



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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Notes | Group | | | | | |
|--|-------|----------------------------------|----------|---------|--------------------------------|-----------|---------|
| | | Third Quarter Ended 30 September | | | Nine Months Ended 30 September | | |
| | | 2008 | 2007 | + / (-) | 2008 | 2007 | + / (-) |
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | A | 267,853 | 166,748 | 61 | 638,905 | 514,072 | 24 |
| Cost of sales | | (140,090) | (77,428) | 81 | (313,092) | (247,736) | 26 |
| Gross profit | | 127,763 | 89,320 | 43 | 325,813 | 266,336 | 22 |
| Other income | | | | | | | |
| - Miscellaneous | | 1,249 | 1,200 | 4 | 4,453 | 3,989 | 12 |
| - Finance income | B | 1,516 | 2,837 | (47) | 7,371 | 7,974 | (8) |
| Expenses | | | | | | | |
| - Marketing and distribution | | (6,078) | (8,736) | (30) | (19,721) | (18,517) | 7 |
| - Administrative | | (12,193) | (9,719) | 25 | (37,689) | (27,669) | 36 |
| - Finance | | (4,684) | (4,336) | 8 | (13,593) | (11,894) | 14 |
| - Other operating | | (19,735) | (15,274) | 29 | (50,992) | (44,029) | 16 |
| Share of profit of associated companies | | 15,095 | 8,200 | 84 | 48,517 | 24,686 | 97 |
| Profit before other gains, fair value gain and income tax | | 102,933 | 63,492 | 62 | 264,159 | 200,876 | 32 |
| Other gains/ (loss) | C | - | 17,768 | (100) | (414) | 56,008 | (101) |
| Fair value gain on investment properties | | - | - | - | 67,734 | 274,359 | (75) |
| Profit before income tax | D | 102,933 | 81,260 | 27 | 331,479 | 531,243 | (38) |
| Income tax expense | E | (14,964) | (10,848) | 38 | (36,126) | (51,434) | (30) |
| Net profit | | 87,969 | 70,412 | 25 | 295,353 | 479,809 | (38) |
| <u>Attributable to:</u> | | | | | | | |
| Equity holders of the Company | | 73,539 | 64,520 | 14 | 261,354 | 426,843 | (39) |
| Minority interests | | 14,430 | 5,892 | 145 | 33,999 | 52,966 | (36) |
| | | 87,969 | 70,412 | 25 | 295,353 | 479,809 | (38) |

n.m. : not meaningful

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

| | Group | | | | | |
|---|----------------------------------|---------|---------|--------------------------------|---------|---------|
| | Third Quarter Ended 30 September | | | Nine Months Ended 30 September | | |
| | 2008 | 2007 | + / (-) | 2008 | 2007 | + / (-) |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| A Revenue | | | | | | |
| Revenue from property development | 136,946 | 41,600 | 229 | 243,595 | 149,530 | 63 |
| Revenue from property investments | 32,974 | 25,965 | 27 | 91,563 | 74,923 | 22 |
| Gross revenue from hotel operations | 84,783 | 82,006 | 3 | 254,396 | 227,859 | 12 |
| Revenue from management services | 6,188 | 5,466 | 13 | 18,575 | 10,561 | 76 |
| Dividend income | 6,962 | 11,711 | (41) | 30,776 | 51,199 | (40) |
| | 267,853 | 166,748 | 61 | 638,905 | 514,072 | 24 |
| B Finance income | | | | | | |
| Interest income | 1,434 | 2,071 | (31) | 4,658 | 6,270 | (26) |
| Foreign exchange gain (net) | 82 | 766 | (89) | 2,713 | 1,704 | 59 |
| | 1,516 | 2,837 | (47) | 7,371 | 7,974 | (8) |
| C Other gains/ (loss) | | | | | | |
| Write-off of loan to an associated company | - | - | - | (414) | - | n.m. |
| Gain on sale of an investment property | - | - | - | - | 37,050 | (100) |
| Fair value reserve transferred to income statement on disposal of available-for-sale financial assets | - | - | - | - | 1,190 | (100) |
| Negative goodwill on acquisition of a subsidiary | - | 17,768 | (100) | - | 17,768 | (100) |
| | - | 17,768 | (100) | (414) | 56,008 | (101) |
| D Profit before income tax | | | | | | |
| Profit before income tax is stated after charging: Depreciation and amortisation * | 10,520 | 8,574 | 23 | 30,558 | 25,680 | 19 |
| E Income tax expense | | | | | | |
| Tax expense attributable to profit is made up of: | | | | | | |
| Current income tax | | | | | | |
| - Singapore | 3,901 | 7,395 | (47) | 11,546 | 22,555 | (49) |
| - Foreign | 2,413 | 1,618 | 49 | 8,664 | 3,851 | 125 |
| Deferred income tax | | | | | | |
| - fair value gain of investment properties | - | - | - | 702 | 22,170 | (97) |
| - others^ | 8,596 | 2,218 | 288 | 15,160 | 7,865 | 93 |
| | 14,910 | 11,231 | 33 | 36,072 | 56,441 | (36) |
| Under/(over) provision in preceding financial years | | | | | | |
| - Singapore current income tax | 54 | (383) | (114) | 54 | (91) | (159) |
| Effect of change in tax rate on deferred taxation | - | - | - | - | (4,916) | (100) |
| | 14,964 | 10,848 | 38 | 36,126 | 51,434 | (30) |

n.m.: not meaningful

* Increase in depreciation and amortisation charges is due to additional depreciation on the recently completed hotel renovation projects and the Pan Pacific Serviced Suites as well as amortisation of newly acquired intangible assets.

^ Increase in 'Deferred income tax - others' is due to the increase in operating profit from property development during the quarter / nine month period.

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

| | Notes | The Group | | The Company | |
|---|-------|------------------|------------------|------------------|------------------|
| | | <u>30.09.08</u> | <u>31.12.07</u> | <u>30.09.08</u> | <u>31.12.07</u> |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | | 200,613 | 405,707 | 235 | 45,818 |
| Trade and other receivables | A | 71,520 | 80,341 | 16,353 | 15,464 |
| Development properties | B | 1,170,016 | 854,039 | - | - |
| Inventories | | 3,603 | 3,745 | - | - |
| Available-for-sale financial assets | C | 506,485 | 599,931 | 506,028 | 599,471 |
| Other current assets | | 25,979 | 25,010 | 1,097 | 1,446 |
| Current income tax assets | | 2,617 | 335 | - | - |
| | | 1,980,833 | 1,969,108 | 523,713 | 662,199 |
| Non-current assets | | | | | |
| Trade and other receivables | D | 168,808 | 153,171 | 671,005 | 562,251 |
| Available-for-sale financial assets | C | 537,934 | 685,979 | 39,549 | 39,549 |
| Associated companies | E | 321,227 | 277,431 | 112,584 | 112,584 |
| Subsidiaries | | - | - | 1,401,910 | 1,301,487 |
| Investment properties | | 2,367,534 | 2,284,659 | 327,000 | 420,391 |
| Property, plant and equipment | F | 1,079,305 | 696,635 | 1,101 | 1,042 |
| Intangibles | | 39,699 | 39,225 | - | - |
| Other assets | | - | 71,096 | - | - |
| Deferred income tax assets | | 3,931 | 5,043 | - | - |
| | | 4,518,438 | 4,213,239 | 2,553,149 | 2,437,304 |
| Total assets | | 6,499,271 | 6,182,347 | 3,076,862 | 3,099,503 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 130,620 | 135,666 | 223,555 | 333,536 |
| Current income tax liabilities | | 107,750 | 117,609 | 76,389 | 77,863 |
| Bank overdrafts | | 30 | 934 | - | - |
| Bank loans | G | 566,544 | 259,084 | 130,000 | 231,100 |
| | | 804,944 | 513,293 | 429,944 | 642,499 |
| Non-current liabilities | | | | | |
| Bank loans | G | 834,372 | 772,947 | - | - |
| 3.34% unsecured fixed rate note due 2012 | | 149,601 | 149,519 | 149,601 | 149,519 |
| Unsecured floating rate note due 2012 | | 99,733 | 99,678 | 99,733 | 99,678 |
| Loans from minority shareholders of subsidiaries | | 79,516 | 40,347 | - | - |
| Rental deposits | | 21,633 | 21,180 | 3,400 | 2,657 |
| Retention monies | | 7,909 | 5,862 | 675 | 1,357 |
| Provision for retirement benefits | | 2,063 | 2,035 | - | - |
| Deferred income tax liabilities | | 203,866 | 208,360 | 78,731 | 97,974 |
| | | 1,398,693 | 1,299,928 | 332,140 | 351,185 |
| Total liabilities | | 2,203,637 | 1,813,221 | 762,084 | 993,684 |
| NET ASSETS | | 4,295,634 | 4,369,126 | 2,314,778 | 2,105,819 |
| EQUITY | | | | | |
| Capital & reserves attributable to the equity holders of the Company | | | | | |
| Share capital | | 1,075,315 | 1,075,266 | 1,075,315 | 1,075,266 |
| Reserves | | 699,693 | 939,699 | 324,449 | 411,251 |
| Retained earnings | | 2,074,111 | 1,932,165 | 915,014 | 619,302 |
| | | 3,849,119 | 3,947,130 | 2,314,778 | 2,105,819 |
| Minority Interests | | 446,515 | 421,996 | - | - |
| TOTAL EQUITY | | 4,295,634 | 4,369,126 | 2,314,778 | 2,105,819 |

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd)

Notes to the Balance Sheet

A Trade and other receivables - current

The balance of current trade and other receivables had declined following the receipt of progress payments from the Twin Regency development.

B Development properties

The increase is primarily due to the acquisition of the land parcel at Simei Street 4 for \$236.1 million and completion of the enbloc purchase of the property at Spottiswoode Park Road for \$79.5 million.

C 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 balance sheet date. The decrease in value as at 30 September 2008 is due to the decline in the closing bid prices of the relevant listed equity shares.

D Trade and other receivables - non-current

The increase in balance is due mainly to loans extended to associated companies to fund their respective residential development projects.

E Associated companies

The increase is attributable to the share of operating profit and fair value gains of associated companies.

F Property, plant and equipment

The increase relates mainly to:

- purchase of land parcel and construction works at Upper Pickering Street; and
- reclassification of land cost from development properties and the progress payments for work done at the project in Tianjin, China.

G Bank loans

The increase in borrowings was used principally for the purchase of the land parcel at Simei Street 4 and the property at Spottiswoode Park Road. As a result, the Group's net debt equity ratio increased from 23% as at 31 December 2007 to 40% as at 30 September 2008.

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

| | As At 30.9.08 | | As At 31.12.07 | |
|--|---------------|----------------------|----------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amount repayable in one year or less, or on demand | 105,974 | 460,700 [#] | 16,253 | 243,767 |
| Amount repayable after one year | 836,264 | 329,516 | 698,214 | 366,126 |

[#] An outstanding amount of \$84 million was repaid by a subsidiary in early October 2008 from proceeds of a new 3-year bank loan.

Details of any collateral

The borrowings are secured by mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties for sale 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 cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement for the third quarter ended 30 September

| | Group | |
|--|-------------------------|-------------------------|
| | 3 rd Quarter | 3 rd Quarter |
| | <u>2008</u> | <u>2007</u> |
| Notes | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Net profit | 87,969 | 70,412 |
| Adjustments for: | | |
| Income tax | 14,964 | 10,848 |
| Non-cash items | (6,272) | (582) |
| Investment and interest income | (8,396) | (13,782) |
| Interest expense | 4,684 | 4,336 |
| Negative goodwill on acquisition of a subsidiary | - | (17,768) |
| Operating cash flow before working capital changes | 92,949 | 53,464 |
| Change in operating assets and liabilities, net of effects from purchase of a subsidiary | | |
| Receivables | 5,859 | (38,955) |
| Development properties | (149,753) | (37,200) |
| Inventories | 25 | (269) |
| Rental deposits | 1,380 | 2,003 |
| Payables | 8,165 | 3,445 |
| | (134,324) | (70,976) |
| Retirement benefits paid | (50) | (6) |
| Income tax paid | (15,056) | (9,039) |
| Net cash used in operating activities | (56,481) | (26,557) |
| Cash flows from investing activities | | |
| Net proceeds from disposal of property, plant and equipment | 38 | 1,058 |
| Loans to associated companies | (9,500) | (13,649) |
| Repayment of loans from an associated company | - | 3,532 |
| Payment for interest in an associated company | - | (46) |
| Payment to minority shareholders for purchase of shares in a subsidiary | - | (2,739) |
| Acquisition of a subsidiary, net of cash acquired | - | 2,832 |
| Payment for interest in a China company (awaiting capital inspection and share issue) | - | (74,786) |
| Purchase of property, plant and equipment and investment properties | (20,287) | (30,589) |
| Retention monies withheld/(released) | 429 | (354) |
| Interest received | 1,614 | 2,431 |
| Dividends received | 10,212 | 12,755 |
| Net cash used in investing activities | (17,494) | (99,555) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | - | 360 |
| Net proceeds from issue of shares to minority shareholders of subsidiaries | 2,069 | 13,572 |
| Loans from minority shareholders of subsidiaries | 1,999 | - |
| Net borrowings | 95,231 | 95,414 |
| Interest paid | (9,272) | (5,826) |
| Net cash from financing activities | 90,027 | 103,520 |
| Net increase/(decrease) in cash and cash equivalents | 16,052 | (22,592) |
| Cash and cash equivalents at 1 July | 184,531 | 200,958 |
| Cash and cash equivalents at 30 September | 200,583 | 178,366 |

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Notes to the Consolidated Cash Flow Statement

i. Development properties

This includes:

- payment of a sum of \$71.5 million for the remaining 90% of the tendered price of property at Spottiswoode Park Road; and
- progressive payments for construction costs of various residential projects.

ii. Cash and cash equivalents

For the purposes of the consolidated cash flow statement, the cash and cash equivalents comprise the following:

| | <u>The Group</u> | |
|--|------------------|-----------------|
| | <u>30.09.08</u> | <u>30.09.07</u> |
| | \$'000 | \$'000 |
| Fixed deposits with financial institutions | 144,252 | 137,812 |
| Cash at bank and on hand | 56,361 | 40,573 |
| | <hr/> | <hr/> |
| Cash and bank balances per balance sheet | 200,613 | 178,385 |
| Bank overdraft (unsecured) | (30) | (19) |
| | <hr/> | <hr/> |
| Cash and cash equivalents per consolidated cash flow statement | <u>200,583</u> | <u>178,366</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

Group Statement of Changes in Equity for the third quarter ended 30 September 2008

| | <u>Share Capital</u> | <u>Reserves</u> | <u>Retained Earnings</u> | <u>Minority Interests</u> | <u>Total Equity</u> |
|--|--------------------------|-----------------|------------------------------|-------------------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>The Group</u> | | | | | |
| Balance at 1 July 2008 | 1,075,315 | 940,652 | 2,000,572 | 435,013 | 4,451,552 |
| Fair value loss on available-for-sale financial assets** | - | (238,595) | - | (569) | (239,164) |
| Currency translation differences | - | (2,364) | - | (4,428) | (6,792) |
| Net losses recognised directly in equity | - | (240,959) | - | (4,997) | (245,956) |
| Net profit for the financial period | - | - | 73,539 | 14,430 | 87,969 |
| Total recognised (losses)/gains for the financial period | - | (240,959) | 73,539 | 9,433 | (157,987) |
| Issue of shares to minority shareholders | - | - | - | 2,069 | 2,069 |
| Balance at 30 September 2008 | 1,075,315 | 699,693 | 2,074,111 | 446,515 | 4,295,634 |

** The fair value loss on available-for-sale financial assets is due to the decrease in closing bid prices of the listed securities held by the Group as at 30 September 2008.

Group Statement of Changes in Equity for the third quarter ended 30 September 2007

| | <u>Share Capital</u> | <u>Reserves</u> | <u>Retained Earnings</u> | <u>Minority Interests</u> | <u>Total Equity</u> |
|--|--------------------------|-----------------|------------------------------|-------------------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>The Group</u> | | | | | |
| Balance at 1 July 2007 | 1,074,574 | 1,141,271 | 1,547,630 | 302,581 | 4,066,056 |
| Fair value loss on available-for-sale financial assets | - | (84,738) | - | (383) | (85,121) |
| Currency translation differences | - | (3,334) | - | (745) | (4,079) |
| Net losses recognised directly in equity | - | (88,072) | - | (1,128) | (89,200) |
| Net profit for the financial period | - | - | 64,520 | 5,892 | 70,412 |
| Total recognised (losses)/gains for the financial period | - | (88,072) | 64,520 | 4,764 | (18,788) |
| Employee share option scheme | | | | | |
| - Proceeds from shares issued | 360 | - | - | - | 360 |
| Issue of shares to minority shareholders | - | - | - | 13,572 | 13,572 |
| Acquisition of minority interest | - | - | - | (1,412) | (1,412) |
| Balance at 30 September 2007 | 1,074,934 | 1,053,199 | 1,612,150 | 319,505 | 4,059,788 |

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)

Company Statement of Changes in Equity for the third quarter ended 30 September 2008

| | <u>Share Capital</u> | <u>Reserves</u> | <u>Retained Earnings</u> | <u>Total</u> |
|---|--------------------------|-----------------|------------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>The Company</u> | | | | |
| Balance at 1 July 2008 | 1,075,315 | 391,451 | 673,231 | 2,139,997 |
| Fair value loss on available-for-sale financial assets ⁺ | - | (67,002) | - | (67,002) |
| Net profit for the financial period | - | - | 241,783 | 241,783 |
| Total recognised (losses)/gains for the financial period | - | (67,002) | 241,783 | 174,781 |
| Balance at 30 September 2008 | 1,075,315 | 324,449 | 915,014 | 2,314,778 |

⁺ The fair value loss on available-for-sale financial assets is due to the decrease in closing bid prices of the listed securities held by the Company as at 30 September 2008.

Company Statement of Changes in Equity for the third quarter ended 30 September 2007

| | <u>Share Capital</u> | <u>Reserves</u> | <u>Retained Earnings</u> | <u>Total</u> |
|--|--------------------------|-----------------|------------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>The Company</u> | | | | |
| Balance at 1 July 2007 | 1,074,574 | 467,791 | 490,354 | 2,032,719 |
| Fair value loss on available-for-sale financial assets | - | (15,230) | - | (15,230) |
| Net profit for the financial period | - | - | 10,630 | 10,630 |
| Total recognised (losses)/gains for the financial period | - | (15,230) | 10,630 | (4,600) |
| Employee share option scheme | | | | |
| - Proceeds from shares issued | 360 | - | - | 360 |
| Balance at 30 September 2007 | 1,074,934 | 452,561 | 500,984 | 2,028,479 |

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 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 2008, there was no change in the issued share capital of the Company:

| | Number of Ordinary Shares |
|--|---------------------------------|
| Issued capital as at 1 July 2008 and 30 September 2008 | <u><u>796,072,154</u></u> |

The following number of ordinary shares may be issued upon the exercise of the subscription rights in full by holders of:

| | <u>30.09.08</u> | <u>30.09.07</u> |
|---|-------------------------|-------------------------|
| Options granted under the UOL Executives Share Options and UOL 2000 Share Option Scheme : | | |
| - 2002 Options during the option period from 27 June 2003 to 26 June 2012 at the offer price of \$1.81 per share | 42,000 | 42,000 |
| - 2003 Options during the option period from 27 June 2004 to 26 June 2013 at the offer price of \$2.05 per share | 190,000 | 190,000 |
| - 2004 Options during the option period from 21 May 2005 to 20 May 2014 at the exercise price of \$2.28 per share | 222,000 | 283,000 |
| - 2005 Options during the option period from 9 May 2006 to 8 May 2015 at the exercise price of \$2.23 per share | 192,000 | 197,000 |
| - 2006 Options during the option period from 18 May 2007 to 17 May 2016 at the exercise price of \$3.21 per share | 515,000 | 605,000 |
| - 2007 Options during the option period from 16 March 2008 to 15 March 2017 at the exercise price of \$4.91 per share | 1,010,000 | 1,146,000 |
| - 2008 Options during the option period from 7 March 2009 to 6 March 2018 at the exercise price of \$3.68 per share | 1,376,000 | - |
| | <u><u>3,547,000</u></u> | <u><u>2,463,000</u></u> |

- 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

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 year ended 31 December 2007.

- 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

Not applicable.

- 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

| | Group | |
|--|---------------------------------|---------------------------------|
| | 3 rd Quarter 2008 | 3 rd Quarter 2007 |
| Earnings per ordinary share for the period | | |
| (i) Based on weighted average number of ordinary shares in issue | Cents 9.24 | Cents 8.11 |
| (ii) On a fully diluted basis | Cents 9.24 | Cents 8.11 |

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

| | Group | | Company | |
|---|----------|----------|----------|----------|
| | 30.09.08 | 31.12.07 | 30.09.08 | 31.12.07 |
| Net asset value per ordinary share | \$4.84 | \$4.96 | \$2.91 | \$2.65 |
| Net tangible asset backing per ordinary share | \$4.79 | \$4.91 | \$2.91 | \$2.65 |

- 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) seasonal 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.

Group revenue in the third quarter of 2008 increased by \$101.2 million or 61% to \$267.9 million as compared to \$166.7 million in the corresponding period of 2007. The increase in revenue came largely from the progressive recognition of revenues from the sale of the Group's development properties including those from Panorama and Breeze by the East which were launched earlier this year. Revenue from property investments also improved due to higher average rental rates for the Group's investment properties and contribution from the Pan Pacific Serviced Suites which opened in April 2008. In the absence of special dividend from a quoted available-for-sale financial asset, dividend income decreased as compared to the third quarter of 2007.

Cost of sales has increased as a larger proportion of sales was from property development which has a higher cost margin. Marketing expenses were lower in the third quarter of 2008 due to the absence of such expenses incurred for the launch of the sales of the Duchess Residences development in 2007. Administrative expenses increased in the third quarter of 2008 due to higher payroll costs. Other operating expenses increased in the third quarter of 2008 due to higher property tax and write off of property, plant and equipment upon refurbishment of the Group's hotel properties.

The share of profit of associated companies was higher in the third quarter of 2008. The increase was attributed to the share of progressive recognition of profit from the sale of units in one north residences and Nassim Park Residences and better performance by Marina Centre Holdings Pte Ltd which owns Marina Square.

The Group's pre-tax profit in the third quarter of 2008 was \$102.9 million, an increase of 27% over the pre-tax profit of \$81.3 million in the corresponding period of 2007. The Group benefitted from higher profit from property development, property investments and associated companies. Group attributable profit for the third quarter of 2008 increased by \$9.0 million to \$73.5 million as compared to the profit of \$64.5 million in the corresponding period of 2007.

The Group's operating profit before other gains, fair value gain and income tax for the nine months ended 30 September 2008 was \$264.2 million or an increase of \$63.3 million or 32% over the comparable pre-tax profit of \$200.9 million achieved in the previous corresponding period. The increase was due mainly to higher income from property development, hotel operations, property investments and associated companies. For the nine months ended 30 September 2008, the Group achieved a pre-tax profit of \$331.5 million, a decrease of \$199.7 million or 38% as compared to the pre-tax profit of \$531.2 million in the corresponding period of 2007. The decrease was due mainly to lower fair value gain on investment properties and absence of gain on sale of an investment property. Group attributable profit for the nine months ended 30 September 2008 decreased by 39% to \$261.4 million from \$426.8 million in the corresponding period of 2007.

- 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

The global financial crisis and the deteriorating external economic environment have resulted in Singapore slipping into technical recession. The tightening of credit and weak share market will affect buying sentiment in the Singapore residential property market. Demand for office space will similarly be affected as companies scale down their activities and rental rates are expected to soften. The slowing global economy will also likely lead to a decline in business and leisure travel which will, in turn, affect the hotel industry in Singapore and 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 |
| Par value of shares | : | N.A. |
| 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 |
| Par value of shares | : | N.A. |
| 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 2008.

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 2008 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
5 November 2008