

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		
		2014	2013	+ / (-)	2014	2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	433,542	261,846	66	1,055,935	813,944	30
Cost of sales		(301,721)	(131,546)	129	(602,595)	(419,407)	44
Gross profit		131,821	130,300	1	453,340	394,537	15
Other income							
- Finance income	B	1,346	3,159	(57)	4,177	3,203	30
- Miscellaneous income		2,961	3,347	(12)	9,670	9,203	5
Expenses							
- Marketing and distribution	C	(9,598)	(8,544)	12	(35,872)	(25,185)	42
- Administrative	D	(18,425)	(18,493)	(0)	(54,404)	(55,107)	(1)
- Finance	E	(5,314)	(7,867)	(32)	(21,285)	(32,592)	(35)
- Other operating	F	(20,298)	(17,809)	14	(57,115)	(54,670)	4
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		30,729	23,838	29	83,945	66,899	25
Share of profit of joint venture companies		9,050	4,820	88	28,687	13,450	113
Profit before fair value and other gains and income tax		122,272	112,751	8	411,143	319,738	29
Other gains	G	2,034	323	530	9,519	2,347	306
Fair value gains on associated companies' investment properties		-	-	-	52,455	66,226	(21)
Fair value gains on the Group's investment properties		-	-	-	84,993	334,043	(75)
Profit before income tax	H	124,306	113,074	10	558,110	722,354	(23)
Income tax expense	I	(15,773)	(14,251)	11	(63,531)	(44,821)	42
Net profit		108,533	98,823	10	494,579	677,533	(27)
<u>Attributable to:</u>							
Equity holders of the Company		102,567	93,514	10	435,114	596,597	(27)
Non-controlling interests		5,966	5,309	12	59,465	80,936	(27)
		108,533	98,823	10	494,579	677,533	(27)
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains		100,533	93,191	8	304,412	257,528	18
Other gains		2,034	323	530	9,519	2,364	303
Fair value gains on investment properties including those of associated companies		-	-	-	121,183	336,705	(64)
Net attributable profit		102,567	93,514	10	435,114	596,597	(27)

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2014	2013	+ / (-)	2014	2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
A Revenue						
Revenue from property development	260,860	97,780	167	545,343	332,578	64
Revenue from property investments	48,801	46,628	5	145,110	132,687	9
Gross revenue from hotel ownership and operations	110,144	105,184	5	321,860	307,044	5
Revenue from hotel and other management services	5,245	4,843	8	14,824	14,189	4
Dividend income from available-for-sale financial assets	8,492	7,411	15	28,798	27,446	5
	433,542	261,846	66	1,055,935	813,944	30
B Finance income						
Interest income	1,346	1,064	27	4,177	3,203	30
Currency exchange gains (net)	-	2,095	(100)	-	-	-
	1,346	3,159	(57)	4,177	3,203	30
C Marketing and distribution expense						
Advertising and promotion	4,447	4,255	5	14,460	12,701	14
Marketing and distribution payroll and related expenses	3,596	3,328	8	11,977	9,989	20
Sales commissions	673	766	(12)	7,165	2,027	253
Showflat expenses	882	195	352	2,270	468	385
	9,598	8,544	12	35,872	25,185	42
D Administrative expenses						
Administrative payroll and related expenses	11,710	12,510	(6)	35,723	37,291	(4)
Corporate expenses	3,793	2,689	41	8,993	8,297	8
Credit card commissions	1,530	1,412	8	4,429	3,804	16
Information technology related expenses	968	955	1	2,990	2,842	5
Others	424	927	(54)	2,269	2,873	(21)
	18,425	18,493	(0)	54,404	55,107	(1)
E Finance expense						
Bank facility fees	876	701	25	2,608	3,006	(13)
Interest expense	11,579	12,456	(7)	34,101	35,404	(4)
Less: borrowing costs capitalised	(7,177)	(5,290)	36	(18,532)	(14,353)	29
Currency exchange losses (net)	36	-	n.m.	3,108	8,535	(64)
	5,314	7,867	(32)	21,285	32,592	(35)
F Other operating expense						
Property taxes	4,626	5,006	(8)	16,142	15,235	6
Repairs, maintenance and security	2,682	2,414	11	6,981	6,439	8
Heat, light and power	5,745	5,914	(3)	16,817	18,263	(8)
Pre-opening expenses of Pan Pacific Hotel and Serviced Suites Tianjin	1,356	-	n.m.	1,685	-	n.m.
Others	5,889	4,475	32	15,490	14,733	5
	20,298	17,809	14	57,115	54,670	4

n.m. : not meaningful

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2014	2013	+ / (-)	2014	2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
G <u>Other gains/(losses)</u>						
Negative goodwill on acquisition of interests in an associated company	2,034	1,485	37	2,187	3,509	(38)
Delisting expenses of a subsidiary	-	(1,162)	(100)	-	(1,162)	(100)
Gain on liquidation of an available-for-sale financial asset	-	-	-	7,332	-	n.m.
	2,034	323	530	9,519	2,347	306
H <u>Profit before income tax</u>						
Profit before income tax is stated after charging:						
Depreciation and amortisation	14,443	15,150	(5)	43,382	44,271	(2)
I <u>Income tax expense</u>						
Tax expense attributable to profit is made up of:						
- Profit for the financial year:						
Current income tax						
- Singapore	7,282	6,970	4	22,124	29,450	(25)
- Foreign	6,383	2,298	178	35,816	7,638	369
- Withholding tax paid	218	136	60	509	382	33
Deferred income tax						
- fair value gains of investment properties	-	-	-	1,425	-	n.m.
- others	1,920	5,702	(66)	3,497	8,174	(57)
	15,803	15,106	5	63,371	45,644	39
- Under/(over) provision in prior financial years:						
Current income tax						
- Singapore	2	(780)	(100)	82	(741)	(111)
- Foreign	(32)	(75)	(57)	78	(82)	(195)
	15,773	14,251	11	63,531	44,821	42

n.m. : not meaningful

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

	Note	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2014	2013	+ / (-)	2014	2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		108,533	98,823	10	494,579	677,533	(27)
Other comprehensive income/(loss):							
Fair value (losses)/gains on available-for-sale financial assets	A	(2,117)	25,958	(108)	31,968	30,148	6
Cash flow hedges:							
- Fair value gains		67	30	123	344	92	274
- Transfer to income statement		(36)	(76)	(53)	(214)	(150)	43
Currency translation differences arising from consolidation of foreign operations	B	2,755	(5,430)	151	3,851	30	n.m.
Share of other comprehensive income/(loss) of an associated company		2,816	(287)	1,081	(132)	3,790	(103)
Other comprehensive income, net of tax		3,485	20,195	(83)	35,817	33,910	6
Total comprehensive income		112,018	119,018	(6)	530,396	711,443	(25)
Attributable to:							
Equity holders of the Company		105,566	114,109	(7)	468,779	631,114	(26)
Non-controlling interests		6,452	4,909	31	61,617	80,329	(23)
		112,018	119,018	(6)	530,396	711,443	(25)

n.m. : not meaningful

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

A Fair value (losses)/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 decrease in value for the third quarter ended 30 September 2014 was due to the decrease 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, VND and GBP.

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

		The Group		The Company	
Note		30.09.14 \$'000	31.12.13 \$'000	30.09.14 \$'000	31.12.13 \$'000
ASSETS					
Current assets					
		276,142	293,386	731	5,003
	A	104,731	377,733	13,927	7,890
		-	616	-	616
	B	51,075	4,144	-	-
	C	1,718,515	895,443	-	-
		733	703	-	-
		595,449	582,102	595,449	564,070
		19,167	35,481	632	350
		123	110	-	-
		2,765,935	2,189,718	610,739	577,929
Non-current assets					
		161,856	159,287	905,971	829,602
		308,126	274,854	98,868	81,388
	D	3,031,050	2,765,006	162,259	161,289
		47,330	20,011	-	-
		-	-	1,801,414	1,799,578
	E	3,936,368	3,814,190	399,500	388,490
		1,156,589	1,169,105	1,411	1,530
		24,221	26,117	394	622
		3,839	3,160	-	-
		8,669,379	8,231,730	3,369,817	3,262,499
		11,435,314	10,421,448	3,980,556	3,840,428
Total assets					
LIABILITIES					
Current liabilities					
	F	251,232	446,890	303,590	78,184
		52,809	82,367	4,097	4,899
	G	1,014,314	831,590	445,895	248,259
		-	299,850	-	299,850
		174,895	-	174,895	-
		291	294	-	-
		-	197	-	197
		-	16,917	-	-
		1,493,541	1,678,105	928,477	631,389
Non-current liabilities					
		155,540	152,630	2,117	3,354
		3,888	3,928	-	-
	G	1,682,384	934,072	-	-
		-	174,763	-	174,763
		74,805	74,749	74,805	74,749
		78	37	-	-
		53,558	-	-	-
		3,764	3,245	-	-
		183,969	172,949	91,157	86,145
		2,157,986	1,516,373	168,079	339,011
		3,651,527	3,194,478	1,096,556	970,400
Total liabilities					
NET ASSETS					
Capital & reserves attributable to equity holders of the Company					
		1,150,799	1,050,897	1,150,799	1,050,897
		890,092	855,311	467,627	437,773
		5,267,770	4,853,490	1,265,574	1,381,358
		7,308,661	6,759,698	2,884,000	2,870,028
Non-controlling interests					
		475,126	467,272	-	-
TOTAL EQUITY					
		7,783,787	7,226,970	2,884,000	2,870,028

- 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 Current trade and other receivables

Current trade and other receivables have decreased due mainly to the receipt of progress billings outstanding as at 31 December 2013 for development projects, Waterbank at Dakota and Spottiswoode Residences.

B Developed properties held for sale

Developed properties held for sale were made up mainly of the remaining unsold residential and office units in The Esplanade, Tianjin which have been transferred from development properties upon the completion of The Esplanade, Tianjin during the third quarter of 2014.

C Development properties

The increase in development properties from the balance as of 31 December 2013 resulted mainly from 1) the acquisition of two land parcels at Upper Paya Lebar and Prince Charles Crescent for a sum of \$392.3 million and \$463.1 million respectively; and 2) the acquisition of a Jersey unit trust which owns a 3,200 square metre freehold land in the City of London on Bishopsgate for a sum of £97 million (\$\$200.9 million). The increase in development properties arising from the acquisitions was offset in part by the sale of land at Jalan Conlay and the completion of The Esplanade, Tianjin during the third quarter of 2014.

D Investments in associated companies

The increase in investments in associated companies includes an amount of \$128.1 million being the Group's share of the effects of United Industrial Corporation Limited's acquisition of shares from the non-controlling shareholders of its subsidiary, Singapore Land Limited.

E Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 30 June 2014. 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 2013 includes additional construction costs capitalised for OneKM.

F Current trade and other payables

The decrease in trade and other payables arose mainly from the recognition of revenue from sales proceeds received in advance from the sale of residential and office units in The Esplanade, Tianjin upon its completion during the quarter. The sales proceeds received in advance were previously recognised as a payable until the completion of the project as the project is accounted for using the completion of construction method.

G Current and non-current bank loans

The net increase in bank loans was due mainly to additional loans drawn for 1) the acquisition of the land parcels at Upper Paya Lebar, Prince Charles Crescent and in the freehold land in London; and 2) the repayment of the 2.5% unsecured fixed rate notes due 2014.

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

	As at 30.09.14		As at 31.12.13	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	398,644	791,258	152,711	995,996
Amount repayable after one year	1,189,156	628,558	830,345	357,423

Details of any collaterals

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

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

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

	Note	The Group	
		3rd Qtr	3rd Qtr
		<u>2014</u>	<u>2013</u>
		\$'000	\$'000
Cash flows from operating activities			
Net profit		108,533	98,823
Adjustments for:			
Income tax expense		15,773	14,251
Non-cash items		(33,790)	(14,844)
Dividend income and interest income		(9,838)	(8,475)
Interest expense		5,278	7,867
Negative goodwill on acquisition of interests in an associated company		(2,034)	(1,485)
Delisting expenses of a subsidiary		-	1,162
		<u>83,922</u>	<u>97,299</u>
Change in working capital			
Receivables		133,317	95,443
Development properties	i	(526,703)	(236,295)
Derivative financial instrument		326	146
Inventories		(20)	40
Payables	ii	(188,024)	33,195
		<u>(581,104)</u>	<u>(107,471)</u>
Cash used in operations		(497,182)	(10,172)
Income tax paid		(42,813)	(24,276)
Retirement benefits paid		-	(10)
Net cash used in operating activities		<u>(539,995)</u>	<u>(34,458)</u>
Cash flows from investing activities			
Liquidation of subsidiaries		(16)	-
Payments for intangibles		150	(361)
Payments for interests in an associated company		(8,651)	(7,168)
Loans to joint venture companies		(650)	(1,800)
Payments to non-controlling shareholders for purchase of shares in subsidiaries	iii	(774)	(281,921)
Net proceeds from disposal of property, plant and equipment		41	48
Purchase of property, plant and equipment and investment properties	iv	(22,971)	(40,986)
Interest received		1,336	1,064
Dividends received		10,532	7,850
Net cash used in investing activities		<u>(21,003)</u>	<u>(323,274)</u>
Cash flows from financing activities			
Proceeds from shares issued		613	208
Net proceeds from issue of shares to non-controlling shareholder of a subsidiary		300	2,050
Payment to non-controlling shareholder of a subsidiary for redemption of preference shares		-	(2,976)
Loans from non-controlling shareholder of a subsidiary		14,659	669
Repayment of 2.5% unsecured fixed rate notes due 2014		(300,000)	-
Proceeds from borrowings	v	979,771	310,844
Repayment of borrowings	v	(149,326)	(15,315)
Expenditure relating to bank borrowings		(2,892)	(1,442)
Interest paid		(12,697)	(11,742)
Dividends paid to non-controlling interests		(360)	-
Net cash from financing activities		<u>530,068</u>	<u>282,296</u>
Net decrease in cash and cash equivalents		<u>(30,930)</u>	<u>(75,436)</u>
Cash and cash equivalents at the beginning of the financial period		299,105	409,712
Effects of currency translation on cash and cash equivalents		2,537	(838)
Cash and cash equivalents at the end of the financial period	vi	<u>270,712</u>	<u>333,438</u>

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

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Development properties

The cash outflow for development properties in the third quarter of 2014 relates mainly to the acquisition of two land parcels at Prince Charles Crescent and in London.

ii. Payables

The movement in payables included an amount of \$212.2 million relating to revenue recognition from sales proceeds received in advance for the sale of residential and office units in The Esplanade, Tianjin upon the completion of the development during the third quarter of 2014.

iii. Payments to non-controlling shareholders for purchase of shares in subsidiaries

The payment of \$281.9 million in the third quarter of 2013 was for the acquisition of shares in Pan Pacific Hotels Group Limited from its non-controlling shareholders pursuant to an exit offer. The payment in the third quarter of 2014 was for the acquisition of the remaining non-controlling interests in PARKROYAL Yangon.

iv. 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 for the on-going improvements to the Group's hotels.

v. Proceeds from borrowings/Repayment of borrowings

Net proceeds from borrowings in the third quarter of 2014 were mainly from additional loans drawn for the repayment of the 2.5% unsecured fixed rate notes due 2014 as well as for the acquisition of the two land parcels at Prince Charles Crescent and in London.

vi. 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>30.09.14</u>	<u>30.09.13</u>
	\$'000	\$'000
Fixed deposits with financial institutions	149,025	225,682
Cash at bank and on hand	127,117	113,086
Cash and bank balances per Statement of Financial Position	276,142	338,768
Less: Bank deposits pledged as security	(5,430)	(5,330)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>270,712</u>	<u>333,438</u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

<u>The Group</u>	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Non-controlling interests</u> \$'000	<u>Total equity</u> \$'000
<u>2014</u>					
Balance at 1 July 2014	1,150,186	886,720	5,159,947	470,348	7,667,201
Employee share option scheme					
- value of employee services	-	373	-	-	373
- proceeds from shares issued	613	-	-	-	613
Dividends	-	-	-	(360)	(360)
Acquisition of interests from non-controlling shareholders	-	-	821	(1,595)	(774)
Issue of shares to non-controlling shareholders	-	-	-	300	300
Liquidation of subsidiaries	-	-	-	(19)	(19)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	4,435	-	4,435
Total comprehensive income for the period	-	2,999	102,567	6,452	112,018
Balance at 30 September 2014	<u>1,150,799</u>	<u>890,092</u>	<u>5,267,770</u>	<u>475,126</u>	<u>7,783,787</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 shareholders	-	-	-	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>

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

<u>The Company</u>	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
<u>2014</u>				
Balance at 1 July 2014	1,150,186	468,701	1,259,657	2,878,544
Employee share option scheme				
- value of employee services	-	373	-	373
- proceeds from shares issued	613	-	-	613
Total comprehensive income for the period	-	(1,447)	5,917	4,470
Balance at 30 September 2014	<u>1,150,799</u>	<u>467,627</u>	<u>1,265,574</u>	<u>2,884,000</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>

- 1(d)(iii) 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 2014, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 July 2014	786,930,153
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S\$4.91 per share	14,000
2008 Options at exercise price of S\$3.68 per share	6,000
2010 Options at exercise price of S\$3.95 per share	13,000
2011 Options at exercise price of S\$4.62 per share	40,000
2012 Options at exercise price of S\$5.40 per share	53,000
Issued share capital as at 30 September 2014	<u>787,056,153</u>

As at 30 September 2014, there were 4,986,000 (30.9.2013: 4,818,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 30 September 2014 and 30 September 2013.

- 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	
	30.09.14	31.12.13
Total number of issued shares, excluding treasury shares	787,056,153	770,883,154

- 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 2013.

- 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 2014, the Group adopted the new or amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the new or amended FRS that are relevant to the Group:

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
FRS 111	Joint Arrangements
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
INT FRS 121	Levies

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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

	The Group	
	3rd Qtr 2014	3rd Qtr 2013
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 13.23	cents 12.14
(ii) On a fully diluted basis	cents 13.21	cents 12.13

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	
	30.09.14	31.12.13	30.09.14	31.12.13
Net asset value per ordinary share	\$9.29	\$8.77	\$3.66	\$3.72
Net tangible asset backing per ordinary share	\$9.26	\$8.73	\$3.66	\$3.72

- 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 2014 increased by \$171.7 million to \$433.5 million from \$261.8 million in the corresponding period of 2013. The increase was due mainly to the recognition of \$212.2 million of property development revenue upon the completion of The Esplanade, Tianjin in the third quarter of 2014. Revenue from all other segments registered modest growth with higher contributions mainly from PARKROYAL on Beach Road, PARKROYAL on Pickering and the Pan Pacific Serviced Suites Beach Road.

- 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)

Expenses

Gross profit margin for the third quarter of 2014 was 30% compared to the margin of 50% in the previous corresponding period and the decrease was due mainly to higher revenue contribution from property development which has a higher cost margin.

The increase in marketing and distribution expenses was due mainly to higher showflat costs for Riverbank@Fernvale and Seventy Saint Patrick's. The decrease in finance expenses resulted mainly from lower average interest rates and higher borrowings for development projects with interest expenses capitalised as part of development costs. Other operating expenses have increased by \$2.5 million due mainly to pre-opening expenses incurred for Pan Pacific Hotel and Serviced Suites Tianjin during the quarter under review.

Associated companies

The higher share of profit of associated companies in the third quarter of 2014 was mainly from United Industrial Corporation Limited which benefited from 1) higher contributions from Pan Pacific Singapore and the Archipelago and Thomson Three development projects; and 2) an increased interest in its subsidiary, Singapore Land Limited to 99.5% following its voluntary cash offer for the Company.

Joint venture companies

The share of profit of joint venture companies have increased with higher contributions from the joint venture companies' development projects, Archipelago and Thomson Three.

Profit & Loss

Third quarter ended 30 September 2014/2013

The pre-tax profit before fair value and other gains for the third quarter of 2014 was \$122.3 million, an 8% increase compared to the profit of \$112.8 million for the third quarter of 2013. The increase was due mainly to higher profits from associated and joint venture companies.

The Group recorded a pre-tax profit of \$124.3 million, an increase of 10% from the profit of \$113.1 million in the corresponding period of 2013. Profit after tax and non-controlling interest was \$102.6 million, an increase of 10% from the profit of \$93.5 million in the corresponding period of 2013.

Nine Months Ended 30 September 2014/2013

The pre-tax profit before fair value and other gains for the nine months ended 30 September 2014 was \$411.1 million, an increase of 29% from the profit of \$319.7 million for the corresponding period in 2013. The increase was attributed mainly to 1) higher profits from all segments, including the one-time pre-tax profit of \$98.4 million from the sale of the land at Jalan Conlay; 2) lower finance expenses; and 3) higher share of profit from associated and joint venture companies.

Profit after tax and non-controlling interest was \$435.1 million, a decrease of 27% from the profit of \$596.6 million in the corresponding period of 2013 with lower fair value gains from the Group and associated companies' investment properties.

Net tangible asset and gearing

The Group shareholders' funds increased from \$6.8 billion as at 31 December 2013 to \$7.3 billion as at 30 September 2014 with profits recognised in the first nine months of 2014 and higher reserves from fair value gains on available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$9.26 as at 30 September 2014 from \$8.73 as at 31 December 2013.

The Group's gearing ratio has increased to 0.35 as at 30 September 2014 from 0.28 as at 31 December 2013 with higher borrowings for the Group's land acquisitions.

- 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 Singapore economy grew by an estimated 2.4% on a year-on-year basis in the third quarter of 2014, the same rate as in the previous quarter. Prices of private residential property in Singapore continued to fall in the third quarter of 2014, albeit at a slower pace of 0.7%. With limited new supply in the short term and positive demand, rentals for office space could grow moderately. Retail rents are expected to remain steady notwithstanding that retailers have to contend with rising labour and operating costs. The tepid global economic outlook could affect the Asia Pacific hotel industry.

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 2014.

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 2014 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
11 November 2014