

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2014
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	2014 \$'000	2013 \$'000	+ / (-) %
Revenue	1	693,196	609,646	14
Cost of sales	2	(397,980)	(333,711)	19
Gross profit		295,216	275,935	7
Investment income	3	6,081	5,972	2
Other gains and losses		3,056	2,505	22
Selling and distribution costs		(29,265)	(38,306)	(24)
Administrative expenses		(22,601)	(19,842)	14
Finance expenses		(7,817)	(2,817)	177
Share of results of associated companies	4	42,098	67,624	(38)
Share of results of joint ventures		37,221	19,511	91
Profit before fair valuation of investment properties		323,989	310,582	4
Fair value gain on investment properties	5	167,249	196,031	(15)
Profit before income tax	6	491,238	506,613	(3)
Income tax expense	7	(40,365)	(34,836)	16
Net profit		450,873	471,777	(4)
Profit attributable to:				
Equity holders of the Company		397,991	316,064	26
Non-controlling interests		52,882	155,713	(66)
		450,873	471,777	(4)

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

Net profit from operations	222,789	167,178	33
Fair value gain on investment properties held by subsidiary and associated companies	175,202	148,886	18
Net attributable profit	397,991	316,064	26

Consolidated Statement of Comprehensive Income

	2014 \$'000	2013 \$'000
Net profit	450,873	471,777
Other comprehensive income items that may be reclassified subsequently to income statement:		
Net currency translation differences of financial statements of foreign entities	4,943	16,241
Total comprehensive income	455,816	488,018
Total comprehensive income attributable to:		
Equity holders of the Company	403,832	327,912
Non-controlling interests	51,984	160,106
	455,816	488,018

The net currency translation gain of \$4.9 million for the year ended 31 December 2014 (2013: \$16.2 million) was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

Notes to the income statement

	2014 \$'000	2013 \$'000
1. Revenue		
Gross rental income	275,597	271,480
Gross revenue from hotel operations	147,342	131,788
Sale of properties held for sale	184,186	120,705
Gross revenue from information technology operations	78,163	76,547
Car parking income and property services fees	7,908	9,126
	693,196	609,646
2. Cost of sales		
Property operating expenses	73,227	69,932
Cost of sales from hotel operations	110,966	106,419
Cost of properties held for sale sold	143,283	88,363
Cost of sales from information technology operations	70,504	68,997
	397,980	333,711
3. Investment income		
Interest income	3,525	3,426
Dividend income	2,556	2,546
	6,081	5,972
4. Share of results of associated companies		
Share of results of associated companies included a fair value gain on an investment property (Novena Square) held by an associated company of \$12.7 million (2013: \$35.7 million).		
5. Fair value gain on investment properties		
This relates to the year end revaluation of investment properties held by subsidiary companies.		
6. Profit before income tax		
Profit before income tax is stated after charging:		
Depreciation	23,675	23,577
7. Income tax expense		
Income tax expense included the following:		
Overprovision in preceding financial years written back	778	8,525

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	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Other receivables	1	171,065	166,834	-	1,135,730
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		520,256	490,052	-	-
Investments in joint ventures		57,232	20,011	-	-
Investments in subsidiary companies		-	-	1,226,623	1,226,361
Investment properties	2	5,989,900	5,738,500	-	-
Property, plant and equipment		509,151	527,812	484	589
		<u>7,259,649</u>	<u>6,955,254</u>	<u>1,227,107</u>	<u>2,362,680</u>
Current assets					
Cash and cash equivalents		80,950	112,032	1,420	1,329
Properties held for sale		1,038,939	1,023,032	-	-
Trade and other receivables	1	107,228	89,492	1,842,097	1,131
Inventories		2,217	2,652	-	-
		<u>1,229,334</u>	<u>1,227,208</u>	<u>1,843,517</u>	<u>2,460</u>
Total assets		8,488,983	8,182,462	3,070,624	2,365,140
LIABILITIES					
Current liabilities					
Trade and other payables	1	153,126	149,149	227,522	3,121
Current income tax liabilities		54,957	65,023	-	-
Borrowings		654,776	593,866	393,935	427,260
		<u>862,859</u>	<u>808,038</u>	<u>621,457</u>	<u>430,381</u>
Non-current liabilities					
Trade and other payables	1	65,530	53,713	1,624	129,840
Borrowings		1,011,517	477,509	596,500	-
Deferred income tax liabilities		51,010	48,088	-	-
		<u>1,128,057</u>	<u>579,310</u>	<u>598,124</u>	<u>129,840</u>
Total liabilities		1,990,916	1,387,348	1,219,581	560,221
NET ASSETS		6,498,067	6,795,114	1,851,043	1,804,919
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,446,183	1,403,772	1,446,183	1,403,772
Reserves		4,246,435	3,578,639	404,860	401,147
		<u>5,692,618</u>	<u>4,982,411</u>	<u>1,851,043</u>	<u>1,804,919</u>
Non-controlling interests		805,449	1,812,703	-	-
TOTAL EQUITY		6,498,067	6,795,114	1,851,043	1,804,919

Notes to the statement of financial position

1. The Company's 'Other receivables', 'Trade and other receivables' and 'Trade and other payables', which included amounts due from and to subsidiary companies, increased/decreased due to intercompany funding and reclassification of balances from non-current to current.
2. The increase in investment properties was due mainly to the \$167.2 million fair value gain on the Group's investment properties [see Section 1(a) note 5].

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

Amount repayable in one year or less, or on demand

At 31.12.14		At 31.12.13	
Secured	Unsecured	Secured	Unsecured
\$'000 1,811	\$'000 652,965	\$'000 1,756	\$'000 592,110

Amount repayable after one year

At 31.12.14		At 31.12.13	
Secured	Unsecured	Secured	Unsecured
\$'000 415,017	\$'000 596,500	\$'000 477,509	\$'000 -

Details of any collateral

The \$416.8 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.**

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Profit before income tax	491,238	506,613
Adjustments for:		
Depreciation of property, plant and equipment	23,675	23,577
Employee share option expense	621	793
Loss on disposal of property, plant and equipment	1,011	363
Share of results of associated companies	(42,098)	(67,624)
Share of results of joint ventures	(37,221)	(19,511)
Fair value gain on investment properties	(167,249)	(196,031)
Investment income	(6,081)	(5,972)
Interest expense	7,817	2,817
Unrealised currency translation differences	689	2,232
	<u>272,402</u>	<u>247,257</u>
Change in working capital:		
Properties held for sale	(7,493)	(234,238)
Inventories	435	(685)
Trade and other receivables	(16,912)	8,220
Trade and other payables	15,890	(23,243)
Cash generated from/(used in) operations	<u>264,322</u>	<u>(2,689)</u>
Interest paid	(20,030)	(13,884)
Income tax paid	(47,812)	(50,595)
Net cash provided by/(used in) operating activities	<u>196,480</u>	<u>(67,168)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,504)	(11,637)
Proceeds from disposal of property, plant and equipment	15	6
Upgrading of investment properties	(7,984)	(16,338)
Redevelopment of investment properties	(74,021)	(38,921)
Repayment of loan by an associated company	-	771
Proceeds from liquidation of an associated company	804	-
Loans to joint ventures	(1,625)	(11,600)
Investment in a joint venture	-	(500)
Dividend received from unquoted equity investments	2,556	2,546
Dividends received from associated companies	14,110	13,540
Interest received	477	496
Net cash used in investing activities	<u>(70,172)</u>	<u>(61,637)</u>
Cash flows from financing activities		
Repayment of borrowings	(62,220)	(31,000)
Proceeds from borrowings	661,914	245,704
Bank facility fees paid	(3,600)	-
Decrease/(Increase) in bank deposits pledged as security	17,873	(23,783)
Proceeds from issuance of shares	4,391	1,880
Acquisition of shares from non-controlling shareholders	(743,207)	(19,082)
Dividends paid to equity holders of the Company	(3,380)	(41,356)
Dividends paid to non-controlling interests	(11,288)	(23,782)
Net cash (used in)/provided by financing activities	<u>(139,517)</u>	<u>108,581</u>
Net decrease in cash and cash equivalents	<u>(13,209)</u>	<u>(20,224)</u>
Cash and cash equivalents at beginning of financial year	82,679	102,903
Cash and cash equivalents at end of financial year	<u>69,470</u>	<u>82,679</u>

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

	2014 \$'000	2013 \$'000
Cash and cash equivalents (per Statement of Financial Position)	80,950	112,032
Less: Bank deposits pledged as security	(11,480)	(29,353)
Cash and cash equivalents (per Statement of Cash Flows)	<u>69,470</u>	<u>82,679</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
2014							
Balance at 1 January 2014	1,403,772	3,534,330	29,382	14,927	4,982,411	1,812,703	6,795,114
Net profit	-	397,991	-	-	397,991	52,882	450,873
Other comprehensive income/(expense)	-	-	-	5,841	5,841	(898)	4,943
Total comprehensive income	-	397,991	-	5,841	403,832	51,984	455,816
Employee share option scheme							
- value of employee services	-	-	-	621	621	-	621
- proceeds from shares issued	4,391	-	-	-	4,391	-	4,391
Issue of shares pursuant to scrip dividend scheme	38,020	-	-	-	38,020	-	38,020
Effect of acquisition of shares from non-controlling shareholders	-	293,245	11,015	483	304,743	(1,047,950)	(743,207)
Dividends paid							
- in cash	-	(3,380)	-	-	(3,380)	(11,288)	(14,668)
- in scrip	-	(38,020)	-	-	(38,020)	-	(38,020)
Total transactions with owners, recognised directly in equity	42,411	251,845	11,015	1,104	306,375	(1,059,238)	(752,863)
Balance at 31 December 2014	1,446,183	4,184,166	40,397	21,872	5,692,618	805,449	6,498,067
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
Net profit	-	316,064	-	-	316,064	155,713	471,777
Other comprehensive income	-	-	-	11,848	11,848	4,393	16,241
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 acquisition of shares from non-controlling shareholders	-	9,266	-	-	9,266	(28,348)	(19,082)
Dividends paid in cash	-	(41,356)	-	-	(41,356)	(23,782)	(65,138)
Total transactions with owners, recognised directly in equity	1,880	(32,090)	-	793	(29,417)	(52,130)	(81,547)
Balance at 31 December 2013	1,403,772	3,534,330	29,382	14,927	4,982,411	1,812,703	6,795,114

Company	Share capital \$'000	Retained earnings \$'000	Share option reserve \$'000	Total equity \$'000
2014				
Balance at 1 January 2014	1,403,772	396,446	4,701	1,804,919
Net profit and total comprehensive income	-	44,492	-	44,492
Employee share option scheme				
- value of employee services	-	-	621	621
- proceeds from shares issued	4,391	-	-	4,391
Issue of shares under scrip dividend scheme	38,020	-	-	38,020
Dividends paid				
- in cash	-	(3,380)	-	(3,380)
- in scrip	-	(38,020)	-	(38,020)
Balance at 31 December 2014	1,446,183	399,538	5,322	1,851,043
2013				
Balance at 1 January 2013	1,401,892	393,744	3,908	1,799,544
Net profit and 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 in cash	-	(41,356)	-	(41,356)
Balance at 31 December 2013	1,403,772	396,446	4,701	1,804,919

- 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 2014 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 January 2014	1,378,924
Issue of ordinary shares arising from the exercise of UIC share options	1,674
Issue of ordinary shares pursuant to scrip dividend scheme	11,994
Issued share capital as at 31 December 2014	<u>1,392,592</u>

As at 31 December 2014, there were 3,508,000 (31 December 2013: 4,725,000) 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.**

	31.12.14 '000	31.12.13 '000
Total number of issued shares	<u>1,392,592</u>	<u>1,378,924</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 in the 2013 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 31.12.14	Previous year 31.12.13
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain on investment properties	16.1 cents	12.1 cents
- including fair value gain on investment properties	28.7 cents	22.9 cents
(b) On a fully diluted basis		
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.

	31.12.14	31.12.13
Net asset value per ordinary share		
Group	\$4.09	\$3.61
Company	\$1.33	\$1.31

The increase in net asset value per share from \$3.61 to \$4.09 included a \$0.22 per share effect of acquisition of shares from non-controlling shareholders attributable to UIC's voluntary cash offer for Singapore Land Limited.

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.

Revenue at \$693.2 million increased by \$83.6 million (14%) due mainly to higher trading property sales and higher revenue from hotel operations.

Sales of trading properties at \$184.2 million was higher by \$63.5 million (53%) with progressive sales recognition on percentage of completion basis, for V on Shenton, Alex Residences and Mon Jervois, partially offset by lower sales of The Trizon (fully sold in 1Q 2014).

Revenue from hotel operations increased by \$15.6 million (12%) to \$147.3 million with higher room and occupancy rates, and higher food and beverage revenue in Pan Pacific Singapore hotel. The hotel re-opened in September 2012 after major refurbishment.

Gross rental income from investment properties increased slightly by \$4.1 million (2%) to \$275.6 million.

Share of results of associated companies decreased by \$25.5 million (38%) to \$42.1 million due primarily to lower share of fair value gain on an investment property held by an associated company of \$12.7 million (2013: \$35.7 million).

Higher contributions from the Archipelago and Thomson Three joint venture residential property projects with progressive recognition of development profits, on percentage of completion basis, led to the increase in share of joint ventures' profit by \$17.7 million (91%) to \$37.2 million.

Based on valuation by professional valuers as at 31 December 2014 on the investment properties held by subsidiary companies, a fair value gain of \$167.2 million (2013: \$196.0 million) was credited to the income statement.

Non-controlling interests totalling \$52.9 million (2013: \$155.7 million) decreased by \$102.8 million (66%) due mainly to lower fair value gain on Marina Square (which the Group has an effective interest of 53%) and lower minorities' share of Singapore Land's net profit as a result of UIC's increased interest in Singapore Land to 99.6% following UIC's voluntary cash offer for Singapore Land Limited.

In summary, net profit from operations increased by \$55.6 million (33%) to \$222.8 million. With the fair value gain on investment properties, net of non-controlling interests, of \$175.2 million (2013: \$148.9 million), the Group ended the year with a net attributable profit of \$398.0 million, an increase of \$81.9 million (26%) over 2013.

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.**

Given the lack of new office space supply in the short term, office rentals are likely to grow at a gradual pace.

Escalating operating costs amidst a tight labour market and increasing popularity of on-line shopping will restrain retail rental growth.

The hotel industry is expected to remain competitive against the backdrop of new hotel rooms supply and slower visitors' growth.

Sales transaction activity in the residential property market will be slowed by the property cooling measures in place.

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 2014.

(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/Scrip
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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	282,959	279,085	184,732	122,226
Segment results	206,294	205,119	24,381	6,336
Unallocated costs				
Interest income				
Dividend income				
Finance expenses				
Share of results of associated companies	21,043	43,877	(101)	(583)
Share of results of joint ventures	-	-	37,221	19,511
Fair value gain on investment properties	167,249	196,031	-	-
Profit before income tax				
	Hotel operations		Technologies	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Revenue - external sales	147,342	131,788	78,163	76,547
Segment results	20,186	11,662	1,844	1,647
Unallocated costs				
Interest income				
Dividend income				
Finance expenses				
Share of results of associated companies	21,156	24,330	-	-
Share of results of joint ventures	-	-	-	-
Fair value gain on investment properties	-	-	-	-
Profit before income tax				
	Group			
	2014		2013	
	\$'000		\$'000	
Revenue - external sales	693,196		609,646	
Segment results	252,705		224,764	
Unallocated costs	(6,299)		(4,472)	
Interest income	3,525		3,426	
Dividend income	2,556		2,546	
Finance expenses	(7,817)		(2,817)	
Share of results of associated companies	42,098		67,624	
Share of results of joint ventures	37,221		19,511	
Fair value gain on investment properties	323,989		310,582	
Profit before income tax	167,249		196,031	
	491,238		506,613	

- 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.

	2014	2013	+ / (-)
	\$'000	\$'000	%
(a) Revenue			
- first half	315,800	301,976	5
- second half	377,396	307,670	23
	<u>693,196</u>	<u>609,646</u>	14
(b) Net profit			
- first half	249,108	277,740	(10)
- second half	201,765	194,037	4
	<u>450,873</u>	<u>471,777</u>	(4)

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	41,778	41,400
Preference	-	-
Total	41,778	41,400

The Directors propose to recommend a First and Final Dividend (one-tier tax exempt) of 3.0 cents per share (2013: 3.0 cents per share) amounting to \$41.8 million (2013: \$41.4 million) in respect of the financial year ended 31 December 2014. 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, 24 April 2015.

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
13 February 2015