

First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2015
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		+ / (-)
		31.3.15	31.3.14	
		\$'000	\$'000	%
Revenue	1	193,152	148,065	30
Cost of sales	2	(114,814)	(79,229)	45
Gross profit		78,338	68,836	14
Investment income	3	1,098	872	26
Other gains and losses		304	623	(51)
Selling and distribution costs		(6,261)	(6,481)	(3)
Administrative expenses		(4,866)	(5,757)	(15)
Finance expenses		(2,778)	(616)	351
Share of results of associated companies		6,519	7,433	(12)
Share of results of joint ventures		6,958	8,721	(20)
Profit before income tax	4	79,312	73,631	8
Income tax expense		(10,541)	(10,701)	(1)
Net profit		68,771	62,930	9
Profit attributable to:				
Equity holders of the Company		60,807	43,657	39
Non-controlling interests		7,964	19,273	(59)
		68,771	62,930	9

Consolidated Statement of Comprehensive Income

	3 months ended	
	31.3.15	31.3.14
	\$'000	\$'000
Net profit	68,771	62,930
Other comprehensive income/(expense) items that may be reclassified subsequently to income statement:		
Net currency translation differences of financial statements of foreign entities	10,594	(7,279)
Total comprehensive income	79,365	55,651
Total comprehensive income attributable to:		
Equity holders of the Company	70,234	38,315
Non-controlling interests	9,131	17,336
	79,365	55,651

The net currency translation gain of \$10.6 million for the 3 months ended 31 March 2015 (3 months ended 31 March 2014: net currency translation loss of \$7.3 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	
	31.3.15	31.3.14
	\$'000	\$'000
1. Revenue		
Gross rental income	68,127	68,570
Gross revenue from hotel operations	36,081	35,495
Sale of properties held for sale	62,573	18,437
Gross revenue from information technology operations	24,312	23,537
Car parking income and property services fees	2,059	2,026
	193,152	148,065
2. Cost of sales		
Property operating expenses	18,408	17,588
Cost of sales from hotel operations	26,234	26,233
Cost of properties held for sale sold	48,007	14,001
Cost of sales from information technology operations	22,165	21,407
	114,814	79,229
3. Investment income		
Interest income	1,002	872
Dividend income	96	-
	1,098	872
4. Profit before income tax		
Profit before income tax is stated after charging:		
Depreciation	6,004	6,018

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	
		31.3.15	31.12.14	31.3.15	31.12.14
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Other receivables		172,888	171,065	-	-
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		532,932	520,256	-	-
Investments in joint ventures		64,190	57,232	-	-
Investments in subsidiary companies		-	-	1,226,623	1,226,623
Investment properties	1	6,000,985	5,989,900	-	-
Property, plant and equipment		507,380	509,151	456	484
		<u>7,290,420</u>	<u>7,259,649</u>	<u>1,227,079</u>	<u>1,227,107</u>
Current assets					
Cash and cash equivalents		81,865	80,950	339	1,420
Properties held for sale		1,044,878	1,038,939	-	-
Trade and other receivables		43,535	107,228	1,823,722	1,842,097
Inventories		2,662	2,217	-	-
		<u>1,172,940</u>	<u>1,229,334</u>	<u>1,824,061</u>	<u>1,843,517</u>
Total assets		8,463,360	8,488,983	3,051,140	3,070,624
LIABILITIES					
Current liabilities					
Trade and other payables		135,866	153,126	226,550	227,522
Current income tax liabilities		57,895	54,957	-	-
Borrowings		584,890	654,776	374,720	393,935
		<u>778,651</u>	<u>862,859</u>	<u>601,270</u>	<u>621,457</u>
Non-current liabilities					
Trade and other payables		67,346	65,530	1,624	1,624
Borrowings		988,308	1,011,517	596,800	596,500
Deferred income tax liabilities		50,949	51,010	-	-
		<u>1,106,603</u>	<u>1,128,057</u>	<u>598,424</u>	<u>598,124</u>
Total liabilities		1,885,254	1,990,916	1,199,694	1,219,581
NET ASSETS		6,578,106	6,498,067	1,851,446	1,851,043
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,448,058	1,446,183	1,448,058	1,446,183
Reserves		4,317,516	4,246,435	403,388	404,860
		<u>5,765,574</u>	<u>5,692,618</u>	<u>1,851,446</u>	<u>1,851,043</u>
Non-controlling interests		812,532	805,449	-	-
TOTAL EQUITY		6,578,106	6,498,067	1,851,446	1,851,043

Notes to the statement of financial position

- Investment properties are stated at 31 December 2014 valuations by independent professional valuers, with \$11.1 million redevelopment and upgrading costs incurred during the first quarter of 2015. Valuations are carried out half yearly in June and December.

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

Amount repayable in one year or less, or on demand

At 31.3.15		At 31.12.14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,170	582,720	1,811	652,965

Amount repayable after one year

At 31.3.15		At 31.12.14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
391,508	596,800	415,017	596,500

Details of any collateral

The \$393.7 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	
	31.3.15	31.3.14
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	79,312	73,631
Adjustments to profits	(4,056)	(11,191)
Working capital changes	45,263	46,546
Interest paid	(6,447)	(3,948)
Income tax paid	(8,286)	(8,607)
Net cash provided by operating activities	105,786	96,431
Cash flows from investing activities		
Purchase of property, plant and equipment	(796)	(1,076)
Proceeds from disposal of property, plant and equipment	44	-
Upgrading of investment properties	(1,437)	(721)
Redevelopment of investment properties	(8,926)	(6,870)
Loans to a joint venture	(915)	-
Dividend received from unquoted equity investment	96	-
Interest received	105	124
Net cash used in investing activities	(11,829)	(8,543)
Cash flows from financing activities		
Repayment of borrowings	(93,558)	(14,617)
Increase in bank deposits pledged as security	(900)	(15,954)
Proceeds from issuance of shares	1,875	1,819
Acquisition of shares from non-controlling shareholders	(1,359)	(26,309)
Net cash used in financing activities	(93,942)	(55,061)
Net increase in cash and cash equivalents	15	32,827
Cash and cash equivalents at 1 January	69,470	82,679
Cash and cash equivalents at 31 March	69,485	115,506

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

	31.3.15	31.3.14
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	81,865	160,813
Less: Bank deposits pledged as security	(12,380)	(45,307)
Cash and cash equivalents (per Statement of Cash Flows)	69,485	115,506

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.

	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			
Group								
2015								
Balance at 1 January 2015	1,446,183	4,184,166	40,397	21,872	5,692,618	805,449		6,498,067
Net profit	-	60,807	-	-	60,807	7,964		68,771
Other comprehensive income	-	-	-	9,427	9,427	1,167		10,594
Total comprehensive income	-	60,807	-	9,427	70,234	9,131		79,365
Employee share option scheme								
- value of employee services	-	-	-	158	158	-		158
- proceeds from shares issued	1,875	-	-	-	1,875	-		1,875
Effect of acquisition of shares from non-controlling shareholders	-	689	-	-	689	(2,048)		(1,359)
Total transactions with owners, recognised directly in equity	1,875	689	-	158	2,722	(2,048)		674
Balance at 31 March 2015	1,448,058	4,245,662	40,397	31,457	5,765,574	812,532		6,578,106
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	-	43,657	-	-	43,657	19,273		62,930
Other comprehensive expense	-	-	-	(5,342)	(5,342)	(1,937)		(7,279)
Total comprehensive income/(expense)	-	43,657	-	(5,342)	38,315	17,336		55,651
Employee share option scheme								
- value of employee services	-	-	-	198	198	-		198
- proceeds from shares issued	1,819	-	-	-	1,819	-		1,819
Effect of acquisition of shares from non-controlling shareholders	-	10,604	-	-	10,604	(36,913)		(26,309)
Total transactions with owners, recognised directly in equity	1,819	10,604	-	198	12,621	(36,913)		(24,292)
Balance at 31 March 2014	1,405,591	3,588,591	29,382	9,783	5,033,347	1,793,126		6,826,473
Company								
	Share capital \$'000	Retained earnings \$'000	Share option reserve \$'000	Total equity \$'000				
2015								
Balance at 1 January 2015	1,446,183	399,538	5,322	1,851,043				
Net profit and total comprehensive expense	-	(1,630)	-	(1,630)				
Employee share option scheme								
- value of employee services	-	-	158	158				
- proceeds from shares issued	1,875	-	-	1,875				
Balance at 31 March 2015	1,448,058	397,908	5,480	1,851,446				
2014								
Balance at 1 January 2014	1,403,772	396,446	4,701	1,804,919				
Net profit and total comprehensive expense	-	(2,165)	-	(2,165)				
Employee share option scheme								
- value of employee services	-	-	198	198				
- proceeds from shares issued	1,819	-	-	1,819				
Balance at 31 March 2014	1,405,591	394,281	4,899	1,804,771				

- 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 2015 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 January 2015	1,392,592
Issue of ordinary shares arising from the exercise of UIC share options	664
Issued share capital as at 31 March 2015	<u>1,393,256</u>

As at 31 March 2015, there were 3,444,000 (31 March 2014: 4,723,000) 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.**

	31.3.15 '000	31.12.14 '000
Total number of issued shares	<u>1,393,256</u>	<u>1,392,592</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 2014 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 31.3.15	Previous quarter 31.3.14
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	4.4 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.

	31.3.15	31.12.14
Net asset value per ordinary share		
Group	\$4.14	\$4.09
Company	\$1.33	\$1.33

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 \$193.2 million increased by \$45.1 million (30%) due mainly to higher trading property sales.

Sales of trading properties at \$62.6 million was higher by \$44.1 million (239%) with progressive sales recognition, on percentage of completion basis, for V on Shenton, Mon Jervois and Alex Residences.

Revenue from hotel operations increased slightly to \$36.1 million (1Q 2014: \$35.5 million) whilst gross rental income from investment properties remained stable at \$68.1 million (1Q 2014: \$68.6 million).

Non-controlling interests totalling \$8.0 million (1Q 2014: \$19.3 million) decreased by \$11.3 million (59%) due mainly to 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 2014.

Overall, net attributable profit increased by \$17.2 million (39%) to \$60.8 million attributable mainly to higher trading property sales and increased share of Singapore Land's net profit.

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 expected to be steady notwithstanding more secondary space becoming available due to tenants relocating from older buildings.

Weak tourist arrivals, the supply of new retail space and hotel rooms, and slow retail sales will put pressure on retail rents and hotel room rates.

Sales in the residential property market will remain slow with the ongoing property cooling measures.

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 2015.

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 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
24 April 2015