

First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2013

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

	Note	3 months ended		+ / (-) %
		31.3.13 \$'000	31.3.12 \$'000	
Revenue	1	150,080	233,553	(36)
Cost of sales	2	(84,503)	(153,277)	(45)
Gross profit		65,577	80,276	(18)
Investment income		837	475	76
Other gains/(losses) - net		364	581	(37)
Selling and distribution costs		(5,535)	(4,698)	18
Administrative expenses		(4,882)	(4,835)	1
Finance expenses		(702)	(491)	43
Share of results of associated companies		7,401	7,018	5
Share of results of joint ventures		3,958	(1,305)	n.m.
Profit before income tax	3	67,018	77,021	(13)
Income tax expense		(10,501)	(12,730)	(18)
Net profit		56,517	64,291	(12)
Attributable to:				
Equity holders of the Company		39,844	44,289	(10)
Non-controlling interests		16,673	20,002	(17)
		56,517	64,291	(12)

n.m. - not meaningful

Consolidated Statement of Comprehensive Income

	3 months ended	
	31.3.13	31.3.12
	\$'000	\$'000
Net profit	56,517	64,291
Other comprehensive income/(expense) items:		
Net exchange differences on translation of financial statements of foreign entities	5,011	(7,512)
Total comprehensive income	<u>61,528</u>	<u>56,779</u>
Total comprehensive income attributable to:		
Equity holders of the Company	43,477	38,970
Non-controlling interests	18,051	17,809
	<u>61,528</u>	<u>56,779</u>

The net exchange gain of \$5.0 million for the 3 months ended 31 March 2013 (3 months ended 31 March 2012: \$7.5 million net exchange loss) 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	
	31.3.13	31.3.12
	\$'000	\$'000
<u>1. Revenue</u>		
Gross rental income	66,428	68,004
Gross revenue from hotel operations	29,757	33,911
Sale of properties held for sale	29,615	104,199
Gross revenue from information technology operations	22,307	24,843
Car parking income and property services fees	1,973	2,596
	<u>150,080</u>	<u>233,553</u>
<u>2. Cost of sales</u>		
Property operating expenses	17,374	16,979
Cost of sales from hotel operations	24,845	28,395
Cost of properties held for sale sold	22,057	85,332
Cost of sales from information technology operations	20,227	22,571
	<u>84,503</u>	<u>153,277</u>
<u>3. Profit before income tax</u>		
Profit before income tax is stated after charging:		
Depreciation	5,908	9,575

The depreciation of \$9.6 million in 2012 included accelerated depreciation of \$5.0 million on certain plant and equipment that were replaced in the major refurbishment of Pan Pacific Singapore hotel.

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	
		31.3.13 \$'000	31.12.12 \$'000	31.3.13 \$'000	31.12.12 \$'000
ASSETS					
Non-current assets					
Other receivables		156,311	153,059	1,169,967	1,167,912
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		437,177	427,038	-	-
Investments in joint ventures		4,458	-	-	-
Investments in subsidiary companies		-	-	1,227,119	1,227,119
Investment properties	1	5,493,787	5,485,300	-	-
Property, plant and equipment		538,428	541,885	650	680
		<u>6,642,206</u>	<u>6,619,327</u>	<u>2,397,736</u>	<u>2,395,711</u>
Current assets					
Cash and cash equivalents		115,901	108,473	475	912
Properties held for sale	2	1,074,799	779,298	-	-
Trade and other receivables		117,973	97,715	1,185	1,126
Inventories		1,937	1,967	-	-
		<u>1,310,610</u>	<u>987,453</u>	<u>1,660</u>	<u>2,038</u>
Total assets		7,952,816	7,606,780	2,399,396	2,397,749
LIABILITIES					
Current liabilities					
Trade and other payables		158,728	183,678	2,215	3,173
Current income tax liabilities		79,019	77,303	5	-
Borrowings		682,609	586,791	449,030	443,870
		<u>920,356</u>	<u>847,772</u>	<u>451,250</u>	<u>447,043</u>
Non-current liabilities					
Trade and other payables		53,883	49,845	149,740	151,162
Borrowings		482,000	269,880	-	-
Deferred income tax liabilities		50,616	50,640	-	-
		<u>586,499</u>	<u>370,365</u>	<u>149,740</u>	<u>151,162</u>
Total liabilities		1,506,855	1,218,137	600,990	598,205
NET ASSETS		6,445,961	6,388,643	1,798,406	1,799,544
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,402,271	1,401,892	1,402,271	1,401,892
Reserves		3,328,684	3,282,024	396,135	397,652
		<u>4,730,955</u>	<u>4,683,916</u>	<u>1,798,406</u>	<u>1,799,544</u>
Non-controlling interests		1,715,006	1,704,727	-	-
TOTAL EQUITY		6,445,961	6,388,643	1,798,406	1,799,544

Notes to the statement of financial position

- Investment properties are stated at 31 December 2012 valuations by independent professional valuers, with \$8.5 million upgrading costs incurred during the first quarter of 2013. Valuations are carried out half yearly in June and December.
- The increase in properties held for sale was due mainly to part payment for the land parcel at Alexandra View.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

At 31.3.13		At 31.12.12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,000	672,609	7,521	579,270

Amount repayable after one year

At 31.3.13		At 31.12.12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
482,000	-	269,880	-

Details of any collateral

The \$492.0 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.

	3 months ended	
	31.3.13	31.3.12
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	67,018	77,021
Adjustments to profit	(4,699)	4,046
Working capital changes	(334,734)	(78,246)
Interest paid	(3,088)	(2,774)
Income tax paid	(9,090)	(12,772)
Net cash used in operating activities	<u>(284,593)</u>	<u>(12,725)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(593)	(2,447)
Upgrading of investment properties	(8,016)	(1,101)
Loans to joint ventures	(2,550)	(3,600)
Investment in a joint venture	(500)	-
Interest received	150	199
Net cash used in investing activities	<u>(11,509)</u>	<u>(6,949)</u>
Cash flows from financing activities		
Proceeds from borrowings	307,938	5,860
Proceeds from issue of shares	379	350
Purchase of shares from non-controlling shareholders	(4,787)	-
Net cash provided by financing activities	<u>303,530</u>	<u>6,210</u>
Net increase/(decrease) in cash and cash equivalents	7,428	(13,464)
Cash and cash equivalents at 1 January	102,903	100,052
Cash and cash equivalents at 31 March	<u>110,331</u>	<u>86,588</u>

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

	31.3.13	31.3.12
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	115,901	86,588
Less: Bank deposits pledged as security	(5,570)	-
Cash and cash equivalents (per Statement of Cash Flows)	<u>110,331</u>	<u>86,588</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.

Group	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Retained earnings	Asset revaluation reserve	Other reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2013</u>							
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	-	39,844	-	3,633	43,477	18,051	61,528
Employee share option scheme							
- value of employee services	-	-	-	198	198	-	198
- proceeds from shares issued	379	-	-	-	379	-	379
Effect of purchase of shares from non-controlling shareholders	-	2,985	-	-	2,985	(7,772)	(4,787)
Balance at 31 March 2013	1,402,271	3,293,185	29,382	6,117	4,730,955	1,715,006	6,445,961
<u>2012</u>							
Balance at 1 January 2012	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>Company</u>							
	Share capital	Retained earnings	Share option reserve	Total equity			
	\$'000	\$'000	\$'000	\$'000			
<u>2013</u>							
Balance at 1 January 2013	1,401,892	393,744	3,908	1,799,544			
Total comprehensive expense	-	(1,715)	-	(1,715)			
Employee share option scheme							
- value of employee services	-	-	198	198			
- proceeds from shares issued	379	-	-	379			
Balance at 31 March 2013	1,402,271	392,029	4,106	1,798,406			
<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			

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 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	184
Issued share capital as at 31 March 2013	<u>1,378,299</u>

As at 31 March 2013, there were 5,411,000 (31 March 2012: 5,094,000) 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.

	31.3.13	31.12.12
	'000	'000
Total number of issued shares	<u>1,378,299</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 quarter	Previous quarter
	31.3.13	31.3.12
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	2.9 cents	3.2 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.

	31.3.13	31.12.12
Net asset value per ordinary share		
Group	\$3.43	\$3.40
Company	\$1.30	\$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 \$83.5 million (36%) to \$150.1 million was due mainly to lower sales of trading properties by \$74.6 million with lower contribution from The Trizon residential project following its completion in May 2012.

Gross rental income from investment properties remained relatively stable at \$66.4 million (1Q 2012: \$68.0 million).

Higher contribution from the Archipelago residential property project with progressive recognition of development profits, on percentage of completion basis, resulted in share of joint ventures' profit of \$4.0 million (1Q 2012: loss of \$1.3 million).

Overall, net attributable profit decreased by \$4.4 million (10%) to \$39.8 million due primarily to lower trading properties sale.

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.

With the challenging economic environment and significant office supply, the office leasing market is expected to remain competitive.

The continued growth in tourist arrivals and firm consumer sentiment would help cushion the effect of labour crunch and rising manpower costs on the retail and hospitality sectors.

Demand for homes is expected to remain healthy amidst a low interest rate and high liquidity environment.

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/recommended, a statement to that effect.

No dividend has been declared/recommended for the quarter ended 31 March 2013.

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).

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 2013 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
26 April 2013