Balance at 1 July 2010, as restated	1,400,927	1,725,166	29,382	6,240	3,161,715	1,456,769	4,618,484
Total comprehensive income/(expense)	-	55,752	-	(4,392)	51,360	17,350	68,710
Employee share option scheme							
- value of employee services	-	-	-	52	52	-	52
Effect of purchase of shares from non-controlling shareholders	-	5,282	-	-	5,282	(23,215)	(17,933)
Dividends paid	-	-	-	-	-	(13,916)	(13,916)
Balance at 30 September 2010	1,400,927	1,786,200	29,382	1,900	3,218,409	1,436,988	4,655,397
<b>Company</b>							
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Share option reserve</b>	<b>Total equity</b>			
	\$'000	\$'000	\$'000	\$'000			
<b>2011</b>							
Balance at 1 July 2011	1,401,382	368,785	2,947	1,773,114			
Total comprehensive income	-	1,115	-	1,115			
Employee share option scheme							
- value of employee services	-	-	88	88			
Balance at 30 September 2011	1,401,382	369,900	3,035	1,774,317			
<b>2010</b>							
Balance at 1 July 2010	1,400,927	346,067	2,434	1,749,428			
Total comprehensive income	-	15,051	-	15,051			
Employee share option scheme							
- value of employee services	-	-	52	52			
Balance at 30 September 2010	1,400,927	361,118	2,486	1,764,531			

**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.**

There was no change in the Company's share capital for the three months ended 30 September 2011.

As at 30 September 2011, there were 4,332,000 (30 September 2010: 4,250,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the "UIC Share Option Scheme", approved at a shareholders' meeting in 2001.

**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.**

	<b>30.9.11</b>	<b>31.12.10</b>
	'000	'000
Total number of issued shares	1,377,815	1,377,481

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the 2010 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Interpretation of Financial Reporting Standard "INT FRS" 115- Agreements for the Construction of Real Estate was issued by the Accounting Standards Council (ASC) in August 2010 and applies for financial year beginning on or after 1 January 2011. The Group had early adopted this interpretation for the full financial year 2010 in the last quarter of 2010. Based on INT FRS 115, revenue for the sale of The Excellency development property in China was recognised only upon completion of construction whereas the sale of residential properties in Singapore continued to be recognised on a percentage of completion basis.

In June 2011, the ASC clarified that its earlier ruling on the recognition of revenue by stage of completion on sales of uncompleted residential properties in Singapore does not address the accounting treatment of sales made with a Deferred Payment Scheme ("DPS") feature. Following this clarification note, the Group has retrospectively recognised such sales on the completion of construction method.

In respect of sales of development properties in Singapore with a DPS feature and in China, the effects of adopting INT FRS 115 on the previously reported Group's results for the 3 and 9 months ended 30 September 2010 are as follows:

	<b>3 months ended 30 September 2010</b>			<b>9 months ended 30 September 2010</b>		
	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000	Previously reported \$'000	Restated \$'000	Increase/ (Decrease) \$'000
<b>Income Statement</b>						
Revenue	236,033	228,924	(7,109)	789,297	982,740	193,443
Cost of sales	(139,213)	(133,109)	(6,104)	(467,695)	(610,481)	142,786
Share of results of associated companies	5,857	5,857	-	19,464	32,218	12,754
Income tax expense	(15,952)	(15,769)	(183)	(53,635)	(62,373)	8,738
Net profit	76,885	76,063	(822)	270,351	325,024	54,673
Attributable to:						
- Equity holders of the Company	56,596	55,752	(844)	195,236	236,325	41,089
- Non-controlling interests	20,289	20,311	22	75,115	88,699	13,584
	76,885	76,063	(822)	270,351	325,024	54,673
Basic and diluted earnings per share (cents)	4.1	4.0	(0.1)	14.2	17.2	3.0

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>30.9.11</b>	<b>30.9.10</b>
Earnings per ordinary share		(restated)
(a) Based on the weighted average number of ordinary shares on issue	3.5 cents	4.0 cents
(b) <u>On a fully diluted basis</u> 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 the average market price in the current quarter. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.		

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>30.9.11</b>	<b>31.12.10</b>
Net asset value per ordinary share		
Group	\$2.87	\$2.71
Company	\$1.29	\$1.30



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Comparison of 3rd quarter 2011 results with 2010

Total revenue at \$207.7 million was lower by \$21.3 million (9%) due mainly to lower sales of trading properties and lower rental income, partially offset by higher revenue from hotel operations.

Progressive sales recognition of trading properties at \$81.0 million declined by \$23.4 million (22%) following completion of the Park Natura project in May 2011. Although office occupancy rates have improved, gross rental income at \$71.1 million was lower by \$3.6 million (5%) as office renewal rental rates were still lower than the expiry rates.

Revenue contribution from hotel operations increased by \$4.1 million (13%) to \$36.6 million due mainly to higher room and occupancy rates, and higher F&B revenue in Pan Pacific Singapore.

In summary, net profit from operations decreased by \$8.1 million (14%) to \$47.7 million.

Comparison of 9 months ended 30 September 2011 results with 2010

Revenue at \$638.9 million was lower by \$343.8 million (35%) due mainly to lower sales recognition of trading properties and lower rental income, partially offset by higher revenue from information technology and hotel operations.

In line with the lower revenue and absence of associated company's contribution from The Regency @ Tiong Bahru residential property project (completed in March 2010) amounting to \$13.8 million in the first quarter of 2010, net profit from operations decreased by \$75.0 million (33%) to \$150.3 million. The net fair value gain on investment properties of \$81.0 million (YTD 3Q 2010: \$11.1 million) led to an overall net attributable profit of \$231.3 million (YTD 3Q 2010: \$236.3 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 uncertainty in the global economic outlook coupled with the increasing supply of primary and secondary office space will likely impact the office rental market. The retail rental market is however expected to stay resilient with healthy demand from international retailers and in suburban malls serving large catchment area.

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

UIC Building shall be completely vacant by end 2011 and be demolished in early 2012 for the development of a 60:40 residential/commercial building.

**11. Dividend**

*(a) Current Financial Period Reported On*

Any dividend recommended for the current financial period reported on? None.

*(b) Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

*(c) Date payable*

Not applicable.

*(d) Books closure date*

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 30 September 2011.

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

No IPT mandate has been obtained.

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the third quarter ended 30 September 2011 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
28 October 2011