

**Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2016**

**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		+ / (-) %	9 months ended		+ / (-) %
		30.9.16 \$'000	30.9.15 \$'000		30.9.16 \$'000	30.9.15 \$'000	
Revenue	1	262,029	189,354	38	699,763	573,697	22
Cost of sales	2	(169,106)	(113,757)	49	(447,438)	(345,100)	30
Gross profit		92,923	75,597	23	252,325	228,597	10
Investment income	3	833	3,692	(77)	2,779	5,899	(53)
Other gains and losses		480	377	27	1,027	1,417	(28)
Selling and distribution costs		(7,040)	(6,109)	15	(16,875)	(19,045)	(11)
Administrative expenses		(5,735)	(4,786)	20	(16,280)	(14,997)	9
Finance expenses		(1,911)	(3,430)	(44)	(6,965)	(8,973)	(22)
Share of operating results of associated companies		7,041	7,329	(4)	19,319	19,165	1
Share of operating results of joint ventures	4	(3,934)	10,273	n.m.	3,706	22,691	(84)
Profit before fair valuation of investment properties		82,657	82,943	(0)	239,036	234,754	2
Fair value gain/(loss) on investment properties							
- held by subsidiary companies	5	-	-	-	25,370	956	2,554
- held by associated company	6	-	-	-	(2,400)	4,200	n.m.
Profit before income tax	7	82,657	82,943	(0)	262,006	239,910	9
Income tax expense		(12,374)	(10,978)	13	(36,329)	(31,670)	15
Net profit		70,283	71,965	(2)	225,677	208,240	8
Profit attributable to:							
Equity holders of the Company		64,017	65,277	(2)	235,609	184,956	27
Non-controlling interests	8	6,266	6,688	(6)	(9,932)	23,284	n.m.
		70,283	71,965	(2)	225,677	208,240	8

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

Net profit from operations	64,017	65,277	(2)	184,123	182,403	1
Fair value gain on investment properties						
held by subsidiary and associated companies	-	-	-	51,486	2,553	1,917
Net attributable profit	64,017	65,277	(2)	235,609	184,956	27

n.m. - not meaningful

## Consolidated Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.16	30.9.15	30.9.16	30.9.15
	\$'000	\$'000	\$'000	\$'000
Net profit	70,283	71,965	225,677	208,240
Other comprehensive income/(expense) items that may be reclassified subsequently to income statement:				
Net currency translation differences of financial statements of foreign entities	2,192	8,136	(15,130)	12,854
Total comprehensive income	<u>72,475</u>	<u>80,101</u>	<u>210,547</u>	<u>221,094</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	65,981	72,562	222,050	196,431
Non-controlling interests	6,494	7,539	(11,503)	24,663
	<u>72,475</u>	<u>80,101</u>	<u>210,547</u>	<u>221,094</u>

The net currency translation gain of \$2.2 million for the 3 months ended 30 September 2016 (3 months ended 30 September 2015: \$8.1 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		9 months ended	
	30.9.16	30.9.15	30.9.16	30.9.15
	\$'000	\$'000	\$'000	\$'000
<b>1. Revenue</b>				
Gross rental income	67,593	67,278	204,097	202,602
Gross revenue from hotel operations	36,627	37,214	107,627	108,398
Sale of properties held for sale	137,577	65,868	311,963	190,722
Gross revenue from information technology operations	17,568	16,401	68,190	64,694
Car parking income, property services fees and other income	2,664	2,593	7,886	7,281
	<u>262,029</u>	<u>189,354</u>	<u>699,763</u>	<u>573,697</u>
<b>2. Cost of sales</b>				
Property operating expenses	18,786	19,538	56,505	58,158
Cost of sales from hotel operations	27,615	28,292	80,413	81,201
Cost of properties held for sale sold	107,274	51,116	248,385	146,918
Cost of sales from information technology operations	15,431	14,811	62,135	58,823
	<u>169,106</u>	<u>113,757</u>	<u>447,438</u>	<u>345,100</u>
<b>3. Investment income</b>				
Interest income	833	1,134	2,779	3,245
Dividend income	-	2,558	-	2,654
	<u>833</u>	<u>3,692</u>	<u>2,779</u>	<u>5,899</u>

#### 4. Share of operating results of joint ventures

The decrease in share of operating results of joint ventures is mainly attributable to lower contribution from the Thomson Three and Archipelago residential projects on completion in May 2016 and September 2015 respectively.

#### 5. Fair value gain on investment properties held by subsidiary companies

This relates to the valuation by independent professional valuers of investment properties held by subsidiary companies as at 30 June. Valuations are carried out half yearly in June and December.

#### 6. Fair value (loss)/gain on investment property held by associated company

This relates to the valuation by independent professional valuers of an investment property (Novena Square) held by an associated company as at 30 June. Valuations are carried out half yearly in June and December.

#### 7. Profit before income tax

Profit before income tax is stated after charging:

Depreciation	<u>5,967</u>	<u>6,023</u>	<u>17,930</u>	<u>17,998</u>
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#### 8. Non-controlling interests

Non-controlling interests include:

Share of fair value loss/(gain) on investment properties	<u>-</u>	<u>-</u>	<u>28,516</u>	<u>(2,603)</u>
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**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		Note	Company	
		30.9.16 \$'000	31.12.15 \$'000		30.9.16 \$'000	31.12.15 \$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Other receivables	1	85,108	14,551	-	-	
Financial assets, available-for-sale		9,570	12,045	-	-	
Investments in associated companies		543,843	542,075	-	-	
Investments in joint ventures		84,021	86,316	-	-	
Investments in subsidiary companies		-	-	1,228,098	1,228,098	
Investment properties	2	6,188,899	6,095,400	-	-	
Property, plant and equipment		473,511	491,926	330	376	
		<u>7,384,952</u>	<u>7,242,313</u>	<u>1,228,428</u>	<u>1,228,474</u>	
<b>Current assets</b>						
Cash and cash equivalents		84,003	82,054	516	698	
Properties held for sale		1,055,834	1,071,065	-	-	
Trade and other receivables		91,885	140,319	1,800,217	1,791,971	
Inventories		2,228	2,707	-	-	
		<u>1,233,950</u>	<u>1,296,145</u>	<u>1,800,733</u>	<u>1,792,669</u>	
<b>Total assets</b>		<b>8,618,902</b>	<b>8,538,458</b>	<b>3,029,161</b>	<b>3,021,143</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables		156,983	181,454	3	203,253	151,563
Current income tax liabilities		45,782	45,486		-	-
Borrowings		700,354	638,775	4	338,536	374,700
		<u>903,119</u>	<u>865,715</u>		<u>541,789</u>	<u>526,263</u>
<b>Non-current liabilities</b>						
Trade and other payables		74,459	73,297		1,624	1,624
Borrowings		611,003	768,377		598,600	597,700
Deferred income tax liabilities		51,073	50,050		-	-
		<u>736,535</u>	<u>891,724</u>		<u>600,224</u>	<u>599,324</u>
<b>Total liabilities</b>		<b>1,639,654</b>	<b>1,757,439</b>		<b>1,142,013</b>	<b>1,125,587</b>
<b>NET ASSETS</b>		<b>6,979,248</b>	<b>6,781,019</b>		<b>1,887,148</b>	<b>1,895,556</b>
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital		1,525,315	1,486,638		1,525,315	1,486,638
Reserves		4,653,297	4,472,829		361,833	408,918
		<u>6,178,612</u>	<u>5,959,467</u>		<u>1,887,148</u>	<u>1,895,556</u>
Non-controlling interests		800,636	821,552		-	-
<b>TOTAL EQUITY</b>		<b>6,979,248</b>	<b>6,781,019</b>		<b>1,887,148</b>	<b>1,895,556</b>

Notes to the statement of financial position

1. The Group's other receivables increased due to shareholders' loans to joint ventures.
2. The increase in investment properties was due to \$68.1 million redevelopment and upgrading costs incurred during the period and \$25.4 million fair value gain on the Group's investment properties [see Section 1(a) note 5].
3. The Company's current trade and other payables, comprising mainly amounts due to subsidiary companies, increased due to intercompany funding.
4. The Company's borrowings decreased due to repayment of borrowings via intercompany funding from subsidiary companies.

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

**Amount repayable in one year or less, or on demand**

At 30.9.16		At 31.12.15	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
151,118	549,236	177,075	461,700

**Amount repayable after one year**

At 30.9.16		At 31.12.15	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
12,403	598,600	170,677	597,700

**Details of any collateral**

The \$163.5 million loans are secured by way of mortgages over Pan Pacific Singapore hotel, Westin Tianjin hotel and a property development project.

**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.**

	<b>3 months ended</b>	
	<b>30.9.16</b>	<b>30.9.15</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	82,657	82,943
Adjustments to profits	4,187	(10,638)
Working capital changes	(8,300)	19,275
Interest paid	(4,837)	(7,219)
Income tax paid	(13,147)	(12,545)
<b>Net cash provided by operating activities</b>	<b>60,560</b>	<b>71,816</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,535)	(1,270)
Upgrading of investment properties	(4,585)	(6,089)
Redevelopment of an investment property	(19,570)	(10,612)
Loans to joint ventures	(22,965)	(1,375)
Repayment of loan by a joint venture	55,450	-
Dividend received from an unquoted equity investment	2,475	2,558
Interest received	5,714	79
<b>Net cash provided by/(used in) investing activities</b>	<b>13,984</b>	<b>(16,709)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(70,008)	(39,704)
Decrease in bank deposits pledged as security	-	2,410
Proceeds from issuance of shares	-	22
Acquisition of shares from non-controlling shareholders	-	(230)
Dividends paid to non-controlling interests	(4,486)	(4,224)
<b>Net cash used in financing activities</b>	<b>(74,494)</b>	<b>(41,726)</b>
<b>Net increase in cash and cash equivalents</b>	<b>50</b>	<b>13,381</b>
Cash and cash equivalents at 1 July	83,953	49,120
<b>Cash and cash equivalents at 30 September</b>	<b>84,003</b>	<b>62,501</b>

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

	<b>30.9.16</b>	<b>30.9.15</b>
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	84,003	72,471
Less: Bank deposits pledged as security	-	(9,970)
Cash and cash equivalents (per Statement of Cash Flows)	<b>84,003</b>	<b>62,501</b>

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						
	Share capital	Retained earnings	Asset revaluation reserve	Other reserves	Total	Non-controlling interests	Total equity
<u>Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2016</b>							
<b>Balance at 1 July 2016</b>	<b>1,525,315</b>	<b>4,534,452</b>	<b>40,437</b>	<b>12,324</b>	<b>6,112,528</b>	<b>798,628</b>	<b>6,911,156</b>
Net profit	-	64,017	-	-	64,017	6,266	70,283
Other comprehensive income	-	-	-	1,964	1,964	228	2,192
<b>Total comprehensive income</b>	<b>-</b>	<b>64,017</b>	<b>-</b>	<b>1,964</b>	<b>65,981</b>	<b>6,494</b>	<b>72,475</b>
Employee share option scheme							
- value of employee services	-	-	-	103	103	-	103
Dividends paid in cash	-	-	-	-	-	(4,486)	(4,486)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>103</b>	<b>(4,486)</b>	<b>(4,383)</b>
<b>Balance at 30 September 2016</b>	<b>1,525,315</b>	<b>4,598,469</b>	<b>40,437</b>	<b>14,391</b>	<b>6,178,612</b>	<b>800,636</b>	<b>6,979,248</b>
<b>2015</b>							
<b>Balance at 1 July 2015</b>	<b>1,486,616</b>	<b>4,263,590</b>	<b>40,397</b>	<b>26,360</b>	<b>5,816,963</b>	<b>813,446</b>	<b>6,630,409</b>
Net profit	-	65,277	-	-	65,277	6,688	71,965
Other comprehensive income	-	-	-	7,285	7,285	851	8,136
<b>Total comprehensive income</b>	<b>-</b>	<b>65,277</b>	<b>-</b>	<b>7,285</b>	<b>72,562</b>	<b>7,539</b>	<b>80,101</b>
Employee share option scheme							
- value of employee services	-	-	-	5	5	-	5
- proceeds from shares issued	22	-	-	-	22	-	22
Effect of acquisition of shares from non-controlling shareholders	-	118	-	-	118	(348)	(230)
Dividends paid in cash	-	-	-	-	-	(4,224)	(4,224)
<b>Total transactions with owners, recognised directly in equity</b>	<b>22</b>	<b>118</b>	<b>-</b>	<b>5</b>	<b>145</b>	<b>(4,572)</b>	<b>(4,427)</b>
<b>Balance at 30 September 2015</b>	<b>1,486,638</b>	<b>4,328,985</b>	<b>40,397</b>	<b>33,650</b>	<b>5,889,670</b>	<b>816,413</b>	<b>6,706,083</b>
<u>Company</u>	Share capital	Retained earnings	Share option reserve	Total equity			
	\$'000	\$'000	\$'000	\$'000			
<b>2016</b>							
Balance at 1 July 2016	1,525,315	357,544	5,963	1,888,822			
Net loss and total comprehensive expense	-	(1,777)	-	(1,777)			
Employee share option scheme							
- value of employee services	-	-	103	103			
Balance at 30 September 2016	1,525,315	355,767	6,066	1,887,148			
<b>2015</b>							
Balance at 1 July 2015	1,486,616	354,333	5,620	1,846,569			
Net loss and total comprehensive expense	-	(1,482)	-	(1,482)			
Employee share option scheme							
- value of employee services	-	-	5	5			
- proceeds from shares issued	22	-	-	22			
Balance at 30 September 2015	1,486,638	352,851	5,625	1,845,114			

- 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.**

There was no change in the Company's issued share capital for the 3 months ended 30 September 2016.

As at 30 September 2016, there were 3,706,000 (30 September 2015: 3,130,000) 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.**

	<b>30.9.16</b>	<b>31.12.15</b>
	'000	'000
Total number of issued shares	1,419,089	1,405,025

- 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 2015 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.**

	<b>Latest quarter</b>	<b>Previous quarter</b>
	<b>30.9.16</b>	<b>30.9.15</b>
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	4.5 cents	4.6 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.**

	<b>30.9.16</b>	<b>31.12.15</b>
Net asset value per ordinary share		
Group	\$4.35	\$4.24
Company	\$1.33	\$1.35

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.**

Comparison of 3rd quarter 2016 results with 2015

Revenue at \$262.0 million increased by \$72.7 million (38%) due mainly to higher revenue recognised on residential properties sales.

Compared to the 3rd quarter 2015, sales of trading properties at \$137.6 million was higher by \$71.7 million (109%) with progressive revenue recognition and higher sales for the Group's residential projects, particularly from V on Shenton and Alex Residences.

Gross rental income from investment properties increased slightly by \$0.3 million to \$67.6 million (3Q 2015: \$67.3 million) whilst revenue from information technology operations increased by \$1.2 million (7%) to \$17.6 million (3Q 2015: \$16.4 million). Revenue from hotel operations remained stable at \$37 million.

Share of joint ventures' operating results decreased by \$14.2 million due to lower revenue contribution from the Thomson Three and Archipelago residential projects on completion in May 2016 and September 2015 respectively.

Overall, net profit from operations for the quarter recorded \$64.0 million, a slight decrease of \$1.3 million (2%) against 3rd quarter 2015.

Comparison of 9 months ended 30 September 2016 results with 2015

Revenue at \$699.8 million was higher by \$126.1 million (22%) due primarily to higher revenue recognition from residential properties sales.

Share of joint ventures' operating results decreased by \$19.0 million (84%) to \$3.7 million due to lower revenue contribution from the Thomson Three and Archipelago residential projects on completion in May 2016 and September 2015 respectively.

Net profit from operations for the 9 months period increased by \$1.7 million (1%) to \$184.1 million. After adding the fair value gain (net of non-controlling interests) of \$51.5 million (YTD September 2015: \$2.6 million), the Group recorded a net attributable profit of \$235.6 million (YTD September 2015: \$185.0 million) for the 9 months ended 30 September 2016, an increase of \$50.7 million (27%) compared to the corresponding period last year.

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.**

Impending increase of office supply in the CBD will continue to soften office rental rates.

Sentiments in private residential market remain weak with cooling measures and slowing economic growth.

Cautious spending amidst economic headwinds and high labour costs continued to weigh on demand and depress retail rental.

With increased supply, the hotel sector will remain competitive.

**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 30 September 2016.

**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 third quarter ended 30 September 2016 to be false or misleading in any material respect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

**BY ORDER OF THE BOARD**

Susie Koh  
Company Secretary  
28 October 2016