

**Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2012**

**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		+ / (-) %
		30.9.12 \$'000	30.9.11 \$'000		30.9.12 \$'000	30.9.11 \$'000	
						(restated)	
Revenue	1	181,213	207,666	(13)	554,043	638,919	(13)
Cost of sales	2	(111,024)	(121,420)	(9)	(343,210)	(371,280)	(8)
Gross profit		70,189	86,246	(19)	210,833	267,639	(21)
Investment income	3	2,845	2,110	35	3,770	2,578	46
Other gains/(losses) - net		611	353	73	2,105	1,578	33
Selling and distribution costs	4	(11,016)	(4,729)	133	(22,105)	(14,395)	54
Administrative expenses		(4,378)	(5,062)	(14)	(13,695)	(14,125)	(3)
Finance expenses		(797)	(1,241)	(36)	(2,137)	(4,324)	(51)
Share of results of associated companies		8,244	6,646	24	24,570	24,585	(0)
Share of results of a joint venture		1,453	-	n.m.	(1,661)	-	n.m.
Profit before fair valuation of investment properties		67,151	84,323	(20)	201,680	263,536	(23)
Fair value gain on investment properties	5	-	-	-	51,952	147,789	(65)
Profit before income tax	6	67,151	84,323	(20)	253,632	411,325	(38)
Income tax expense		(10,288)	(13,131)	(22)	(33,930)	(40,036)	(15)
Net profit		56,863	71,192	(20)	219,702	371,289	(41)
Attributable to:							
Equity holders of the Company		40,235	47,683	(16)	166,737	247,289	(33)
Non-controlling interests		16,628	23,509	(29)	52,965	124,000	(57)
		56,863	71,192	(20)	219,702	371,289	(41)

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

Net profit from operations		40,235	47,683	(16)	117,255	150,265	(22)
Fair value gain on investment properties							
held by subsidiary and associated companies		-	-	-	49,482	97,024	(49)
Net attributable profit		40,235	47,683	(16)	166,737	247,289	(33)

n.m. - not meaningful

## Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.12	30.9.11	30.9.12	30.9.11
	\$'000	\$'000	\$'000	\$'000 (restated)
Net profit	56,863	71,192	219,702	371,289
Other comprehensive (expense)/income taken directly to equity:				
Net exchange differences on translation of financial statements of foreign entities	(6,403)	18,197	(16,405)	12,940
Total comprehensive income	50,460	89,389	203,297	384,229
Total comprehensive income attributable to:				
Equity holders of the Company	35,649	59,786	155,069	255,934
Non-controlling interests	14,811	29,603	48,228	128,295
	50,460	89,389	203,297	384,229

The net exchange loss of \$6.4 million and \$16.4 million for the 3 months and 9 months ended 30 September 2012 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	
	30.9.12	30.9.11	30.9.12	30.9.11
	\$'000	\$'000	\$'000	\$'000
<b>1. Revenue</b>				
Gross rental income	66,647	71,137	202,157	214,781
Gross revenue from hotel operations	13,756	36,624	55,972	102,835
Sale of properties held for sale	84,459	80,988	230,092	251,111
Gross revenue from information technology operations	14,009	16,688	58,277	63,534
Car parking income and property services fees	2,342	2,229	7,545	6,658
	181,213	207,666	554,043	638,919
<b>2. Cost of sales</b>				
Property operating expenses	16,636	17,756	49,892	52,165
Cost of sales from hotel operations	17,752	24,692	62,062	71,183
Cost of properties held for sale sold	64,324	64,538	178,928	191,192
Cost of sales from information technology operations	12,312	14,434	52,328	56,740
	111,024	121,420	343,210	371,280
<b>3. Investment income</b>				
Interest income	616	445	1,541	913
Dividend income	2,229	1,665	2,229	1,665
	2,845	2,110	3,770	2,578
<b>4. Selling and distribution costs</b>				
The increase in selling and distribution costs was due mainly to the showflat, advertising and marketing expenses for the Five on Shenton residential project which was launched for sale in July 2012.				
<b>5. 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>6. Profit before income tax</b>				
Profit before income tax is stated after charging:				
Depreciation	4,448	4,505	20,427	13,591

Depreciation for the 9 months ended 30 September 2012 included the accelerated depreciation of \$7.0 million on certain plant and equipment replaced in the major renovation of Pan Pacific Singapore hotel.

### 7. Restatement of comparative figures

Following the adoption of amendments to Financial Reporting Standard ("FRS") 12 – *Deferred Tax: Recovery of Underlying Assets*, certain comparative figures have been restated resulting in the increase in the Group's net attributable profit for the 9 months ended 30 September 2011 by \$16.0 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	
		30.9.12 \$'000	31.12.11 \$'000 (restated)	30.9.12 \$'000	31.12.11 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Other receivables	1	131,898	73,381	1,159,698	1,231,507
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		392,575	382,348	-	-
Investment in joint ventures		-	-	-	-
Investments in subsidiary companies		-	-	1,228,519	1,227,519
Investment properties	2	5,282,094	5,219,900	-	-
Property, plant and equipment		519,633	479,774	711	737
		<u>6,338,245</u>	<u>6,167,448</u>	<u>2,388,928</u>	<u>2,459,763</u>
<b>Current assets</b>					
Cash and cash equivalents		112,515	100,052	535	565
Properties held for sale	3	811,660	878,932	-	-
Trade and other receivables		143,658	96,479	1,198	1,405
Inventories		2,744	1,995	-	-
		<u>1,070,577</u>	<u>1,077,458</u>	<u>1,733</u>	<u>1,970</u>
<b>Total assets</b>		<b>7,408,822</b>	<b>7,244,906</b>	<b>2,390,661</b>	<b>2,461,733</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		214,080	273,971	2,579	3,252
Current income tax liabilities		56,095	85,513	701	696
Borrowings		746,542	744,205	466,570	505,425
		<u>1,016,717</u>	<u>1,103,689</u>	<u>469,850</u>	<u>509,373</u>
<b>Non-current liabilities</b>					
Trade and other payables		48,803	54,412	166,885	154,518
Borrowings		182,650	41,440	-	-
Deferred income tax liabilities		71,581	65,242	-	-
		<u>303,034</u>	<u>161,094</u>	<u>166,885</u>	<u>154,518</u>
<b>Total liabilities</b>		<b>1,319,751</b>	<b>1,264,783</b>	<b>636,735</b>	<b>663,891</b>
<b>NET ASSETS</b>		<b>6,089,071</b>	<b>5,980,123</b>	<b>1,753,926</b>	<b>1,797,842</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		1,401,892	1,401,382	1,401,892	1,401,382
Reserves		3,056,423	2,906,849	352,034	396,460
		<u>4,458,315</u>	<u>4,308,231</u>	<u>1,753,926</u>	<u>1,797,842</u>
Non-controlling interests		1,630,756	1,671,892	-	-
<b>TOTAL EQUITY</b>		<b>6,089,071</b>	<b>5,980,123</b>	<b>1,753,926</b>	<b>1,797,842</b>

Notes to the statement of financial position

- 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 and joint ventures, increased due mainly to shareholder's loans granted to joint venture, UVD Pte. Ltd. for the Bright Hill Drive residential property project.
- The increase in investment properties was due mainly to the \$52.0 million fair value gain on the Group's investment properties (see Section 1(a) note 5).
- The decrease in properties held for sale was due mainly to progress billings for The Trizon residential property project following its completion in the quarter ended 30 June 2012.

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

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

At 30.9.12		At 31.12.11	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,194	744,348	2,080	742,125

**Amount repayable after one year**

At 30.9.12		At 31.12.11	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
182,650	-	41,440	-

**Details of any collateral**

The \$184.8 million loans are secured by way of mortgages over Pan Pacific Singapore hotel, Westin Tianjin hotel, certain property development projects and bank deposits pledged.

**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	
		30.9.12	30.9.11
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		67,151	84,323
Adjustments to profit		(7,095)	(2,888)
Working capital changes		(20,559)	9,794
Interest paid		(2,516)	(2,204)
Income tax paid		(23,421)	(25,189)
<b>Net cash provided by operating activities</b>		<b>13,560</b>	<b>63,836</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	1	(55,578)	(670)
Upgrading of investment properties		(3,345)	(2,674)
Redevelopment of an investment property		(1,957)	(3,129)
Loan to joint ventures		(49,807)	(1,749)
Investment in a joint venture		-	(500)
Dividends received from unquoted equity investments		2,229	1,665
Dividends received from an associated company		2,190	-
Interest received		222	385
<b>Net cash used in investing activities</b>		<b>(106,046)</b>	<b>(6,672)</b>
<b>Cash flows from financing activities</b>			
Proceeds from/(Repayment of) borrowings		110,342	(62,269)
Proceeds from issue of shares		49	-
Purchase of shares from non-controlling shareholders		(31,067)	(6,459)
Dividends paid to non-controlling shareholders		(1,020)	(2,100)
<b>Net cash provided by/(used in) financing activities</b>		<b>78,304</b>	<b>(70,828)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(14,182)</b>	<b>(13,664)</b>
Cash and cash equivalents at 1 July		121,127	118,140
<b>Cash and cash equivalents at 30 September</b>		<b>106,945</b>	<b>104,476</b>

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

	30.9.12	30.9.11
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	112,515	104,476
Less: Bank deposits pledged as security	(5,570)	-
Cash and cash equivalents (per Statement of Cash Flows)	<b>106,945</b>	<b>104,476</b>

**Note:**

1. The purchase of property, plant and equipment in the 3 months ended 30 September 2012 was attributable mainly to the renovation of Pan Pacific Singapore hotel.

**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.**

<u>Group</u>	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Asset revaluation reserve	Other reserves			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2012</b>							
Balance at 1 July 2012	1,401,843	2,950,031	29,382	5,892	4,387,148	1,683,304	6,070,452
Total comprehensive income/(expense)	-	40,235	-	(4,586)	35,649	14,811	50,460
Employee share option scheme							
- value of employee services	-	-	-	197	197	-	197
- proceeds from shares issued	49	-	-	-	49	-	49
Effect of purchase of shares from non-controlling shareholders	-	35,272	-	-	35,272	(66,339)	(31,067)
Dividends paid	-	-	-	-	-	(1,020)	(1,020)
Balance at 30 September 2012	1,401,892	3,025,538	29,382	1,503	4,458,315	1,630,756	6,089,071
<b>2011</b>							
Balance at 1 July 2011							
- as previously reported	1,401,382	2,456,190	29,382	(1,201)	3,885,753	1,537,940	5,423,693
- effect of adopting FRS 12	-	401,024	-	-	401,024	128,026	529,050
Balance at 1 July 2011, as restated	1,401,382	2,857,214	29,382	(1,201)	4,286,777	1,665,966	5,952,743
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	-	5,024	-	-	5,024	(11,483)	(6,459)
Dividends paid	-	-	-	-	-	(2,100)	(2,100)
Balance at 30 September 2011	1,401,382	2,909,921	29,382	10,990	4,351,675	1,681,986	6,033,661
<b>Company</b>							
	Share capital	Retained earnings	Share option reserve	Total equity			
	\$'000	\$'000	\$'000	\$'000			
<b>2012</b>							
Balance at 1 July 2012	1,401,843	348,609	3,561	1,754,013			
Total comprehensive expense	-	(333)	-	(333)			
Employee share option scheme							
- value of employee services	-	-	197	197			
- proceeds from shares issued	49	-	-	49			
Balance at 30 September 2012	1,401,892	348,276	3,758	1,753,926			
<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			

**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.**

The changes in the Company's issued share capital for the 3 months ended 30 September 2012 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 July 2012	1,378,091
Issue of ordinary shares arising from the exercise of UIC share options	24
Issued share capital as at 30 September 2012	<u>1,378,115</u>

As at 30 September 2012, there were 4,966,000 (30 September 2011: 4,332,000) 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.

**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>30.9.12</b> '000	<b>31.12.11</b> '000
Total number of issued shares	<u>1,378,115</u>	<u>1,377,815</u>

**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 2011 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.**

The amendments to Financial Reporting Standard (“FRS”) 12 – *Deferred Tax: Recovery of Underlying Assets* (effective for annual periods beginning 1 January 2012) introduced an exception to the existing principle for the measurement of deferred income tax assets or liabilities on investment properties measured at fair value, where it is presumed that the carrying amount of an investment property is recovered entirely through sale unless this presumption is rebutted. Previously, FRS 12 requires an entity to measure the deferred income tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale.

Upon adoption of the amended FRS 12 on 1 January 2012, the Group's deferred income tax provision as at 31 December 2011 is no longer required and was written back retrospectively.

The effect of this change in accounting policy on the Group's results for the 9 months ended 30 September 2011 are as follow:

	<b>9 months ended 30 September 2011</b>		
	Previously reported	Restated	Increase/ (Decrease)
	\$'000	\$'000	\$'000
<u>Income statement</u>			
Share of results of associated companies	24,047	24,585	538
Income tax expense	(65,160)	(40,036)	(25,124)
Net profit	345,627	371,289	25,662
Attributable to :			
- Equity holders of the Company	231,269	247,289	16,020
- Non-controlling interests	114,358	124,000	9,642
	<u>345,627</u>	<u>371,289</u>	<u>25,662</u>
Basic and diluted earnings per share (cents)	16.8	17.9	1.2

There is no effect on the income statement for the 3 months ended 30 September 2011 as no valuation of the investment properties was carried out at end September 2011.

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

	Latest quarter	Previous quarter
	30.9.12	30.9.11
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	2.9 cents	3.5 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.**

	30.9.12	31.12.11
Net asset value per ordinary share		(restated)
Group	\$3.24	\$3.13
Company	\$1.27	\$1.30

The net asset value per ordinary share of the Group as at 31 December 2011 was restated upwards by \$0.27 to \$3.13 (please refer to Section 5).

**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 2012 results with 2011

Total revenue decreased by \$26.5 million (13%) to \$181.2 million due mainly to lower revenue from hotel operations and lower rental income, partially offset by higher sales of trading properties.

Revenue from hotel operations decreased by \$22.9 million (62%) to \$13.8 million due to the closure of Pan Pacific Singapore hotel for major renovation from April to August 2012.

Gross rental income at \$66.6 million was lower by \$4.5 million (6%) with the absence of \$3.9 million revenue contribution from UIC Building which was completely vacated by end 2011.

Progressive sales recognition of trading properties at \$84.5 million was higher by \$3.5 million (4%) due to recognition of sales of The Excellency (Chengdu) residential property project, partially offset by lower contribution from The Trizon project which was completed in May 2012.

Selling and distribution costs increased by \$6.3 million (133%) to \$11.0 million due mainly to the showflat, advertising and marketing expenses for the Five on Shenton residential project which was launched for sale in July 2012.

Non-controlling interests at \$16.6 million was lower by \$6.9 million (29%) due mainly to lower contribution from the Pan Pacific Singapore hotel, which the Group has an effective 42% interest.

Overall, net profit from operations decreased by \$7.4 million (16%) to \$40.2 million.

Comparison of 9 months ended 30 September 2012 results with 2011

Revenue at \$554.0 million was lower by \$84.9 million (13%) with lower revenue from hotel operations, lower sales of trading properties and lower rental income.

In line with the lower revenue, net profit from operations decreased by \$33.0 million (22%) to \$117.3 million. The fair value gain, net of non-controlling interests, of \$49.5 million (YTD 3Q 2011: \$97.0 million), resulted in an overall net attributable profit of \$166.7 million (YTD 3Q 2011: \$247.3 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.**

Amidst the current economic slowdown and significant future supply of new and secondary office space, the office leasing market will remain competitive.

Leasing demand of retail space, especially in the suburban malls, and hotel room bookings are expected to remain firm with rising population, high employment and visitor growth.

The sales of trading properties depend on the residential property market. The low interest rate/high liquidity environment will continue to support demand of residential properties.

Pan Pacific Singapore hotel has reopened fully for business.

**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 2012.

**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).**

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 2012 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
2 November 2012