

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENT**

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 &amp; Q3), HALF-YEAR AND FULL YEAR RESULTS

 1(a)(i) 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	The Group		
		First Quarter Ended 31 March		
		2015	2014	+ / (-)
		\$'000	\$'000	%
Revenue	A	238,270	408,776	(42)
Cost of sales		(132,364)	(206,789)	(36)
Gross profit		105,906	201,987	(48)
Other income				
- Finance income		1,347	1,333	1
- Miscellaneous income		5,009	3,749	34
Expenses				
- Marketing and distribution	B	(11,308)	(15,278)	(26)
- Administrative		(19,272)	(17,464)	10
- Finance	C	(11,431)	(7,001)	63
- Other operating	D	(20,203)	(18,190)	11
Share of profit of associated companies		31,895	25,154	27
Share of profit of joint venture companies		6,958	9,330	(25)
Profit before other gains and income tax		88,901	183,620	(52)
Other gains	E	724	7,486	(90)
Profit before income tax	F	89,625	191,106	(53)
Income tax expense	G	(11,773)	(36,126)	(67)
Net profit		77,852	154,980	(50)
<u>Attributable to:</u>				
Equity holders of the Company		74,231	120,825	(39)
Non-controlling interests		3,621	34,155	(89)
		77,852	154,980	(50)

1(a)(ii) Explanatory Notes to the Consolidated Income Statement

	The Group		
	First Quarter Ended 31 March		
	2015	2014	+ / (-)
	\$'000	\$'000	%
<b>A</b> <u>Revenue</u>			
Revenue from property development (See footnote 1 below)	77,342	247,872	(69)
Revenue from property investments	53,201	48,733	9
Gross revenue from hotel ownership and operations	102,630	107,230	(4)
Revenue from hotel and other management services	5,097	4,941	3
	238,270	408,776	(42)
<b>B</b> <u>Marketing and distribution expense</u>			
Advertising and promotion	4,833	5,309	(9)
Marketing and distribution payroll and related expenses	4,398	3,637	21
Sales commissions	676	5,736	(88)
Showflat expenses	1,401	596	135
	11,308	15,278	(26)
<b>C</b> <u>Finance expense</u>			
Bank facility fees	847	955	(11)
Interest expense (See footnote 2 below)	13,025	10,927	19
Less: borrowing costs capitalised	(7,044)	(4,900)	44
Currency exchange losses (net)	4,603	19	n.m.
	11,431	7,001	63
<b>D</b> <u>Other operating expense</u>			
Property taxes	6,053	5,818	4
Repairs, maintenance and security	2,536	2,015	26
Heat, light and power	6,044	5,434	11
Others	5,570	4,923	13
	20,203	18,190	11
<b>E</b> <u>Other gains</u>			
Negative goodwill on acquisition of interests in an associated company	48	154	(69)
Gain on liquidation of an available-for-sale financial asset	676	7,332	(91)
	724	7,486	(90)
<b>F</b> <u>Profit before income tax</u>			
Profit before income tax is stated after charging: Depreciation and amortisation (See footnote 3 below)	16,966	14,409	18

n.m. : not meaningful

- Revenue from property development for the first quarter of 2014 included a one-time property development revenue of \$218.5 million from the sale of land at Jalan Conlay, Kuala Lumpur.
- The increase in interest expense was due to higher borrowings during the current quarter in comparison with the first quarter of 2014 for the Group's acquisitions of land parcels at Upper Paya Lebar, Prince Charles Crescent and Bishopsgate, London in 2014, of which interest expenses have been capitalised.
- Depreciation and amortisation have increased by \$2.6 million in the first quarter of 2015 mainly from depreciation on Pan Pacific Tianjin which opened in the fourth quarter of 2014.

1(a)(ii) Explanatory Notes to the Consolidated Income Statement (cont'd)

	The Group		
	First Quarter Ended 31 March		
	2015	2014	+ / (-)
	\$'000	\$'000	%
<b>G</b> <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	7,368	7,699	(4)
- Foreign (See footnote 4 below)	1,865	27,529	(93)
- Withholding tax paid	131	115	14
Deferred income tax	2,409	694	247
	11,773	36,037	(67)
- Under provision in prior financial years:			
Current income tax			
- Singapore	-	77	(100)
- Foreign	-	12	(100)
	11,773	36,126	(67)

- <sup>4</sup> The higher foreign income tax expense in the first quarter of 2014 resulted mainly from tax on the gain on sale of land at Jalan Conlay, Kuala Lumpur, Malaysia.

1(a)(iii) Consolidated Statement of Comprehensive Income

	Note	The Group		
		First Quarter Ended 31 March		
		2015	2014	+ / (-)
		\$'000	\$'000	%
Net profit		77,852	154,980	(50)
Other comprehensive income/(loss):				
Available-for-sale financial assets:				
- Fair value (losses)/gains	A	(55,891)	4,653	(1,301)
- Reversal of deferred tax liabilities	B	96,328	-	n.m.
Cash flow hedges:				
- Fair value gains		922	167	452
- Transfer to income statement		(93)	(107)	(13)
Currency translation differences arising from consolidation of foreign operations	C	11,247	(3,126)	460
Share of other comprehensive income of an associated company		4,211	(2,247)	287
Other comprehensive income, net of tax		56,724	(660)	n.m.
Total comprehensive income		134,576	154,320	(13)
<u>Attributable to:</u>				
Equity holders of the Company		130,556	120,642	8
Non-controlling interests		4,020	33,678	(88)
		134,576	154,320	(13)

n.m. : not meaningful

1(a)(iv) Explanatory Notes to the Consolidated Statement of Comprehensive Income

A Fair value (losses)/gains on available-for-sale financial assets

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The decrease in value for the first quarter ended 31 March 2015 was due to the decrease in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Reversal of deferred tax liabilities

The deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets as at 31 December 2014 amounting to \$96.3 million have been reversed following the agreement with IRAS that these assets are non-trading in nature.

C Currency translation differences arising from consolidation of foreign operations

The currency translation differences arose mainly from the translation of the net assets of the Group's foreign subsidiaries which are denominated in USD, AUD, RMB, MYR, VND and GBP.

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	The Group		The Company	
		31.03.15 \$'000	31.12.14 \$'000	31.03.15 \$'000	31.12.14 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		238,590	286,506	1,970	2,849
Trade and other receivables	A	148,385	247,557	11,996	46,936
Derivative financial instrument		207	35	-	-
Developed properties held for sale		51,998	51,354	-	-
Development properties		1,650,133	1,663,857	-	-
Inventories		732	802	-	-
Available-for-sale financial assets	B	-	648,514	-	648,514
Other assets		19,704	19,261	2,347	213
Current income tax assets		134	98	-	-
		2,109,883	2,917,984	16,313	698,512
<b>Non-current assets</b>					
Trade and other receivables		69,852	77,374	777,489	782,512
Derivative financial instrument		1,404	578	-	323
Available-for-sale financial assets	B	932,897	340,272	718,268	111,748
Investments in associated companies		3,143,118	3,104,327	162,259	162,259
Investments in joint venture companies		64,190	57,232	-	-
Investments in subsidiaries		-	-	1,800,714	1,800,714
Investment properties	C	4,081,465	4,080,214	409,800	409,800
Property, plant and equipment		1,247,622	1,241,180	1,244	1,349
Intangibles		24,963	25,677	242	318
Deferred income tax assets		3,591	3,623	-	-
		9,569,102	8,930,477	3,870,016	3,269,023
<b>Total assets</b>		<b>11,678,985</b>	<b>11,848,461</b>	<b>3,886,329</b>	<b>3,967,535</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	D	208,974	281,731	375,553	325,472
Current income tax liabilities		78,571	75,216	3,502	3,499
Bank loans	E	980,139	1,116,665	247,499	336,940
2.493% unsecured fixed rate notes due 2015		174,982	174,938	174,982	174,938
Finance lease liabilities		281	280	-	-
		1,442,947	1,648,830	801,536	840,849
<b>Non-current liabilities</b>					
Trade and other payables		157,483	153,996	3,413	2,038
Finance lease liabilities		3,752	3,746	-	-
Bank loans		1,588,937	1,603,931	-	-
3.043% unsecured fixed rate notes due 2017		74,842	74,824	74,842	74,824
Loan from non-controlling shareholder of a subsidiary		58,298	54,158	-	-
Provision for retirement benefits		3,920	3,813	-	-
Deferred income tax liabilities	F	80,539	174,264	3,760	100,118
		1,967,771	2,068,732	82,015	176,980
<b>Total liabilities</b>		<b>3,410,718</b>	<b>3,717,562</b>	<b>883,551</b>	<b>1,017,829</b>
<b>NET ASSETS</b>		<b>8,268,267</b>	<b>8,130,899</b>	<b>3,002,778</b>	<b>2,949,706</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,153,668	1,151,512	1,153,668	1,151,512
Reserves		1,033,691	977,032	579,591	524,924
Retained earnings		5,588,718	5,514,185	1,269,519	1,273,270
		7,776,077	7,642,729	3,002,778	2,949,706
<b>Non-controlling interests</b>		<b>492,190</b>	<b>488,170</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>8,268,267</b>	<b>8,130,899</b>	<b>3,002,778</b>	<b>2,949,706</b>

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. (cont'd)

Explanatory Notes to the Statement of Financial Position

A Current trade and other receivables

Current trade and other receivables have decreased due mainly to 1) the repayment by an associated company of an advance of \$67 million made in end 2014 for a tender deposit; and 2) the receipt of progress instalments from the sale of units in the development project, Spottiswoode Residences.

B Available-for-sale financial assets

Available-for-sale financial assets previously included under current assets have been re-classified to non-current assets following the Group's agreement with the Inland Revenue Authority of Singapore (IRAS) that these assets are long term investments and non-trading in nature.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 31 December 2014. It is the practice of the Group to revalue its investment properties half yearly.

D Current trade and other payables

The decrease in trade and other payables arose mainly from payments on development expenditure accrued as at 31 December 2014 for Prince Charles Crescent, The Esplanade Tianjin and Pan Pacific Tianjin.

E Current bank loans

The decrease in current bank loans resulted mainly from repayments made with 1) the \$67 million repaid by an associated company; and 2) funds received from progress instalments from the sale of units in development projects, Spottiswoode Residences and Seventy Saint Patrick's.

F Deferred income tax liabilities

The deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets as at 31 December 2014 amounting to \$96.3 million have been reversed following the agreement with IRAS that these assets are non-trading in nature.

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

	As at 31.03.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	420,083	735,534	451,548	840,582
Amount repayable after one year	1,096,467	633,298	1,109,960	629,158

Details of any collaterals

The borrowings are secured by bank deposits, mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties, and/or assignment of all rights and benefits with respect to the properties and/or corporate guarantees from the Company or other group subsidiaries.

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.

Consolidated Statement of Cash Flows for the first quarter ended 31 March

	Note	The Group	
		1st Qtr	1st Qtr
		<u>2015</u>	<u>2014</u>
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		77,852	154,980
Adjustments for:			
Income tax expense		11,773	36,126
Non-cash items		(15,203)	(14,689)
Interest income		(1,347)	(1,333)
Interest expense		6,828	6,982
Negative goodwill on acquisition of interests in an associated company		(48)	(154)
Gain on liquidation of an available-for-sale financial asset		(676)	(7,332)
		<u>79,179</u>	<u>174,580</u>
Change in working capital			
Receivables	i	75,741	(116,366)
Development properties	ii	11,539	295,980
Derivative financial instrument		-	291
Inventories		70	16
Payables		(30,524)	(34,390)
		<u>56,826</u>	<u>145,531</u>
Cash generated from operations		<u>136,005</u>	<u>320,111</u>
Income tax paid		(5,941)	(4,599)
Bank deposits released/(pledged) as security		2,288	(29)
<b>Net cash from operating activities</b>		<u>132,352</u>	<u>315,483</u>
<b>Cash flows from investing activities</b>			
Proceeds from liquidation of an available-for-sale financial asset		676	17,909
Liquidation of subsidiaries		-	(1,181)
Payments for interests in associated companies		(2,147)	(561)
Loan to a joint venture company		(915)	-
Net proceeds from disposal of property, plant and equipment		15	115
Purchase of property, plant and equipment and investment properties	iii	(16,094)	(16,312)
Interest received		1,346	1,333
<b>Net cash (used in)/from investing activities</b>		<u>(17,119)</u>	<u>1,303</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		2,156	166
Loan from non-controlling shareholder of a subsidiary		4,140	-
Proceeds from borrowings		28,825	56,975
Repayment of borrowings	iv	(183,331)	(216,707)
Expenditure relating to bank borrowings		(2,262)	(448)
Interest paid		(12,162)	(12,318)
Dividends paid to non-controlling interests		-	(2,800)
<b>Net cash used in financing activities</b>		<u>(162,634)</u>	<u>(175,132)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(47,401)</u>	<u>141,654</u>
Cash and cash equivalents at the beginning of the financial period		280,855	287,999
Effects of currency translation on cash and cash equivalents		1,581	(1,624)
<b>Cash and cash equivalents at the end of the financial period</b>	v	<u>235,035</u>	<u>428,029</u>

- 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. (cont'd)

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Receivables

Cash inflow for receivables for the first quarter of 2015 relates mainly to the repayment by an associated company for an advance of \$67 million in relation to a tender deposit and the receipt of progress billings for development project, Spottiswoode Residences. The cash outflow for receivables in the first quarter of 2014 includes a deposit of \$110.1 million for acquisition of the land parcel at Upper Paya Lebar Road.

ii. Development properties

The cash inflow for development properties in the first quarter of 2014 relates mainly to the receipt of proceeds from the sale of land at Jalan Conlay.

iii. Purchase of property, plant and equipment and investment properties

Purchases of property, plant and equipment and investment properties arose mainly from expenditure for the on-going improvements to the Group's hotels.

iv. Repayment of borrowings

Repayment of borrowings in the first quarter of 2015 was mainly with funds from the \$67 million repaid by an associated company and progress instalments from the sale of units in development projects, Spottiswoode Residences and Seventy Saint Patrick's.

v. Cash and cash equivalents

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

	<u>The Group</u>	
	<u>31.03.15</u>	<u>31.03.14</u>
	\$'000	\$'000
Fixed deposits with financial institutions	135,528	300,577
Cash at bank and on hand	103,062	132,867
Cash and bank balances per Statement of Financial Position	238,590	433,444
Less: Bank deposits pledged as security	(3,555)	(5,415)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>235,035</u>	<u>428,029</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.

Consolidated Statement of Changes in Equity for the first quarter ended 31 March

<u>The Group</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2015</b>					
Balance at 1 January 2015	1,151,512	977,032	5,514,185	488,170	8,130,899
Profit for the period	-	-	74,231	3,621	77,852
Other comprehensive income for the period	-	56,325	-	399	56,724
Total comprehensive income for the period	-	56,325	74,231	4,020	134,576
Employee share option scheme					
- value of employee services	-	334	-	-	334
- proceeds from shares issued	2,156	-	-	-	2,156
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	302	-	302
Total transactions with owners, recognised directly in equity	2,156	334	302	-	2,792
Balance at 31 March 2015	<u>1,153,668</u>	<u>1,033,691</u>	<u>5,588,718</u>	<u>492,190</u>	<u>8,268,267</u>
<b>2014</b>					
Balance at 1 January 2014	1,050,897	855,311	4,853,490	467,272	7,226,970
Profit for the period	-	-	120,825	34,155	154,980
Other comprehensive loss for the period	-	(183)	-	(477)	(660)
Total comprehensive (loss)/income for the period	-	(183)	120,825	33,678	154,320
Employee share option scheme					
- value of employee services	-	327	-	-	327
- proceeds from shares issued	166	-	-	-	166
Dividends	-	-	-	(2,800)	(2,800)
Liquidation of subsidiaries	-	-	-	(1,107)	(1,107)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	4,632	-	4,632
Total transactions with owners, recognised directly in equity	166	327	4,632	(3,907)	1,218
Balance at 31 March 2014	<u>1,051,063</u>	<u>855,455</u>	<u>4,978,947</u>	<u>497,043</u>	<u>7,382,508</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. (cont'd)

Statement of Changes in Equity for the first quarter ended 31 March

<u>The Company</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>2015</b>				
Balance at 1 January 2015	1,151,512	524,924	1,273,270	2,949,706
Loss for the period	-	-	(3,751)	(3,751)
Other comprehensive income for the period	-	54,333	-	54,333
Total comprehensive income/(loss) for the period	-	54,333	(3,751)	50,582
Employee share option scheme				
- value of employee services	-	334	-	334
- proceeds from shares issued	2,156	-	-	2,156
Total transactions with owners, recognised directly in equity	2,156	334	-	2,490
Balance at 31 March 2015	1,153,668	579,591	1,269,519	3,002,778
<b>2014</b>				
Balance at 1 January 2014	1,050,897	437,773	1,381,358	2,870,028
Profit for the period	-	-	2,229	2,229
Other comprehensive income for the period	-	8,851	-	8,851
Total comprehensive income for the period	-	8,851	2,229	11,080
Employee share option scheme				
- value of employee services	-	327	-	327
- proceeds from shares issued	166	-	-	166
Total transactions with owners, recognised directly in equity	166	327	-	493
Balance at 31 March 2014	1,051,063	446,951	1,383,587	2,881,601

- 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.

During the quarter ended 31 March 2015, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2015	787,226,153
Issue of ordinary shares arising from the exercise of:	
2006 Options at exercise price of S\$3.21 per share	100,000
2012 Options at exercise price of S\$5.40 per share	204,000
2013 Options at exercise price of S\$6.55 per share	15,000
2014 Options at exercise price of S\$6.10 per share	104,000
Ordinary shares issued upon exercise of options	423,000
Issued share capital as at 31 March 2015	<u>787,649,153</u>

As at 31 March 2015, there were 5,617,000 (31.3.2014: 5,637,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 31 March 2015 and 31 March 2014.

- 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.

	The Company	
	31.03.15	31.12.14
Total number of issued shares, excluding treasury shares	787,649,153	787,226,153

- 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 standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have neither been audited nor reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of 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.

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2014.

- 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.

On 1 January 2015, the Group adopted the new or amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the amended FRS that are relevant to the Group:

Amendments to FRS 19	Defined Benefit Plans: Employee Contributions
Amendments to FRS 102	Share-based Payment
Amendments to FRS 103	Business Combinations
Amendments to FRS 108	Operating Segments
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 24	Related Party Disclosures
Amendments to FRS 38	Intangible Assets
Amendments to FRS 113	Fair Value Measurement
Amendments to FRS 40	Investment Property

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

- 6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1st Qtr 2015	1st Qtr 2014
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 9.43	cents 15.67
(ii) On a fully diluted basis	cents 9.42	cents 15.66

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the financial period.

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 market value.

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	31.03.15	31.12.14	31.03.15	31.12.14
Net asset value per ordinary share	\$9.87	\$9.71	\$3.81	\$3.75
Net tangible asset backing per ordinary share	\$9.84	\$9.68	\$3.81	\$3.75

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Revenue**

Group revenue in the first quarter of 2015 decreased by \$170.5 million or 42% to \$238.3 million from \$408.8 million in the corresponding period of 2014 due mainly to the one-time property development revenue of \$218.5 million from the sale of land at Jalan Conlay, Kuala Lumpur recognised in March 2014. Revenue from property development for the first quarter of 2015 comprises progressive revenue recognition for development projects, Katong Regency, Seventy Saint Patrick's and Riverbank@Fernvale. Revenue from property investment increased with contribution from OneKM mall which opened in the last quarter of 2014. Revenue from hotel operations was lower due mainly to the decline in revenue from Pan Pacific Perth and PARKROYAL Yangon which were affected by renovation works.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)

#### **Expenses**

Gross profit margin was lower at 44% for the first quarter of 2015 in comparison with 49% in the previous corresponding period as the first quarter of 2014 included higher margins from the sale of land at Jalan Conlay.

The decrease in marketing and distribution expenses of \$4.0 million was attributed mainly to higher sales commissions in the first quarter of 2014 for the sale of land at Jalan Conlay and for the sales launch of Riverbank@Fernvale. Finance expenses have increased due mainly to unrealised currency exchange losses recognised in the current quarter from the Group's borrowings in US Dollars to fund its investments in the People's Republic of China. Other operating expenses have increased with the opening of new properties, OneKM and Pan Pacific Tianjin, in the last quarter of 2014.

#### **Associated companies**

The higher share of profit of associated companies in the first quarter of 2015 was mainly from United Industrial Corporation Limited which had 1) higher recognition of revenue from its development properties; and 2) an increased interest in its subsidiary, Singapore Land Limited following its voluntary cash offer in 2014.

#### **Joint venture companies**

The share of profit of joint venture companies have decreased with slower development progress for the Archipelago development.

#### **Profit & Loss**

The pre-tax profit for the first quarter of 2015 was \$89.6 million, a decrease of 53% from the profit of \$191.1 million for the first quarter of 2014. The decrease was attributed mainly to the recognition of one-time pre-tax profit of \$98.4 million from the sale of the land at Jalan Conlay in the first quarter of 2014.

Profit after tax and non-controlling interest was \$74.2 million, representing a 39% decrease from the profit of \$120.8 million in the corresponding period of 2014 which included a net attributable profit of \$44.3 million from the sale of the land at Jalan Conlay.

#### **Net tangible asset and gearing**

The Group shareholders' funds increased from \$7.6 billion as at 31 December 2014 to \$7.8 billion as at 31 March 2015 due mainly to 1) profits recognised in the first quarter of 2015; and 2) the reversal of \$96.3 million in deferred tax liabilities previously provided on the fair value gains of current available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$9.84 as at 31 March 2015 from \$9.68 as at 31 December 2014.

The Group's gearing ratio improved from 0.34 as at 31 December 2014 to 0.32 as at 31 March 2015 with repayments of Group borrowings coupled with the effects of increase in total equity.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil.

- 10 A commentary at the date of this announcement of the 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.

Prices of private residential properties in Singapore declined by 1.0% in the first quarter of 2015. Demand is expected to remain muted with rising interest cost and the effects of the property cooling measures. Growth in rentals of office space is expected to moderate in anticipation of new supply coming in 2016. Rising occupancy costs and a tight labour market will put pressure on retail rents.

With the expected supply of new hotel rooms and a weaker growth in tourist arrivals in Singapore, hotel room rates and occupancies in Singapore are expected to moderate. Outside Singapore, trading conditions for the Group's hotels, particularly for those in the People's Republic of China, are expected to remain difficult.

- 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(c) Date payable : N.A.

(d) Books closure date : N.A.

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

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

- 13 If the Group has obtained a general mandate from shareholders for 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.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

#### CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first quarter ended 31 March 2015 to be false or misleading.

#### BY ORDER OF THE BOARD

Foo Thiam Fong Wellington  
Company Secretary  
12 May 2015