

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2013
PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- I(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

	Note	2013 \$'000	2012 \$'000	+ / (-) %
Revenue	1	609,646	711,488	(14)
Cost of sales	2	(333,711)	(411,112)	(19)
Gross profit		275,935	300,376	(8)
Investment income	3	5,972	4,741	26
Other gains/(losses) - net		2,505	2,801	(11)
Selling and distribution costs		(38,306)	(33,769)	13
Administrative expenses		(19,842)	(19,557)	1
Finance expenses		(2,817)	(3,112)	(9)
Share of results of associated companies	4	67,624	68,767	(2)
Share of results of joint ventures		19,511	-	n.m.
Profit before fair valuation of investment properties		310,582	320,247	(3)
Fair value gain on investment properties	5	196,031	247,327	(21)
Profit before income tax	6	506,613	567,574	(11)
Income tax expense	7	(34,836)	(43,788)	(20)
Net profit		471,777	523,786	(10)
Profit attributable to:				
Equity holders of the Company		316,064	391,555	(19)
Non-controlling interests		155,713	132,231	18
		471,777	523,786	(10)

The above net profit attributable to equity holders of the Company can be analysed as follows:

Net profit from operations	167,178	168,238	(1)
Fair value gain on investment properties held by subsidiary and associated companies	148,886	223,317	(33)
Net attributable profit	316,064	391,555	(19)

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	2013 \$'000	2012 \$'000
Net profit	471,777	523,786
Other comprehensive income/(expense) items that may be reclassified subsequently to income statement:		
Net exchange differences on translation of financial statements of foreign entities	16,241	(15,435)
Total comprehensive income	488,018	508,351
Total comprehensive income attributable to:		
Equity holders of the Company	327,912	380,519
Non-controlling interests	160,106	127,832
	488,018	508,351

The net exchange gain of \$16.2 million for the year ended 31 December 2013 (2012: net exchange loss of \$15.4 million) was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

Notes to the income statement

	2013 \$'000	2012 \$'000
<u>1. Revenue</u>		
Gross rental income	271,480	270,785
Gross revenue from hotel operations	131,788	86,083
Sale of properties held for sale	120,705	271,567
Gross revenue from information technology operations	76,547	73,370
Car parking income and property services fees	9,126	9,683
	609,646	711,488
<u>2. Cost of sales</u>		
Property operating expenses	69,932	66,478
Cost of sales from hotel operations	106,419	85,962
Cost of properties held for sale sold	88,363	192,989
Cost of sales from information technology operations	68,997	65,683
	333,711	411,112
<u>3. Investment income</u>		
Interest income	3,426	2,512
Dividend income	2,546	2,229
	5,972	4,741
<u>4. Share of results of associated companies</u>		
Share of results of associated companies included a fair value gain on an investment property (Novena Square) held by an associated company of \$35.7 million (2012: \$36.6 million).		
<u>5. Fair value gain on investment properties</u>		
This relates to the year end revaluation of investment properties held by subsidiary companies.		
<u>6. Profit before income tax</u>		
Profit before income tax is stated after charging:		
Depreciation	23,577	23,944
<u>7. Income tax expense</u>		
Income tax expense included the following:		
Overprovision in preceding financial years	8,525	4,191

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.

		Group		Company	
		2013	2012	2013	2012
Note		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Other receivables	1	166,834	153,059	1,135,730	1,167,912
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		490,052	427,038	-	-
Investments in joint ventures		20,011	-	-	-
Investments in subsidiary companies		-	-	1,226,361	1,227,119
Investment properties	2	5,738,500	5,485,300	-	-
Property, plant and equipment		527,812	541,885	589	680
		<u>6,955,254</u>	<u>6,619,327</u>	<u>2,362,680</u>	<u>2,395,711</u>
Current assets					
Cash and cash equivalents		112,032	108,473	1,329	912
Properties held for sale	3	1,023,032	779,298	-	-
Trade and other receivables		89,492	97,715	1,131	1,126
Inventories		2,652	1,967	-	-
		<u>1,227,208</u>	<u>987,453</u>	<u>2,460</u>	<u>2,038</u>
Total assets		8,182,462	7,606,780	2,365,140	2,397,749
LIABILITIES					
Current liabilities					
Trade and other payables		149,149	183,678	3,121	3,173
Current income tax liabilities		65,023	77,303	-	-
Borrowings		593,866	586,791	427,260	443,870
		<u>808,038</u>	<u>847,772</u>	<u>430,381</u>	<u>447,043</u>
Non-current liabilities					
Trade and other payables	1	53,713	49,845	129,840	151,162
Borrowings		477,509	269,880	-	-
Deferred income tax liabilities		48,088	50,640	-	-
		<u>579,310</u>	<u>370,365</u>	<u>129,840</u>	<u>151,162</u>
Total liabilities		1,387,348	1,218,137	560,221	598,205
NET ASSETS		<u>6,795,114</u>	<u>6,388,643</u>	<u>1,804,919</u>	<u>1,799,544</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,403,772	1,401,892	1,403,772	1,401,892
Reserves		3,578,639	3,282,024	401,147	397,652
		<u>4,982,411</u>	<u>4,683,916</u>	<u>1,804,919</u>	<u>1,799,544</u>
Non-controlling interests		1,812,703	1,704,727	-	-
TOTAL EQUITY		<u>6,795,114</u>	<u>6,388,643</u>	<u>1,804,919</u>	<u>1,799,544</u>

Notes to the statement of financial position

1. The Company's 'Other receivables' and 'Trade and other payables', which include amounts due from and to subsidiary companies, decreased due to intercompany funding.
2. The increase in investment properties was due mainly to the \$196.0 million fair value gain on the Group's investment properties [see Section 1(a) note 5].
3. The increase in properties held for sale was due mainly to the final part payment for the land parcel of Alex Residences residential property project.

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

Amount repayable in one year or less, or on demand

At 31.12.13		At 31.12.12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,756	592,110	7,521	579,270

Amount repayable after one year

At 31.12.13		At 31.12.12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
477,509	-	269,880	-

Details of any collateral

The \$479.3 million loans are secured by way of mortgages over Pan Pacific Singapore hotel, Westin Tianjin hotel, certain property development projects and bank deposits pledged.

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.

	2013	2012
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	506,613	567,574
Adjustments for:		
Depreciation of property, plant and equipment	23,577	23,944
Employee share option expense	793	725
Loss on disposal of property, plant and equipment	363	370
Share of results of associated companies	(67,624)	(68,767)
Share of results of joint ventures	(19,511)	-
Fair value gain on investment properties	(196,031)	(247,327)
Investment income	(5,972)	(4,741)
Interest expense	2,817	3,112
Unrealised currency translation differences	2,232	(1,717)
	<u>247,257</u>	<u>273,173</u>
Change in working capital:		
Properties held for sale	(234,238)	105,414
Inventories	(685)	28
Trade and other receivables	8,220	(1,235)
Trade and other payables	(23,243)	(104,030)
Cash (used in)/generated from operations	<u>(2,689)</u>	<u>273,350</u>
Interest paid	(13,884)	(10,775)
Income tax paid	<u>(50,595)</u>	<u>(65,879)</u>
Net cash (used in)/provided by operating activities	<u>(67,168)</u>	<u>196,696</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,637)	(83,409)
Proceeds from disposal of property, plant and equipment	6	48
Upgrading of investment properties	(16,338)	(10,126)
Redevelopment of investment properties	(38,921)	(5,953)
Repayment of loan by an associated company	771	-
Loans to joint ventures	(11,600)	(77,812)
Investment in a joint venture	(500)	-
Dividends received from unquoted equity investments	2,546	2,229
Dividends received from associated companies	13,540	15,635
Interest received	496	644
Net cash used in investing activities	<u>(61,637)</u>	<u>(158,744)</u>
Cash flows from financing activities		
Repayment of borrowings	(31,000)	(165,595)
Proceeds from borrowings	245,704	236,621
Bank deposits pledged as security	(23,783)	(5,570)
Proceeds from issue of shares	1,880	510
Purchase of shares from non-controlling shareholders	(19,082)	(31,067)
Dividends paid to shareholders	(41,356)	(41,342)
Dividends paid to non-controlling shareholders	(23,782)	(28,658)
Net cash provided by/(used in) financing activities	<u>108,581</u>	<u>(35,101)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(20,224)</u>	<u>2,851</u>
Cash and cash equivalents at beginning of financial year	<u>102,903</u>	<u>100,052</u>
Cash and cash equivalents at end of financial year	<u>82,679</u>	<u>102,903</u>

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

	2013	2012
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	112,032	108,473
Less: Bank deposits pledged as security	(29,353)	(5,570)
Cash and cash equivalents (per Statement of Cash Flows)	<u>82,679</u>	<u>102,903</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.

<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		
2013							
Balance at 1 January 2013	1,401,892	3,250,356	29,382	2,286	4,683,916	1,704,727	6,388,643
Total comprehensive income	-	316,064	-	11,848	327,912	160,106	488,018
Employee share option scheme							
- value of employee services	-	-	-	793	793	-	793
- proceeds from shares issued	1,880	-	-	-	1,880	-	1,880
Effect of purchase of shares from non-controlling shareholders	-	9,266	-	-	9,266	(28,348)	(19,082)
Dividends paid	-	(41,356)	-	-	(41,356)	(23,782)	(65,138)
Balance at 31 December 2013	1,403,772	3,534,330	29,382	14,927	4,982,411	1,812,703	6,795,114
2012							
Balance at 1 January 2012	1,401,382	2,864,871	29,382	12,597	4,308,232	1,671,892	5,980,124
Total comprehensive income/(expense)	-	391,555	-	(11,036)	380,519	127,832	508,351
Employee share option scheme							
- value of employee services	-	-	-	725	725	-	725
- proceeds from shares issued	510	-	-	-	510	-	510
Effect of purchase of shares from non-controlling shareholders	-	35,272	-	-	35,272	(66,339)	(31,067)
Dividends paid	-	(41,342)	-	-	(41,342)	(28,658)	(70,000)
Balance at 31 December 2012	1,401,892	3,250,356	29,382	2,286	4,683,916	1,704,727	6,388,643
<u>Company</u>	Share capital \$'000	Retained earnings \$'000	Share option reserve \$'000	Total equity \$'000			
2013							
Balance at 1 January 2013	1,401,892	393,744	3,908	1,799,544			
Total comprehensive income	-	44,058	-	44,058			
Employee share option scheme							
- value of employee services	-	-	793	793			
- proceeds from shares issued	1,880	-	-	1,880			
Dividends paid	-	(41,356)	-	(41,356)			
Balance at 31 December 2013	1,403,772	396,446	4,701	1,804,919			
2012							
Balance at 1 January 2012	1,401,382	393,277	3,183	1,797,842			
Total comprehensive income	-	41,809	-	41,809			
Employee share option scheme							
- value of employee services	-	-	725	725			
- proceeds from shares issued	510	-	-	510			
Dividends paid	-	(41,342)	-	(41,342)			
Balance at 31 December 2012	1,401,892	393,744	3,908	1,799,544			

- 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 financial year ended 31 December 2013 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 January 2013	1,378,115
Issue of ordinary shares arising from the exercise of UIC share options	809
Issued share capital as at 31 December 2013	<u>1,378,924</u>

As at 31 December 2013, there were 4,725,000 (31 December 2012: 4,715,000) 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.**

	31.12.13 '000	31.12.12 '000
Total number of issued shares	<u>1,378,924</u>	<u>1,378,115</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 2012 audited annual financial statements have been applied for the current reporting period.

- 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.**

Nil.

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 year	Previous year
	31.12.13	31.12.12
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain on investment properties	12.1 cents	12.2 cents
- including fair value gain on investment properties	22.9 cents	28.4 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 year. 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.

	31.12.13	31.12.12
Net asset value per ordinary share		
Group	\$3.61	\$3.40
Company	\$1.31	\$1.31

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 decrease in revenue by \$101.8 million (14%) to \$609.6 million was attributable mainly to lower sales of trading properties, partially offset by higher revenue from hotel operations.

Lower residential property sales recognition of The Excellency (Chengdu) and The Trizon (completed in June 2012 and May 2012 respectively), partially offset by sales of the V on Shenton residential property project resulted in the decline in sales of trading properties by \$150.9 million (56%) to \$120.7 million.

Revenue from hotel operations increased by \$45.7 million (53%) to \$131.8 million following the re-opening of Pan Pacific Singapore hotel after closure for renovation from April to August 2012.

Gross rental income from investment properties remained stable at \$271.5 million (2012: \$270.8 million).

Archipelago, a joint venture residential property project contributed to the share of joint ventures' profit of \$19.5 million, with progressive recognition of development profits on percentage of completion basis.

Based on valuation by professional valuers as at 31 December 2013 on the investment properties held by subsidiary companies, a fair value gain of \$196.0 million (2012: \$247.3 million) was credited to the income statement.

Non-controlling interests included \$82.8 million (2012: \$60.6 million) share of fair value gain on investment properties.

In summary, net profit from operations decreased by \$1.1 million (1%) to \$167.2 million. After adding the fair value gain on investment properties, net of non-controlling interests, of \$148.9 million (2012: \$223.3 million), the Group's net attributable profit at \$316.1 million was lower by \$75.5 million (19%).

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 office leasing market is not expected to improve to any great extent in the short to medium term.

Despite projected increase in retail space, the retail rental market is expected to remain stable, supported by strong demand, healthy visitor arrivals and interest from international fast-fashion retail brands.

The hotel sector will continue to face challenges from new hotel room supply, manpower restriction and rising operating costs.

Market sentiments for residential property would remain cautious with the continuing government property cooling measures.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

Name of dividend	First and Final
Dividend Type	Cash/Scrip
Dividend Amount per Share (in cents)	3.0 cents per ordinary share
Tax rate	Tax exempt (One-tier)

The Directors recommend that shareholders be entitled to elect to receive dividends in the form of scrip in lieu of cash with regards to the proposed first and final dividend for the financial year ended 31 December 2013.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.0 cents per ordinary share
Tax rate	Tax exempt (One-tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

PART I ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Property investment		Property trading	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	279,085	278,216	122,226	273,819
Segment results	205,119	207,627	6,336	57,220
Unallocated costs				
Interest income				
Dividend income				
Finance expenses				
Share of results of associated companies	43,877	44,071	(583)	117
Share of results of joint ventures	-	-	19,511	-
Fair value gain on investment properties	196,031	247,327	-	-
Profit before income tax				
	Hotel operations		Technologies	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	131,788	86,083	76,547	73,370
Segment results	11,662	(12,293)	1,647	1,895
Gain on segment sold	-	-	-	-
Unallocated costs				
Surplus on revaluation of investment properties				
Interest income				
Dividend income				
Finance expenses				
Share of results of associated companies	24,330	24,579	-	-
Share of results of joint ventures	-	-	-	-
Fair value gain on investment properties	-	-	-	-
Profit before income tax				
	Group			
	2013	2012		
	\$'000	\$'000		
Revenue - external sales	609,646	711,488		
Segment results	224,764	254,449		
Unallocated costs	(4,472)	(4,598)		
Interest income	3,426	2,512		
Dividend income	2,546	2,229		
Finance expenses	(2,817)	(3,112)		
Share of results of associated companies	67,624	68,767		
Share of results of joint ventures	19,511	-		
Fair value gain on investment properties	310,582	320,247		
Profit before income tax	196,031	247,327		
	506,613	567,574		

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8 on review of performance of the Group.

15. A breakdown of revenue.

	2013 \$'000	2012 \$'000	+ / (-) %
(a) Revenue			
- first half	301,976	372,830	(19)
- second half	307,670	338,658	(9)
	<u>609,646</u>	<u>711,488</u>	(14)
(b) Net profit			
- first half	277,740	162,840	71
- second half	194,037	360,946	(46)
	<u>471,777</u>	<u>523,786</u>	(10)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
	Recommended	Declared
Ordinary	41,368	41,356
Preference	-	-
Total	41,368	41,356

The Directors propose to recommend a First and Final Dividend (one-tier tax exempt) of 3.0 cents per share (2012: 3.0 cents per share) amounting to \$41.4 million (2012: \$41.4 million) in respect of the financial year ended 31 December 2013. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held at 80 Raffles Place, 61st storey, UOB Plaza 1, Singapore 048624, on Friday, 25 April 2014, at 3.00 pm.

17. 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.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

During the year, there was no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the directors, chief executive officer or substantial shareholders of the Company.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
21 February 2014