



WHEELOCK PROPERTIES

WHEELOCK PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 49

OVERSEAS REGULATORY ANNOUNCEMENT

Please refer to the attached announcement.

As at the date of this announcement, the board of directors of Wheelock Properties Limited comprises Mr. Peter K. C. Woo, Dr. Joseph M. K. Chow, Mr. Gonzaga W. J. Li, Mr. T. Y. Ng, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, together with three independent Non-executive Directors, namely, Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee.

WHEELOCK

PROPERTIES

Co. Reg. No. 197201797H
(Incorporated in the Republic of Singapore)

UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2008

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WHEELOCK PROPERTIES (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)

1(a) CONSOLIDATED INCOME STATEMENT

	Quarter ended			Period ended		
	30 Sep 2008	31 Dec 2007	Change	30 Sep 2008	31 Dec 2007	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	229,533	189,332	21.2	382,192	380,887	0.3
Cost of Sales	(97,071)	(121,373)	-20.0	(195,079)	(236,081)	-17.4
Gross Profit	132,462	67,959	94.9	187,113	144,806	29.2
Other Income						
- Changes in Fair Value On Investment Property	(448)	199,293	NM	89,098	200,118	-55.4
- Others	728	1,296	-43.8	4,224	5,650	-25.2
	280	200,589	NM	93,322	205,768	-54.6
Selling and Marketing Expenses	(49)	(107)	-54.2	(190)	(143)	32.9
Administrative and Corporate Expenses	(2,671)	(3,160)	-15.5	(6,119)	(8,412)	-27.3
Other Operating Expenses						
- Impairment Loss on Investments	0	0	NA	(85,371)	0	NA
- Others	(283)	(656)	-56.9	(795)	(5,847)	-86.4
	(283)	(656)	-56.9	(86,166)	(5,847)	NM
Profit From Operations	129,739	264,625	-51.0	187,960	336,172	-44.1
Finance Costs	(408)	(945)	-56.8	(1,496)	(3,052)	-51.0
Profit Before Taxation	129,331	263,680	-51.0	186,464	333,120	-44.0
Income Tax Credit/(Expense)	3,336	(46,138)	107.2	(21,676)	(59,628)	-63.6
Profit For The Period	132,667	217,542	-39.0	164,788	273,492	-39.7

The Group changed its financial year end from 31 March to 31 December. The Group's businesses are not affected significantly by seasonal factors, therefore, the results for the 3-month and 9-month ended 30 September 2008 are compared against those of the 3-month and 9-month ended 31 December 2007 of the last financial period.

The following items have been charged or (credited) in arriving at profit for the period:

	Quarter ended			Period ended		
	30 Sep 2008	31 Dec 2007	Change	30 Sep 2008	31 Dec 2007	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	54	135	-60.0	155	394	-60.7
Dividend income from investments	0	(1,439)	-100.0	(6,132)	(30,646)	-80.0
Exchange loss (net)	3	517	-99.4	438	5,259	-91.7
Fixtures, plant and equipment included in investment property written off	164	93	76.3	164	493	-66.7
(Gain)/loss on disposal of property, plant and equipment	(28)	1	NM	(2,152)	2	NM
Interest expense	402	942	-57.3	1,480	3,044	-51.4
Interest income	(680)	(1,237)	-45.0	(1,959)	(5,588)	-64.9
Over provision of tax	(24,120)	(492)	NM	(24,048)	(492)	NM

NM : Not Meaningful

NA : Not Applicable

1(b)(i) BALANCE SHEETS

	Group		Company	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, Plant and Equipment	123,870	132,487	123,751	115,848
Investment Property	790,000	700,000	0	0
Amounts Due From Subsidiaries	0	0	608,764	560,128
Interests in Subsidiaries	0	0	218,907	211,376
Interests in an Associate	10	10	0	0
Investments	335,334	523,538	0	0
Other non-current assets	524	0	524	0
	1,249,738	1,356,035	951,946	887,352
Current Assets				
Development Properties	683,402	977,518	226,517	111,225
Trade and Accrued Receivables	231,400	39,509	1	3,219
Amounts Due From Subsidiaries	0	0	81,929	275,830
Amounts Due From Related Corporations	37	39	37	37
Other Receivables	2,064	713	469	405
Cash and Cash Equivalents	723,573	557,724	486,372	350,143
	1,640,476	1,575,503	795,325	740,859
Total Assets	2,890,214	2,931,538	1,747,271	1,628,211
Equity Attributable to Equity Holders of the Company				
Share Capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	1,130,027	1,126,181	412,757	147,559
Total Equity	2,185,928	2,182,082	1,468,658	1,203,460
Non-Current Liabilities				
Interest-bearing Liabilities(Ref:1(b)(ii))	307,469	503,525	193,330	193,150
Deferred Tax Liabilities	108,055	130,563	18,044	79
	415,524	634,088	211,374	193,229
Current Liabilities				
Trade Payables	46,394	40,695	7,226	8,547
Other Payables	21,304	21,711	4,750	8,314
Amounts Due to Subsidiaries	0	0	40,484	202,032
Interest-bearing Liabilities(Ref:1(b)(ii))	150,515	0	0	0
Current Tax Payable	70,549	52,962	14,779	12,629
	288,762	115,368	67,239	231,522
Total Liabilities	704,286	749,456	278,613	424,751
Total Equity and Liabilities	2,890,214	2,931,538	1,747,271	1,628,211

COMMENTS ON MAJOR BALANCE SHEET VARIANCES

Group

Increase in investment property of \$90 million was due to increase in fair value of Wheelock Place.

Decrease in investments of \$188 million was mainly due to the decrease in market value of the Group's investments in Hotel Properties Limited ("HPL") and SC Global Developments Ltd ("SC Global"). The decrease for HPL was charged to the fair value and revaluation reserve whilst the decrease for SC Global was charged to the income statement as the investment was considered to be impaired.

Decrease in development properties of \$294 million was mainly due to progress billings from the development properties projects and recognition of the remaining 15% of sales consideration to be billed on The Sea View and The Cosmopolitan upon completion. This was partially offset by recognition of profit on development properties projects and construction costs incurred.

Increase in trade and accrued receivables of \$192 million was mainly due to 25% progress billings from The Cosmopolitan which were only due in October 2008 and recognition of the remaining 15% of sales consideration to be billed on The Sea View and The Cosmopolitan upon completion of the projects in the current period.

Increase in cash of \$166 million was mainly due to sales proceeds received from the development properties projects and the sale of 34 Grosvenor Square, partially offset by payment of dividends and repayment of bank loans.

Increase in reserves of \$4 million was mainly due to profits recognised in the current period, partially offset by the decrease in market value of the Group's investment in HPL and SC Global and payment of dividends.

Decrease in deferred tax liabilities of \$23 million was mainly due to the reclassification of tax liabilities to current tax payable upon completion of The Sea View and The Cosmopolitan, decrease in provision of tax in respect of decrease in market value of the Group's investment in HPL, partially offset by increase in provision of tax in respect of increase in fair value of the Group's investment property and increased profits recognised from Scotts Square and Ardmore II.

Increase in current tax payable of \$18 million was mainly due to the reclassification of tax liabilities from deferred tax liabilities upon completion of The Sea View and The Cosmopolitan, partially offset by write-back of prior year tax provided on the gain on sale of Hamptons Group Limited.

Company

Decrease in amounts due from subsidiaries of \$145 million was mainly due to repayment of inter-company loan by a subsidiary, partially offset by the novation of inter-company loan to the holding company from a subsidiary which is in the process of liquidation.

Increase in development properties of \$115 million was mainly due to recognition of profit on Scotts Square and construction costs incurred.

Increase in cash of \$136 million was mainly due to repayment of inter-company loan by a subsidiary and transfer of surplus funds from a subsidiary due to the disposal of 34 Grosvenor Square, partially offset by the payment of dividends.

Increase in reserves of \$265 million was mainly due to dividend income from subsidiaries and profit recognition in respect of units sold in Scotts Square, partially offset by impairment loss on inter-company loan to a subsidiary which has impaired its investment in SC Global and payment of dividends.

Increase in deferred tax liabilities of \$18 million was mainly due to increase in provision of tax in respect of profits recognised from Scotts Square.

Decrease in amounts due to subsidiaries of \$162 million was mainly due to repayment of inter-company loans.

1(b)(ii) BORROWINGS

	Group	
	30 Sep 2008	31 Dec 2007
	\$'000	\$'000
Repayable within one year:		
Interest-bearing Liabilities (secured)	35,515	0
Interest-bearing Liabilities (unsecured)	115,000	0
	150,515	0
Repayable after one year but within five years:		
Interest-bearing Liabilities (secured)	307,469	388,525
Interest-bearing Liabilities (unsecured)	0	115,000
	307,469	503,525

The secured interest-bearing liabilities are generally secured by mortgages over the Group's development properties and property under development in Singapore, legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties and corporate guarantees issued by the Company.

The secured interest-bearing liabilities are secured on the following assets:

	Group	
	30 Sep 2008	31 Dec 2007
	\$'000	\$'000
Development properties	683,402	555,512
Property, plant and equipment (Property under development)	122,724	114,727
	806,126	670,239

1(c) CONSOLIDATED CASH FLOW STATEMENT

	Quarter ended		Period ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Operating Activities				
Profit for the period	132,667	217,542	164,788	273,492
Adjustments for:				
Income tax (credit)/expense	(3,336)	46,138	21,676	59,628
Depreciation of property, plant and equipment	54	135	155	394
Exchange loss	0	94	0	5,142
(Gain)/Loss on disposal of property, plant and equipment	(28)	1	(2,152)	2
Fixtures, plant and equipment included in investment property written off	164	93	164	493
Interest expense	402	942	1,480	3,044
Interest income	(680)	(1,237)	(1,959)	(5,588)
Changes in fair value of investment property	448	(199,293)	(89,098)	(200,118)
Impairment loss on investments	0	0	85,371	0
Dividend income from investments	0	(1,439)	(6,132)	(30,646)
Operating profit before working capital changes	129,691	62,976	174,293	105,843
Changes in working capital:				
Development properties	16,239	44,804	296,814	92,875
Trade and accrued receivables	(135,891)	(32,237)	(191,891)	(37,005)
Amounts due from related corporations	(3)	(15)	2	7
Other receivables	(615)	553	(1,689)	560
Trade payables	(40)	(2,950)	5,699	(5,587)
Other payables	4,075	(2,866)	(381)	5,694
Cash generated from operations	13,456	70,265	282,847	162,387
Interest received	902	2,505	3,637	9,343
Income taxes paid	(780)	(373)	(1,831)	(3,273)
Dividends paid	0	0	(71,794)	(30,428)
Cash flows from operating activities	13,578	72,397	212,859	138,029

	Quarter ended		Period ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Investing Activities				
Proceeds from sale of property, plant and equipment (Note 1)	27	0	19,521	0
Purchase of property, plant and equipment	(934)	(3,905)	(8,957)	(7,005)
Expenditure on investment property	(611)	(931)	(1,066)	(1,839)
Acquisition of investments	(262)	(17,088)	(11,024)	(159,360)
Dividends received	0	1,181	6,132	25,130
Cash flows from investing activities	(1,780)	(20,743)	4,606	(143,074)
Financing Activities				
Repayment of bank loans	(9,500)	(15,000)	(50,500)	(114,653)
Drawdown of bank loans	1,947	1,197	4,613	11,093
Finance costs	(1,456)	(3,729)	(5,729)	(13,368)
Deposits pledged	2,601	(3,801)	2,601	(3,801)
Cash flows from financing activities	(6,408)	(21,333)	(49,015)	(120,729)
Net Increase/(Decrease) in Cash and Cash Equivalents	5,390	30,321	168,450	(125,774)
Cash and Cash Equivalents At Beginning of Period	716,983	523,602	553,923	679,697
Cash and Cash Equivalents At End of Period (Note 2)	722,373	553,923	722,373	553,923

Note 1: This amount was related to an over provision of professional fees relating to the disposal of 34 Grosvenor Square. Proceeds from sale of property, plant and equipment are net of transaction costs.

	Quarter ended		Period ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Note 2				
Cash and Cash Equivalents At End of Period in Cash Flow Statement	722,373	553,923	722,373	553,923
Add : Deposits pledged	1,200	3,801	1,200	3,801
Cash and Cash Equivalents At End of Period in Balance Sheet	723,573	557,724	723,573	557,724

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Fair Value and Revaluation Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 July 2008	1,055,901	68,482	928,878	2,053,261
Net profit for the period	0	0	132,667	132,667
Total recognised income for the period	0	0	132,667	132,667
At 30 September 2008	1,055,901	68,482	1,061,545	2,185,928

	Share Capital	Exchange Fluctuation Reserve	Fair Value and Revaluation Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 October 2007	1,055,901	(95)	237,328	751,009	2,044,143
Realisation of reserve upon liquidation of foreign subsidiary	0	95	0	0	95
Net fair value changes on available-for-sale investments	0	0	(79,698)	0	(79,698)
Net gains/(losses) recognised directly in equity	0	95	(79,698)	0	(79,603)
Net profit for the period	0	0	0	217,542	217,542
Total recognised income and expense for the period	0	95	(79,698)	217,542	137,939
At 31 December 2007	1,055,901	0	157,630	968,551	2,182,082

	Share Capital	Accumulated Profits/(Losses)	Total
	\$'000	\$'000	\$'000
Company			
At 1 July 2008	1,055,901	(2,485)	1,053,416
Net profit for the period	0	415,242	415,242
Total recognised income for the period	0	415,242	415,242
At 30 September 2008	1,055,901	412,757	1,468,658

	Share Capital	Accumulated Profits	Total
	\$'000	\$'000	\$'000
Company			
At 1 October 2007	1,055,901	144,472	1,200,373
Net profit for the period	0	3,087	3,087
Total recognised income for the period	0	3,087	3,087
At 31 December 2007	1,055,901	147,559	1,203,460

1(d)(ii) SHARE CAPITAL

Since the last financial period ended 31 December 2007, there has been no change in the issued and paid-up share capital of the Company.

As at 30 September 2008, there were no unissued shares of the Company or its subsidiaries under option (31 December 2007: nil).

1(e) SHARE PURCHASE

The Company has not made any purchase of its shares during the period ended 30 September 2008.

2. REVIEW OF RESULTS BY AUDITORS

The figures have not been audited by the auditors but have been reviewed in accordance with Singapore Standard On Review Engagements (“SSRE”) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The financial information as set out in Sections 1, 4, 5, 6, 7, 11 and 12 of this announcement have been extracted from the consolidated condensed interim financial information that has been reviewed in accordance with SSRE 2410.

3. AUDITORS’ REPORT

Refer to auditors’ report attached.

4. BASIS OF PREPARATION

Except as disclosed in Section 5 below in respect of the change in the basis in determining the fair value of quoted equity available-for-sale investments, the Group has adopted the same accounting policies and methods of computation in the financial statements ended 30 September 2008, as compared with the Group’s audited financial statements as at 31 December 2007.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

The Group’s investments in quoted equity securities are classified as non-current available-for-sale financial assets. In accordance with Financial Reporting Standard 39 – *Financial Instruments – Recognition and Measurement*, the fair value of the investments of a quoted equity security is usually determined based on the quoted bid price in an active market.

As a result of the current credit crunch caused by the sub-prime crisis in the United States of America, there is a widespread deterioration of the world’s financial market. Consequent to this global financial crisis and the huge negative impact on the major stock markets, including Singapore Exchange, market value of the Group’s investment in Hotel Properties Limited (“HPL”) and SC Global Development Ltd (“SC Global”) has fallen substantially below their respective book value.

In the current market, the Group is of the view that Revalued Net Asset Value (“RNAV”) is a more appropriate basis to determine the fair market value of its investment in HPL and SC Global. This model is appropriate for companies where profits are recognised progressively accordingly to the stage of construction. The Group will review the position of its investment in these quoted securities as at 31 December 2008.

6. EARNINGS PER SHARE

	Quarter ended		Period ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
Basic earnings per share	11.09 cents	18.18 cents	13.77 cents	22.86 cents
Diluted earnings per share	11.09 cents	18.18 cents	13.77 cents	22.86 cents

Basic and diluted earnings per share are calculated based on the Group’s profit attributable to shareholders and on the weighted average number of shares of the Company in issue for 3rd quarter 2008 and period ended 30 September 2008 of 1,196,559,876 (2007: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
\$	\$	\$	\$
1.83	1.82	1.23	1.01

8. REVIEW OF PERFORMANCE

Revenue and Profit

Group revenue and profit after tax for the 3rd quarter ended 30 September 2008 was \$230 million and \$133 million respectively, an increase of 21% and a decrease of 39% respectively when compared to the 3rd quarter ended 31 December 2007.

Group revenue and profit after tax for the 9-month ended 30 September 2008 was \$382 million and \$165 million respectively, an increase of 0.3% and a decrease of 40% respectively when compared to the 9-month ended 31 December 2007.

The increase in revenue was mainly due to the commencement of revenue recognition in respect of units sold in Scotts Square in the current period. This was partially offset by lower revenue recognition from Ardmore II, The Cosmopolitan and The Sea View as all units were sold in earlier years. In addition, dividend income from the investments in Hotel Properties Limited and SC Global Developments Ltd ("SC Global") were lower in the current period.

The decrease in cost of sales despite an increase in revenue was mainly due to higher gross profit margin from Scotts Square.

The Group's investment property, Wheelock Place, was revalued from \$700 million to \$790 million by a firm of independent professional valuers based on increased rental reversion. The revaluation surplus of \$90 million (2007: \$200 million) has been accounted for in the income statement under other income.

The decrease in administrative and corporate expenses was mainly due to write-back of overprovision of bonus in prior year.

The increase in other operating expenses was mainly due to impairment loss on the investment in SC Global charged to the income statement.

The decrease in finance costs was due to reduced loan principals and lower interest rates in the current period.

The decrease in income tax expense was mainly due to lower profits and write-back of prior year tax provided on gain on sale of Hamptons Group Limited as the Tax Authority has ruled the sale as capital in nature.

If the effects of the revaluation surplus (net of tax) of \$74 million (2007: \$164 million) on Wheelock Place and impairment loss of \$85 million on SC Global were excluded, the Group's profit after tax for the 3rd quarter and 9-month ended 30 September 2008 would have been \$133 million and \$176 million respectively, an increase of 148% and 61% respectively when compared to the 3rd quarter and 9-month ended 31 December 2007.

Nature of business and profit recognition

Profits on pre-sale of development properties are recognised using the percentage of completion method. The percentage of completion is measured by reference to the percentage of construction costs incurred at the balance sheet date to the estimated total construction costs. Revenue and profits are only recognised in respect of finalised sales agreements and to the extent that such revenue and profits relate to the progress of the construction work.

This basis of revenue and profit recognition together with the nature of our business leads to volatility of earnings between comparable periods.

Assets

The Group's total assets as at 30 September 2008 were \$2.9 billion, same as 31 December 2007. The decrease in market value of the Group's investments in equity securities was offset by the increase in fair value of the Group's investment property and profit recognised from the development properties projects. Return on assets for the 9-month ended 30 September 2008 was 5.7% (2007: 9.3%).

Shareholders' Equity

The Shareholders' equity as at 30 September 2008 was \$2.2 billion, same as 31 December 2007. The profits recognised in the current period were offset by the decrease in market value of the Group's investments in equity securities and payment of dividends. Return on shareholders' equity for the 9-month ended 30 September 2008 was 7.5% (2007: 12.5%).

Borrowings

The Group's borrowings as at 30 September 2008 were \$458 million compared to \$504 million as at 31 December 2007. The lower borrowings were mainly due to progressive repayment of loans throughout the current period from surplus funds received from the sale of residential projects. The debt-equity ratio as at 30 September 2008 was 21%, down from 23% as at 31 December 2007.

Net Cash Flow

Net cash flow from operating activities for the 9-month ended 30 September 2008 was \$213 million, mainly attributed to sales proceeds received from the development properties projects. For investing activities, the Group received \$20 million from the sale of 34 Grosvenor Square and invested an additional \$11 million in SC Global. For financing activities, net loan repayment was \$46 million.

Commitments

The Group's outstanding commitments relating to the construction of the development properties and additions to investment property are as follows:

	Group	
	30 Sep 2008	31 Dec 2007
	\$'000	\$'000
Commitments contracted but not provided for	245,719	296,895

The Group leases out its investment property, Wheelock Place. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	30 Sep 2008	31 Dec 2007
	\$'000	\$'000
Within 1 year	34,663	27,103
After 1 year, but within 5 years	63,787	23,529
	98,450	50,632

The lease typically runs for an initial period from two to three years. The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

Property Review

Development Properties

US financial crisis deepened in 3rd quarter 2008 with mortgage giants in difficulties and major investment houses like Lehman Brothers going bankrupt. This has dampened buyer sentiment and will accelerate the fall in the private residential market. The pick up in sales momentum in end 2nd quarter 2008 was only carried through to July 2008 and the residential market fell quiet for the rest of 3rd quarter 2008. Of the 2,284 new units launched by developers in 3rd quarter 2008, only estimated 1,147 units were sold, reflecting a sales take up rate of 50%, lower than last quarter 61%.

There were no major luxury residential projects launched in 3rd quarter 2008. Prime projects have seen declining sales and sold only a handful of units in 3rd quarter 2008. With the difficulty in securing mortgage loans and at lower valuations, the luxury residential market is expected to ease off in 2009. In 3rd quarter 2008, URA index revealed a 2.5% drop in residential prices.

Ardmore II

Ardmore II is 100% sold and sub-sale activity has slowed down in line with the general market sentiment.

Construction work is progressing well and building works are up to 26-storey and 19-storey for Tower 1 and Tower 2 respectively. Temporary Occupation Permit is scheduled for 2010.

Scotts Square

Sales for Scotts Square are on-going with the showflat on site. As of 30 September 2008, 70.4% of residential units were sold with record price of \$4,611psf achieved for 43rd floor unit.

Piling work for the project is in progress and the project is scheduled for completion in 2011.

The Group has commenced profit recognition on the units sold in accordance to the Group's accounting policy.

Orchard View

Orchard View will be a luxury 36-storey development located in the serene enclave of Anguilla Park, and within walking distance to Orchard MRT. It comprises 30 units of four-bedroom apartments with private lift lobbies. The project is targeted to be launched for sale in 2009 upon the completion of the development. A showflat is planned in an actual unit in the development. Building work is up to 36-storey.

Ardmore 3

Ardmore 3 will be our next luxury project along Ardmore Park. The existing building has been demolished and we are currently reviewing the building plans.

Investment Property

Wheelock Place

Wheelock Place is 98.6% committed. The average rental (for both office and retail space) as of 30 September 2008 is \$10.22psf per month. This is 4% higher than previous quarter figure due to higher committed renewal and new rates. Our retention renewal rate for 2008 is high at 66.5% and we have already secured pre-commitments for the office and retail lease renewals in 2009. This includes our anchor tenant, Borders Bookstore & Bistro.

With the current economic turmoil and technical recession Singapore is facing, office rentals are expected to consolidate in the next 2 years while retail rates may increase marginally.

9. FORECAST STATEMENT

No forecast or prospect statement had been previously made to shareholders.

10. CURRENT YEAR'S PROSPECTS

With the current turmoil of the global financial markets and the slow down of world economies, sentiment in the property market is expected to remain cautious.

The Group will continue to recognise profits from Scotts Square and the fully sold Ardmore II based on the progress of construction works.

Sales for Scotts Square residential is at 70.4% (238 units) at an average selling price of \$3,994 psf. Marketing of the remaining units in Scotts Square is on-going. Scotts Square retail will be kept as investment property upon completion.

Wheelock Place is expected to maintain high occupancy and achieve good rental rates for both office and retail space. For the year 2009, 46% of retail reversions and 60% of office reversions have so far confirmed their renewals at good rental. Our strategy is to retain existing tenants and to continue bringing in good tenants.

The Sea View and The Cosmopolitan, which are fully sold, have obtained Temporary Occupation Permit ("TOP") in the 2nd quarter ended 30 June 2008 and 3rd quarter ended 30 September 2008 respectively. 100% of profits on the projects have been recognised and 85% of the sales proceeds have been collected to-date.

With the collection of 25% sales proceeds upon TOP of The Cosmopolitan in October 2008, the Group currently has \$800 million cash in hand. Taken together with the on-going progressive billings of development properties, the Group remains in a strong financial position to take advantage of opportunities which may arise.

11. DIVIDEND

The Directors do not recommend any interim dividend for the 3rd quarter ended 30 September 2008 (2007: First and final tax-exempt (one-tier) dividend of 6 cents per share).

ADDITIONAL INFORMATION

12. REVENUE AND PROFIT ANALYSIS BY BUSINESS SEGMENTS

The Group comprises the following main business segments:

Property development: The development, construction and sale of development properties.

Property investment: The holding and management of investment properties.

	GROUP			
	Revenue		Profit from Operations	
	Quarter ended		Quarter ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Property Development	220,091	179,507	125,344	60,227
Property Investment	9,442	8,385	6,136	205,467
Other Operations	0	1,440	(1,741)	(1,069)
Total	229,533	189,332	129,739	264,625

	GROUP			
	Revenue		Profit from Operations	
	Period ended		Period ended	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Property Development	348,551	325,623	160,135	96,300
Property Investment	27,509	24,618	109,097	218,069
Other Operations	6,132	30,646	(81,272)	21,803
Total	382,192	380,887	187,960	336,172

13. COMMENTS ON SEGMENT RESULTS

The increase in revenue and profit for property development for the 3rd quarter and period ended 30 September 2008 was mainly due to the commencement of revenue and profit recognition in respect of units sold in Scotts Square in the current period. This was partially offset by lower revenue and profit recognition in respect of units sold in Ardmore II, The Cosmopolitan and The Sea View.

The increase in revenue for property investment was mainly due to improved rental rates. The decrease in profit for property investment was mainly due to lower revaluation surplus of \$90 million (2007: \$200 million) on Wheelock Place in the current period.

The decrease in revenue for other operations was mainly due to lower dividend income from the investments in Hotel Properties Limited and SC Global Developments Ltd ("SC Global"). The decrease in profit for other operations was due mainly to impairment loss on the investment in SC Global charged to the income statement and the lower dividend income as mentioned above.

14. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors of the Company confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the financial statements for the third quarter and period ended 30 September 2008 to be false or misleading in any material respects.

By Order Of the Board

Tan Ling Ling
Company Secretary
14 November 2008