

First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2012
PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

		3 months ended		
	Note	31.3.12	31.3.11	+ / (-)
		\$'000	\$'000	%
Revenue	1	233,553	195,528	19
Cost of sales	2	(153,277)	(109,963)	39
Gross profit		80,276	85,565	(6)
Investment income		475	99	380
Other gains/(losses) - net		581	419	39
Selling and distribution costs		(4,698)	(4,619)	2
Administrative expenses		(4,835)	(4,359)	11
Finance expenses		(491)	(1,581)	(69)
Share of results of associated companies		7,018	5,358	31
Share of results of a joint venture		(1,305)	-	n.m.
Profit before income tax	3	77,021	80,882	(5)
Income tax expense		(12,730)	(13,286)	(4)
Net profit		64,291	67,596	(5)
Attributable to:				
Equity holders of the Company		44,289	46,927	(6)
Non-controlling interests		20,002	20,669	(3)
		64,291	67,596	(5)

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	3 months ended	
	31.3.12	31.3.11
	\$'000	\$'000
Net profit	64,291	67,596
Other comprehensive expense taken directly to equity:		
Net exchange differences on translation of financial statements of foreign entities	(7,512)	(3,043)
Total comprehensive income	56,779	64,553
Total comprehensive income attributable to:		
Equity holders of the Company	38,970	44,939
Non-controlling interests	17,809	19,614
	56,779	64,553

The net exchange loss of \$7.5 million for the 3 months ended 31 March 2012 (3 months ended 31 March 2011: \$3.0 million) was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

Notes to the income statement

	3 months ended	
	31.3.12	31.3.11
	\$'000	\$'000
1. Revenue		
Gross rental income	68,004	73,003
Gross revenue from hotel operations	33,911	32,793
Sale of properties held for sale	104,199	62,547
Gross revenue from information technology operations	24,843	25,036
Car parking income and property services fees	2,596	2,149
	233,553	195,528
2. Cost of sales		
Property operating expenses	16,979	17,090
Cost of sales from hotel operations	28,395	23,290
Cost of properties held for sale sold	85,332	46,763
Cost of sales from information technology operations	22,571	22,820
	153,277	109,963

The increase in cost of sales from hotel operations was due to the accelerated depreciation of \$5.0 million on certain plant and equipment to be replaced in the major renovation of Pan Pacific Singapore hotel which commenced in April 2012.

3. Profit before income tax

Profit before income tax is stated after charging:

Depreciation	9,575	4,560
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The depreciation of \$9.6 million includes the accelerated depreciation of \$5.0 million noted in Note 2 above.

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

	Note	Group		Company	
		31.3.12	31.12.11	31.3.12	31.12.11
		\$'000	\$'000	\$'000	\$'000
			(restated)		
ASSETS					
Non-current assets					
Other receivables		77,331	73,381	1,219,760	1,231,507
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		385,256	382,348	-	-
Investment in a joint venture		-	-	-	-
Investments in subsidiary companies		-	-	1,227,519	1,227,519
Investment properties	1	5,221,520	5,219,900	-	-
Property, plant and equipment		469,643	479,774	730	737
		<u>6,165,795</u>	<u>6,167,448</u>	<u>2,448,009</u>	<u>2,459,763</u>
Current assets					
Cash and cash equivalents		86,588	100,052	348	565
Properties held for sale	2	965,572	878,932	-	-
Trade and other receivables		60,071	96,479	1,374	1,405
Inventories		2,589	1,995	-	-
		<u>1,114,820</u>	<u>1,077,458</u>	<u>1,722</u>	<u>1,970</u>
Total assets		7,280,615	7,244,906	2,449,731	2,461,733
LIABILITIES					
Current liabilities					
Trade and other payables		249,209	273,971	2,310	3,252
Current income tax liabilities		82,131	85,513	696	696
Borrowings		750,395	744,205	488,675	505,425
		<u>1,081,735</u>	<u>1,103,689</u>	<u>491,681</u>	<u>509,373</u>
Non-current liabilities					
Trade and other payables		52,129	54,412	161,354	154,518
Borrowings		41,110	41,440	-	-
Deferred income tax liabilities		68,220	65,242	-	-
		<u>161,459</u>	<u>161,094</u>	<u>161,354</u>	<u>154,518</u>
Total liabilities		1,243,194	1,264,783	653,035	663,891
NET ASSETS		6,037,421	5,980,123	1,796,696	1,797,842
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,401,732	1,401,382	1,401,732	1,401,382
Reserves		2,945,988	2,906,849	394,964	396,460
		<u>4,347,720</u>	<u>4,308,231</u>	<u>1,796,696</u>	<u>1,797,842</u>
Non-controlling interests		1,689,701	1,671,892	-	-
TOTAL EQUITY		6,037,421	5,980,123	1,796,696	1,797,842

Notes to the statement of financial position

- Investment properties are stated at 31 December 2011 valuations by independent professional valuers, with \$1.1 million upgrading costs incurred during the first quarter of 2012. Valuations are carried out half yearly in June and December.
- The increase in properties held for sale was due to part payment for the land parcel at Jervois Road, and the increase in progressive development profits recognised plus additional construction costs incurred less progress billings.

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

Amount repayable in one year or less, or on demand

At 31.3.12	At 31.12.11
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Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,020	748,375	2,080	742,125

Amount repayable after one year

At 31.3.12	At 31.12.11
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Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
41,110	-	41,440	-

Details of any collateral

The \$43.1 million (31 December 2011: \$43.5 million) loans are secured by way of mortgages over Pan Pacific Singapore hotel and Westin Tianjin hotel.

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

	Note	3 months ended	
		31.3.12	31.3.11
		\$'000	\$'000
Cash flows from operating activities			
Profit before income tax		77,021	80,882
Adjustments to profit		4,046	865
Working capital changes		(78,246)	4,788
Interest paid		(2,774)	(3,185)
Income tax paid	1	(12,772)	(7,244)
Net cash (used in)/provided by operating activities		(12,725)	76,106
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,447)	(703)
Upgrading of investment properties		(1,101)	(1,792)
Loan to a joint venture		(3,600)	(44,800)
Investment in an associated company		-	(109,351)
Interest received		199	231
Net cash used in investing activities		(6,949)	(156,415)
Cash flows from financing activities			
Proceeds from borrowings		5,860	100,381
Proceeds from issue of shares		350	-
Purchase of shares from non-controlling shareholders		-	(41,727)
Net cash provided by financing activities		6,210	58,654
Net decrease in cash and cash equivalents		(13,464)	(21,655)
Cash and cash equivalents at 1 January		100,052	140,028
Cash and cash equivalents at 31 March		86,588	118,373

Note:

1) Higher income tax payment is attributable mainly to income tax paid for the Park Natura residential project completed in 2011.

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

<u>Group</u>	Attributable to equity holders of the Company					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Total \$'000		
<u>2012</u>							
Balance at 1 January 2012							
- as previously reported	1,401,382	2,496,524	29,382	12,597	3,939,885	1,549,174	5,489,059
- effect of adopting FRS 12	-	368,346	-	-	368,346	122,718	491,064
Balance at 1 January 2012, as restated	1,401,382	2,864,870	29,382	12,597	4,308,231	1,671,892	5,980,123
Total comprehensive income/(expense)	-	44,289	-	(5,319)	38,970	17,809	56,779
Employee share option scheme							
- value of employee services	-	-	-	169	169	-	169
- proceeds from shares issued	350	-	-	-	350	-	350
Balance at 31 March 2012	1,401,732	2,909,159	29,382	7,447	4,347,720	1,689,701	6,037,421
<u>2011</u>							
Balance at 1 January 2011							
- as previously reported	1,400,927	2,295,649	29,382	1,924	3,727,882	1,551,856	5,279,738
- effect of adopting FRS 12	-	378,974	-	-	378,974	124,415	503,389
Balance at 1 January 2011, as restated	1,400,927	2,674,623	29,382	1,924	4,106,856	1,676,271	5,783,127
Total comprehensive income/(expense)	-	46,927	-	(1,988)	44,939	19,614	64,553
Employee share option scheme							
- value of employee services	-	-	-	158	158	-	158
Effect of purchase of shares from non-controlling shareholders	-	18,132	-	-	18,132	(59,859)	(41,727)
Balance at 31 March 2011	1,400,927	2,739,682	29,382	94	4,170,085	1,636,026	5,806,111
<u>Company</u>							
	Share capital \$'000	Retained earnings \$'000	Share option reserve \$'000	Total equity \$'000			
<u>2012</u>							
Balance at 1 January 2012	1,401,382	393,277	3,183	1,797,842			
Total comprehensive expense	-	(1,665)	-	(1,665)			
Employee share option scheme							
- value of employee services	-	-	169	169			
- proceeds from shares issued	350	-	-	350			
Balance at 31 March 2012	1,401,732	391,612	3,352	1,796,696			
<u>2011</u>							
Balance at 1 January 2011	1,400,927	391,702	2,614	1,795,243			
Total comprehensive expense	-	(1,403)	-	(1,403)			
Employee share option scheme							
- value of employee services	-	-	158	158			
Balance at 31 March 2011	1,400,927	390,299	2,772	1,793,998			

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

The changes in the Company's issued share capital for the 3 months ended 31 March 2012 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 January 2012	1,377,815
Issue of ordinary shares arising from the exercise of UIC share options	172
Issued share capital as at 31 March 2012	<u>1,377,987</u>

As at 31 March 2012, there were 5,094,000 (31 March 2011: 5,144,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the UIC Share Option Scheme.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.3.12 '000	31.12.11 '000
Total number of issued shares	<u>1,377,987</u>	<u>1,377,815</u>

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

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The same accounting policies and methods of computation as in the 2011 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

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

The effect of this change in accounting policy on the statement of financial position as at 31 December 2011 are as follows:

	31.12.2011
	\$'000
	Increase/(Decrease)
<u>Statement of financial position</u>	
Investments in associated companies	3,378
Deferred income tax liabilities	(487,686)
Revenue reserves	368,346
Non-controlling interests	<u>122,718</u>

There is no effect on the income statement for the 3 months ended 31 March 2011 as no valuation of the investment properties was carried out at end March 2011.

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

	Latest quarter	Previous quarter
	31.3.12	31.3.11
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	3.2 cents	3.4 cents
(b) <u>On a fully diluted basis</u> For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than the average market price in the current quarter. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.		

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	31.3.12	31.12.11
Net asset value per ordinary share		(restated)
Group	\$3.16	\$3.13
Company	\$1.30	\$1.30

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The increase in revenue by \$38.0 million (19%) to \$233.6 million was due to higher sales of trading properties and higher revenue from hotel operations, partially offset by lower rental income.

Progressive sales recognition of trading properties at \$104.2 million was higher by \$41.7 million (67%) due to additional units sold and higher percentage of completion in The Trizon project. The increased sales recognised for The Trizon was moderated by the absence of contribution from the Park Natura project which was completed in May 2011.

Revenue from hotel operations increased by \$1.1 million (3%) to \$33.9 million with higher room rates and higher food and beverage revenue in Pan Pacific Singapore hotel.

Gross rental income at \$68.0 million was lower by \$5.0 million (7%) with the absence of \$4.6 million revenue contribution from UIC Building which was completely vacated by end 2011.

Despite higher revenue, overall net attributable profit decreased by \$2.6 million (6%) to \$44.3 million due to the cessation of contribution from the Park Natura project and UIC Building which have higher profit margins relative to the margin of The Trizon sales.

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

Not applicable.

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

The growing supply of new and secondary office space amidst an uncertain global economic outlook will continue to put pressure on office rental rates.

Despite new supply of retail space, the projected increase in tourist arrivals, healthy domestic consumer spending and demand from international brand retailers will help to sustain retail rents.

Underpinned by the low unemployment rate in Singapore, low interest rates and high liquidity, the residential property market, particularly in the mass-market segment, is expected to remain relatively stable.

Pan Pacific Singapore hotel was closed in April 2012 for major renovation works. The hotel will reopen for business in early August 2012.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the quarter ended 31 March 2012.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "IPTs", the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first quarter ended 31 March 2012 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
27 April 2012