

**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		
		2013	2012	+ / (-)	2013	2012	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	261,846	277,732	(6)	813,944	874,306	(7)
Cost of sales		(131,546)	(157,549)	(17)	(419,407)	(507,116)	(17)
Gross profit		130,300	120,183	8	394,537	367,190	7
Other income							
- Finance income	B	3,159	8,596	(63)	3,203	10,504	(70)
- Miscellaneous income		3,347	2,378	41	9,203	9,434	(2)
Expenses							
- Marketing and distribution	C	(8,544)	(9,564)	(11)	(25,185)	(27,120)	(7)
- Administrative	D	(18,493)	(16,660)	11	(55,107)	(49,169)	12
- Finance	E	(7,867)	(8,153)	(4)	(32,592)	(24,623)	32
- Other operating	F	(17,809)	(17,919)	(1)	(54,670)	(51,074)	7
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		23,838	26,827	(11)	66,899	78,061	(14)
Share of profit of joint venture companies		4,820	(1,461)	430	13,450	(1,461)	n.m.
Profit before fair value and other gains and income tax		112,751	104,227	8	319,738	311,742	3
Other gains	G	323	6,841	(95)	2,347	7,779	(70)
Fair value gains on associated companies' investment properties		-	-	-	66,226	22,839	190
Fair value gains on the Group's investment properties		-	-	-	334,043	59,588	461
Profit before income tax	H	113,074	111,068	2	722,354	401,948	80
Income tax expense	I	(14,251)	(14,541)	(2)	(44,821)	(26,838)	67
Net profit		98,823	96,527	2	677,533	375,110	81
<u>Attributable to:</u>							
Equity holders of the Company		93,514	87,838	6	596,597	343,521	74
Non-controlling interests		5,309	8,689	(39)	80,936	31,589	156
		98,823	96,527	2	677,533	375,110	81
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains		93,191	80,997	15	257,528	258,168	(0)
Other gains		323	6,841	(95)	2,364	7,779	(70)
Fair value gains on investment properties including those of associated companies		-	-	-	336,705	77,574	334
Net attributable profit		93,514	87,838	6	596,597	343,521	74

n.m. : not meaningful

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>A Revenue</b>						
Revenue from property development	97,780	133,665	(27)	332,578	435,400	(24)
Revenue from property investments	46,628	41,699	12	132,687	124,903	6
Gross revenue from hotel ownership and operations	105,184	91,084	15	307,044	277,364	11
Revenue from hotel and other management services	4,843	3,889	25	14,189	13,448	6
Dividend income from available-for-sale financial assets	7,411	7,395	0	27,446	23,191	18
	261,846	277,732	(6)	813,944	874,306	(7)
<b>B Finance income</b>						
Interest income	1,064	783	36	3,203	2,533	26
Currency exchange gains (net)	2,095	7,813	(73)	-	7,971	n.m.
	3,159	8,596	(63)	3,203	10,504	(70)
<b>C Marketing and distribution expense<sup>1</sup></b>						
Advertising and promotion	4,255	3,990	7	12,701	12,391	3
Marketing and distribution payroll and related expenses	3,328	3,001	11	9,989	8,904	12
Sales commissions	766	126	508	2,027	2,835	(29)
Showflat expenses	195	2,447	(92)	468	2,990	(84)
	8,544	9,564	(11)	25,185	27,120	(7)
<b>D Administrative expenses<sup>1</sup></b>						
Administrative payroll and related expenses	12,510	10,704	17	37,291	31,642	18
Corporate expenses	2,689	2,980	(10)	8,297	9,079	(9)
Credit card commissions	1,412	1,110	27	3,804	3,411	12
Information technology related expenses	955	855	12	2,842	2,301	24
Others	927	1,011	(8)	2,873	2,736	5
	18,493	16,660	11	55,107	49,169	12
<b>E Finance expense</b>						
Bank facility fees	406	362	12	1,174	1,304	(10)
Interest expense	7,461	7,791	(4)	22,883	23,319	(2)
Currency exchange losses (net)	-	-	-	8,535	-	n.m.
	7,867	8,153	(4)	32,592	24,623	32
<b>F Other operating expense<sup>1</sup></b>						
Property and other taxes	5,006	4,449	13	15,235	13,534	13
Repairs, maintenance and security	2,414	2,195	10	6,439	6,353	1
Heat, light and power	5,914	6,179	(4)	18,263	17,822	2
Others	4,475	5,096	(12)	14,733	13,365	10
	17,809	17,919	(1)	54,670	51,074	7

n.m. : not meaningful

<sup>1</sup> Included in expenses for the third quarter of 2013 were \$0.5 million, \$1.2 million and \$2.9 million of marketing and distribution expenses, administrative expenses and other operating expenses respectively, incurred for PARKROYAL on Pickering which opened in the first quarter of 2013 and Pan Pacific Serviced Suites Beach Road which opened in the second quarter of 2013.

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>G</b> <u>Other gains</u>						
Negative goodwill on acquisition of interests in an associated company	1,485	2,142	(31)	3,509	3,080	14
Delisting expenses of a subsidiary	(1,162)	-	n.m.	(1,162)	-	n.m.
Gain on sale of an available-for-sale financial asset	-	4,699	(100)	-	4,699	(100)
	323	6,841	(95)	2,347	7,779	(70)
<b>H</b> <u>Profit before income tax</u>						
Profit before income tax is stated after charging/(crediting):						
Depreciation and amortisation <sup>2</sup>	15,150	12,247	24	44,271	35,169	26
Property, plant and equipment written off and net loss on disposals	-	1,048	(100)	-	1,089	(100)
Gain on sale of office space	-	(600)	(100)	-	(600)	(100)
<b>I</b> <u>Income tax expense</u>						
Tax expense attributable to profit is made up of:						
- Profit from current financial year:						
Current income tax						
- Singapore	6,970	6,464	8	29,450	18,924	56
- Foreign	2,298	2,726	(16)	7,638	6,974	10
- Withholding tax paid	136	321	(58)	382	615	(38)
Deferred income tax	5,702	5,167	10	8,174	15,409	(47)
	15,106	14,678	3	45,644	41,922	9
- Over provision in preceding financial years:						
Current income tax						
- Singapore	(780)	(137)	469	(741)	(15,084)	(95)
- Foreign	(75)	-	n.m.	(82)	-	n.m.
	14,251	14,541	2	44,821	26,838	67

n.m. : not meaningful

<sup>2</sup> Higher depreciation charges were recognised in the third quarter of 2013 in comparison with the corresponding quarter in 2012 due mainly to (a) the commencement of depreciation for PARKROYAL on Pickering which opened in January 2013; and (b) depreciation charges for Pan Pacific Orchard and PARKROYAL Darling Harbour which were refurbished in 2012.

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

	Note	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2013	2012	+ / (-)	2013	2012	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		98,823	96,527	2	677,533	375,110	81
Other comprehensive income/(loss):							
Fair value gains on available-for-sale financial assets	A	25,958	33,236	(22)	30,148	142,284	(79)
Fair value (losses)/gains on cash-flow hedges		(46)	173	(127)	(58)	55	(205)
Currency translation differences arising from consolidation of foreign operations	B	(5,430)	(11,631)	(53)	30	(23,221)	100
Share of other comprehensive (loss)/income of an associated company		(287)	(1,896)	85	3,790	(4,408)	186
Other comprehensive income for the period, net of tax		20,195	19,882	2	33,910	114,710	(70)
Total comprehensive income for the period		119,018	116,409	2	711,443	489,820	45
<u>Attributable to:</u>							
Equity holders of the Company		114,109	108,871	5	631,114	461,251	37
Non-controlling interests		4,909	7,538	(35)	80,329	28,569	181
		119,018	116,409	2	711,443	489,820	45

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

A Fair value gains 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 2013 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Currency translation differences arising from consolidation of foreign operations

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

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

	Note	The Group		The Company	
		30.09.13	31.12.12	30.09.13	31.12.12
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	A	338,768	260,061	1,176	11,092
Trade and other receivables		191,637	202,526	41,413	88,408
Development properties	B	1,061,938	995,915	-	-
Inventories		630	783	-	-
Available-for-sale financial assets		547,691	522,226	547,691	522,226
Other assets		27,130	12,045	1,415	1,286
Current income tax assets		119	415	-	-
		2,167,913	1,993,971	591,695	623,012
<b>Non-current assets</b>					
Trade and other receivables		160,675	148,691	865,002	928,021
Derivative financial instrument		549	873	549	873
Available-for-sale financial assets		292,496	283,484	90,670	89,270
Investments in associated companies		2,728,640	2,633,129	161,289	161,289
Investments in joint venture companies		13,586	-	-	-
Investments in subsidiaries		-	-	1,800,822	1,519,419
Investment properties	C	3,716,074	3,342,754	380,690	330,990
Property, plant and equipment		1,141,182	1,130,024	1,600	1,627
Intangibles		26,826	27,607	649	866
Deferred income tax assets		3,325	3,789	39	27
		8,083,353	7,570,351	3,301,310	3,032,382
<b>Total assets</b>		<b>10,251,266</b>	<b>9,564,322</b>	<b>3,893,005</b>	<b>3,655,394</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	D	329,559	278,260	77,351	75,411
Current income tax liabilities		41,355	50,672	4,100	5,842
Bank loans	E	1,032,312	658,738	526,130	178,212
2.5% unsecured fixed rate notes due 2014		299,775	-	299,775	-
Finance lease liabilities		308	331	-	-
		1,703,309	988,001	907,356	259,465
<b>Non-current liabilities</b>					
Trade and other payables		159,166	163,021	3,237	3,612
Finance lease liabilities		4,111	4,419	-	-
Bank loans	E	907,529	951,652	(100,211)	199,639
2.5% unsecured fixed rate notes due 2014		-	299,550	-	299,550
2.493% unsecured fixed rate notes due 2015		174,720	174,588	174,720	174,588
3.043% unsecured fixed rate notes due 2017		74,730	74,674	74,730	74,674
Derivative financial instrument		232	162	232	162
Loans from non-controlling shareholders of subsidiaries		16,383	9,957	-	-
Provision for retirement benefits		3,245	2,942	-	-
Deferred income tax liabilities		188,273	176,430	83,398	79,124
		1,528,389	1,857,395	236,106	831,349
<b>Total liabilities</b>		<b>3,231,698</b>	<b>2,845,396</b>	<b>1,143,462</b>	<b>1,090,814</b>
<b>NET ASSETS</b>		<b>7,019,568</b>	<b>6,718,926</b>	<b>2,749,543</b>	<b>2,564,580</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,049,742	1,046,954	1,049,742	1,046,954
Reserves		842,588	805,738	433,864	409,053
Retained earnings		4,664,267	4,289,920	1,265,937	1,108,573
		6,556,597	6,142,612	2,749,543	2,564,580
<b>Non-controlling interests</b>	F	462,971	576,314	-	-
<b>TOTAL EQUITY</b>		<b>7,019,568</b>	<b>6,718,926</b>	<b>2,749,543</b>	<b>2,564,580</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 Cash and bank balances

The increase in Cash and bank balances arose mainly from receipts from progress billings for development projects.

B Development properties

The increase in Development properties from the balance as of 31 December 2012 resulted mainly from 1) the acquisition of a land parcel at Sengkang West Way; and 2) construction costs incurred for on-going development projects; offset partially by 3) the completion of Waterbank at Dakota.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 30 June 2013. It is the practice of the Group to revalue its investment properties half yearly. In addition to the recognition of fair valuation gains on investment properties, the increase from 31 December 2012 arose mainly from additional construction costs capitalised for OneKM, Pan Pacific Serviced Suites Beach Road and The Esplanade in Tianjin.

D Trade and other payables

The increase in trade and other payables relate mainly to sales proceeds received in advance for the sale of residential and office units in The Esplanade, Tianjin. The advance sales proceeds are recognised as a payable until the completion of the project as the project is accounted for using the completion of construction method.

E Current and non-current Bank loans

The increase in current and non-current bank loans was due mainly to additional loans drawn for 1) the construction of PARKROYAL on Pickering, One Upper Pickering and Pan Pacific Serviced Suites Beach Road; 2) the acquisition of the land parcel at Sengkang West Way; and 3) the acquisition of shares in Pan Pacific Hotels Group Limited ("PPHG") pursuant to the voluntary delisting of PPHG and exit offer to acquire all of PPHG's remaining issued ordinary shares not held by UOL Group Limited.

F Non-controlling interests

The decrease in non-controlling interests arose mainly from the acquisition of shares in PPHG from its non-controlling shareholders pursuant to the exit offer.

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

	As at 30.09.13		As at 31.12.12	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	154,299	878,036	148,446	511,397
Amount repayable after one year	847,729	630,563	750,895	764,444

Details of any collaterals

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

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

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

	Note	The Group	
		3 <sup>rd</sup> Qtr	3 <sup>rd</sup> Qtr
		2013	2012
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		98,823	96,527
Adjustments for:			
Income tax expense		14,251	14,541
Non-cash items		(14,844)	(21,223)
Dividend income and interest income		(8,475)	(8,178)
Interest expense		7,867	8,153
Negative goodwill on acquisition of interests in an associated company		(1,485)	(2,142)
Gain on sale of an available-for-sale financial asset		-	(4,699)
Delisting expenses of a subsidiary		1,162	-
		97,299	82,979
Change in working capital			
Receivables	i	95,443	(9,520)
Development properties	ii	(236,295)	(178,576)
Derivative financial instrument		146	516
Inventories		40	131
Payables	iii	33,195	(7,774)
		(107,471)	(195,223)
Cash used in operations		(10,172)	(112,244)
Income tax paid		(24,276)	(34,659)
Retirement benefits paid		(10)	(16)
<b>Net cash used in operating activities</b>		<b>(34,458)</b>	<b>(146,919)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of an available-for-sale financial asset		-	7,413
Payments for intangibles		(361)	(89)
Payments for interests in an associated company		(7,168)	(7,200)
Loans to joint venture companies		(1,800)	(45,709)
Payments to non-controlling shareholders for purchase of shares in a subsidiary	iv	(281,921)	-
Net proceeds from disposal of property, plant and equipment		48	3,731
Purchase of property, plant and equipment and investment properties	v	(40,986)	(44,795)
Interest received		1,064	783
Dividends received		7,850	25,410
<b>Net cash used in investing activities</b>		<b>(323,274)</b>	<b>(60,456)</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		208	2,968
Net proceeds from issue of shares to non-controlling shareholder of a subsidiary		2,050	1,947
Payment to non-controlling shareholder of a subsidiary for redemption of preference shares		(2,976)	-
Loans from non-controlling shareholders of a subsidiary		669	-
Proceeds from borrowings	vi	310,844	567,834
Repayment of borrowings	vi	(15,315)	(380,731)
Expenditure relating to bank borrowings		(1,442)	(54)
Interest paid		(11,742)	(14,923)
Dividends paid to non-controlling interests		-	(7,416)
<b>Net cash from financing activities</b>		<b>282,296</b>	<b>169,625</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(75,436)</b>	<b>(37,750)</b>
Cash and cash equivalents at 1 July		409,712	301,207
Effects of currency translation on cash and cash equivalents		(838)	(1,030)
<b>Cash and cash equivalents at 30 September</b>	vii	<b>333,438</b>	<b>262,427</b>

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 changes in Receivables for the current quarter were due mainly to receipts on progressive billings of Waterbank at Dakota which obtained its temporary occupation permit in the second quarter of 2013.

ii. Development properties

The cash outflow in the current quarter arose mainly from the acquisition of the land parcel at Sengkang West Way for \$262.1 million and from expenditure on the Group's on-going development projects.

iii. Payables

The cash inflows from payables for the third quarter of 2013 relate mainly to the receipt of advance sales proceeds for the sale of residential and office units in The Esplanade, Tianjin.

iv. Payment to non-controlling shareholders for purchase of shares in a subsidiary

The payment was made for the acquisition of shares in PPHG from its non-controlling shareholders pursuant to the exit offer.

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

Purchases of property, plant and equipment and investment properties arose mainly from payments for the construction of OneKM and The Esplanade in Tianjin and for refurbishments of the Group's hotels.

vi. Proceeds from borrowings/Repayment of borrowings

Net proceeds from borrowings in the third quarter of 2013 were mainly for the acquisition of shares in PPHG and the land parcel at Sengkang West Way.

vii. Cash and cash equivalents

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

	The Group	
	<u>30.09.13</u>	<u>30.09.12</u>
	\$'000	\$'000
Fixed deposits with financial institutions	225,682	168,586
Cash at bank and on hand	<u>113,086</u>	<u>99,017</u>
Cash and bank balances per Statement of Financial Position	338,768	267,603
Less: Bank deposits pledged as security	<u>(5,330)</u>	<u>(5,176)</u>
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u><u>333,438</u></u>	<u><u>262,427</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>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
<u>2013</u>					
Balance at 1 July 2013	1,049,534	821,993	4,680,293	630,112	7,181,932
Employee share option scheme					
- proceeds from shares issued	208	-	-	-	208
Acquisition of interests from non-controlling shareholders	-	-	(110,798)	(171,124)	(281,922)
Issue of shares to non-controlling interests	-	-	-	2,050	2,050
Redemption of preference shares held by non-controlling shareholders	-	-	-	(2,976)	(2,976)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	1,258	-	1,258
Total comprehensive income for the period	-	20,595	93,514	4,909	119,018
Balance at 30 September 2013	<u>1,049,742</u>	<u>842,588</u>	<u>4,664,267</u>	<u>462,971</u>	<u>7,019,568</u>
<u>2012</u>					
Balance at 1 July 2012	1,041,223	757,622	3,722,686	494,465	6,015,996
Employee share option scheme					
- value of employee services	-	2,201	-	-	2,201
- proceeds from shares issued	2,968	-	-	-	2,968
Dividends	-	-	-	(7,416)	(7,416)
Issue of shares to non-controlling interests	-	-	-	1,947	1,947
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	15,242	-	15,242
Total comprehensive income for the period	-	21,033	87,838	7,538	116,409
Balance at 30 September 2012	<u>1,044,191</u>	<u>780,856</u>	<u>3,825,766</u>	<u>496,534</u>	<u>6,147,347</u>

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

	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>				
<u>2013</u>				
Balance at 1 July 2013	1,049,534	414,930	1,121,003	2,585,467
Employee share option scheme				
- proceeds from shares issued	208	-	-	208
Total comprehensive income for the period	-	18,934	144,934	163,868
Balance at 30 September 2013	<u>1,049,742</u>	<u>433,864</u>	<u>1,265,937</u>	<u>2,749,543</u>
<u>2012</u>				
Balance at 1 July 2012	1,041,223	362,156	1,025,937	2,429,316
Employee share option scheme				
- value of employee services	-	2,201	-	2,201
- proceeds from shares issued	2,968	-	-	2,968
Total comprehensive income for the period	-	24,072	31,916	55,988
Balance at 30 September 2012	<u>1,044,191</u>	<u>388,429</u>	<u>1,057,853</u>	<u>2,490,473</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the quarter ended 30 September 2013, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 July 2013	770,506,154
Issue of ordinary shares arising from the exercise of:	
2004 Options at exercise price of S\$2.28 per share	8,000
2006 Options at exercise price of S\$3.21 per share	18,000
2007 Options at exercise price of S\$4.91 per share	5,000
2008 Options at exercise price of S\$3.68 per share	10,000
2010 Options at exercise price of S\$3.95 per share	18,000
Issued share capital as at 30 September 2013	<u>770,565,154</u>

As at 30 September 2013, there were unexercised options for 4,818,000 (30.9.2012: 4,860,000) of unissued ordinary shares under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 30 September 2013 and 30 September 2012.

- 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	
	30.09.13	31.12.12
Total number of issued shares, excluding treasury shares	770,565,154	769,897,154

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

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

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

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

Not applicable.

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

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2012.

- 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 2013, the Group adopted the Financial Reporting Standards ("FRS") 113 - Fair Value Measurement, that was mandatory for application from that date. The adoption of FRS 113 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 2013	3rd Qtr 2012
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 12.14	cents 11.43
(ii) On a fully diluted basis	cents 12.13	cents 11.42

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	
	30.09.13	31.12.12	30.09.13	31.12.12
Net asset value per ordinary share	\$8.51	\$7.98	\$3.57	\$3.33
Net tangible asset backing per ordinary share	\$8.47	\$7.94	\$3.57	\$3.33

- 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 2013 decreased by \$15.9 million or 6% to \$261.8 million from \$277.7 million in the corresponding period of 2012. The decrease was mainly from property developments as various projects (including Double Bay Residences and Waterbank at Dakota) have achieved construction completion in 2012 or early 2013.

Revenue from all other segments have however recorded improvements with the increase attributed mainly to 1) revenue from PARKROYAL on Pickering and Pan Pacific Serviced Suites Beach Road which opened in the first and second quarter of 2013 respectively; and 2) higher revenue from PARKROYAL Darling Harbour and PARKROYAL Yangon.

#### **Expenses**

Gross profit margin of 50% for the third quarter of 2013 was higher than the 43% recorded for the third quarter of 2012 due mainly to lower revenue contribution from property development which has a higher cost margin.

The decrease in marketing and distribution expenses was due mainly to showflat expenses for Katong Regency incurred in the third quarter of 2012. The increase in administrative expenses by \$1.8 million or 11% included an increase of \$1.2 million from PARKROYAL on Pickering ("PRP") and Pan Pacific Serviced Suites Beach Road ("PPSSBR") which opened in the first and second quarter of 2013 respectively. Other operating expenses have decreased marginally due mainly to lower property taxes, utilities and other property maintenance expenses offset partially by increased expenses from the newly opened PRP and PPSSBR. Finance income fell 63% to \$3.2 million in the third quarter of 2013 due mainly to lower unrealised currency exchange gains from the Group's borrowings in US dollars to fund investments in China.

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)

#### **Associated companies**

Share of profit of associated companies in the third quarter of 2013 decreased from the corresponding quarter of 2012 with lower contribution from Premier Land Development Pte Ltd following the completion of its development project, Terrene at Bukit Timah, in January 2013.

#### **Joint venture companies**

The share of profit of joint venture companies for the third quarter of 2013 was mainly from United Venture Development (Bedok) Pte Ltd for its development project, Archipelago.

#### **Profit & Loss**

##### **Third quarter ended 30 September 2013/2012**

The pre-tax profit before fair value and other gains for the third quarter of 2013 was \$112.8 million compared with the profit of \$104.2 million for the third quarter of 2012. The increase was attributed mainly to higher profit margins and higher share of profit of joint venture companies.

The Group recorded a pre-tax profit of \$113.1 million, an increase of 2% from \$111.1 million in the corresponding period of 2012. Profit after tax and non-controlling interest was \$93.5 million, representing a 6% increase from the profit of \$87.8 million in the corresponding period of 2012.

##### **Nine Months Ended 30 September 2013/2012**

For the nine months ended 30 September 2012, pre-tax profit before fair value and other gains was \$319.7 million as compared to the profit of \$311.7 million in the corresponding period of 2012. The increase was similarly attributed mainly to higher profit margins and higher share of profit of joint venture companies offset in part by unrealised currency exchange losses and higher expenses from the newly opened PRP and PPSSBR.

Including fair value and other gains amounting to \$402.6 million for the first nine months of 2013 (2012: \$90.2 million), profit before tax was \$722.4 million, an increase of 80% from the profit of \$401.9 million for the corresponding period in 2012. Profit after tax and non-controlling interests was \$596.6 million or a 74% increase from the profit of \$343.5 million for the first nine months of 2012.

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

The Group shareholders' funds increased from \$6.1 billion as at 31 December 2012 to \$6.6 billion as at 30 September 2013 due mainly to profits recognised in the first nine months of 2013. Consequently the net tangible asset per ordinary share of the Group increased to \$8.47 as at 30 September 2013 from \$7.94 as at 31 December 2012.

The Group's gearing ratio has increased to 0.31 as at 30 September 2013 from 0.28 as at 31 December 2012 due mainly to additional borrowings for the acquisition of shares in Pan Pacific Hotels Group Limited held by non-controlling shareholders and the land parcel at Sengkang West Way.

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

Nil.

10 A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In Singapore, the debt servicing framework for property loans which was introduced in June 2013 will further moderate demand for residential properties. Rentals of office space are expected to maintain modest growth. The retail leasing market which grew by 0.4% in third quarter 2013, is expected to be stable.

The performance of the Group's hotels in Singapore is expected to be affected by the increasing supply of hotel rooms and slower visitor growth. Uncertainties in the global economic environment will continue to affect the hotel industry in the Asia Pacific region.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable : N.A.

(d) Books closure date : N.A.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2013.

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 2013 to be false or misleading.

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
8 November 2013