

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENT**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & 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					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2016	2015	+ / (-)	2016	2015	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	363,551	342,227	6	693,668	580,496	19
Cost of sales		(238,224)	(204,214)	17	(454,334)	(336,578)	35
Gross profit		125,327	138,013	(9)	239,334	243,918	(2)
Other income							
- Finance income	B	1,280	2,941	(56)	4,390	2,864	53
- Miscellaneous income		3,862	4,949	(22)	9,191	9,957	(8)
Expenses							
- Marketing and distribution	C	(16,390)	(18,216)	(10)	(32,460)	(29,524)	10
- Administrative		(18,817)	(20,042)	(6)	(37,757)	(39,314)	(4)
- Finance	D	(7,591)	(7,394)	3	(15,530)	(17,401)	(11)
- Other operating		(19,973)	(20,630)	(3)	(39,995)	(40,833)	(2)
Share of profit of associated companies excluding fair value (losses)/gains of associated companies' investment properties		33,025	29,839	11	64,552	61,735	5
Share of profit of joint venture companies		5,048	5,460	(8)	7,606	12,418	(39)
Profit before fair value and other (losses)/gains and income tax		105,771	114,920	(8)	199,331	203,820	(2)
Other (losses)/gains	E	(6,880)	473	(1,555)	(6,711)	1,197	(661)
Fair value gains on associated companies' investment properties		9,112	2,371	284	9,112	2,371	284
Fair value (losses)/gains on the Group's investment properties		(28,687)	57,940	(150)	(28,687)	57,940	(150)
Profit before income tax	F	79,316	175,704	(55)	173,045	265,328	(35)
Income tax expense	G	(10,702)	(11,250)	(5)	(23,070)	(23,022)	0
Net profit		68,614	164,454	(58)	149,975	242,306	(38)
<u>Attributable to:</u>							
Equity holders of the Company		68,806	152,497	(55)	145,881	226,728	(36)
Non-controlling interests		(192)	11,957	(102)	4,094	15,578	(74)
		68,614	164,454	(58)	149,975	242,306	(38)
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other (losses)/gains		90,277	98,700	(9)	167,183	172,207	(3)
Other (losses)/gains		(6,880)	473	(1,555)	(6,711)	1,197	(661)
Fair value (losses)/gains on investment properties including those of associated companies		(14,591)	53,324	(127)	(14,591)	53,324	(127)
Net attributable profit		68,806	152,497	(55)	145,881	226,728	(36)

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

	The Group					
	Second Quarter Ended 30 June			Six Months Ended 30 June		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>A Revenue</b>						
Revenue from property development	185,480	162,347	14	349,822	239,689	46
Revenue from property investments	55,144	54,875	0	110,647	108,076	2
Gross revenue from hotel ownership and operations	101,113	98,608	3	205,984	201,237	2
Revenue from hotel and other management services	5,042	4,686	8	10,443	9,783	7
Dividend income from available-for-sale financial assets	16,772	21,711	(23)	16,772	21,711	(23)
	363,551	342,227	6	693,668	580,496	19
<b>B Finance income</b>						
Interest income	945	1,517	(38)	2,067	2,864	(28)
Currency exchange gains (net)	335	1,424	(76)	2,323	-	n.m.
	1,280	2,941	(56)	4,390	2,864	53
<b>C Marketing and distribution expense</b>						
Advertising and promotion	6,844	6,516	5	12,497	11,349	10
Marketing and distribution payroll and related expenses	4,774	4,645	3	9,439	9,043	4
Sales commissions	3,463	4,936	(30)	6,239	5,613	11
Showflat expenses	1,309	2,119	(38)	4,285	3,519	22
	16,390	18,216	(10)	32,460	29,524	10
<b>D Finance expense</b>						
Bank facility fees	859	894	(4)	1,813	1,741	4
Interest expense	13,939	14,692	(5)	29,289	27,716	6
Less: borrowing costs capitalised	(7,207)	(8,192)	(12)	(15,572)	(15,236)	2
Currency exchange losses (net)	-	-	-	-	3,180	(100)
	7,591	7,394	3	15,530	17,401	(11)
<b>E Other (losses)/gains</b>						
Negative goodwill on acquisition of interests in an associated company	203	473	(57)	372	521	(29)
Acquisition of 110 High Holborn						
- Gain on purchase <sup>1</sup>	3,709	-	n.m.	3,709	-	n.m.
- Business acquisition costs <sup>1</sup>	(10,792)	-	n.m.	(10,792)	-	n.m.
Gain on liquidation of an available-for-sale financial asset	-	-	-	-	676	(100)
	(6,880)	473	(1,555)	(6,711)	1,197	(661)

n.m.: not meaningful

<sup>1</sup> The gain on purchase represents the provisional amount recognised upon the acquisition of an investment property in London, 110 High Holborn, where the transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations ("FRS103"). The gain resulted as the consideration for the acquisition was lower than the fair value of the net identifiable assets acquired. Business acquisition costs, comprising mainly stamp duty and professional fees incurred for the acquisition, were recognised in the income statement in accordance with FRS 103.

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

	The Group					
	Second Quarter Ended 30 June			Six Months Ended 30 June		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>F</b> <u>Profit before income tax</u>						
Profit before income tax is stated after charging:						
Depreciation and amortisation	16,285	17,259	(6)	32,811	34,225	(4)
<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	7,348	7,505	(2)	14,928	14,873	0
- Foreign	1,067	1,077	(1)	3,503	2,943	19
- Withholding tax paid	141	125	13	274	255	7
Deferred income tax						
- fair value losses of investment properties	(225)	(975)	(77)	(225)	(975)	(77)
- others	2,371	3,458	(31)	4,604	5,866	(22)
	10,702	11,190	(4)	23,084	22,962	1
- (Over)/under provision in prior financial years:						
Current income tax						
- Singapore	-	60	(100)	-	60	(100)
- Foreign	-	-	-	(14)	-	n.m.
	10,702	11,250	(5)	23,070	23,022	0

n.m. : not meaningful

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

	Note	The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2016	2015	+ / (-)	2016	2015	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		68,614	164,454	(58)	149,975	242,306	(38)
Other comprehensive (loss)/income:							
Available-for-sale financial assets:							
- Fair value (losses)/gains	A	(14,847)	4,181	(455)	(42,799)	(51,709)	17
- Reversal of deferred tax liabilities	B	-	-	-	-	96,328	(100)
Cash flow hedges:							
- Fair value (losses)/gains		(1,301)	(725)	(79)	(4,392)	197	(2,329)
- Transfer to income statement		(401)	72	(657)	(531)	(21)	(2,429)
Currency translation differences arising from consolidation of foreign operations	C	(12,963)	(16,105)	20	(19,947)	(4,858)	(311)
Share of other comprehensive (loss)/income of an associated company		(2,690)	(2,242)	(20)	(6,781)	1,969	(444)
Other comprehensive (loss)/income, net of tax		(32,202)	(14,819)	(117)	(74,450)	41,906	(278)
Total comprehensive income		36,412	149,635	(76)	75,525	284,212	(73)
<u>Attributable to:</u>							
Equity holders of the Company		36,626	137,825	(73)	71,514	268,381	(73)
Non-controlling interests		(214)	11,810	(102)	4,011	15,831	(75)
		36,412	149,635	(76)	75,525	284,212	(73)

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 second quarter ended 30 June 2016 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

In the first quarter of 2015, the deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets were reversed following the agreement with Inland Revenue Authority of Singapore 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	
		30.06.16	31.12.15	30.06.16	31.12.15
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		272,367	276,398	1,447	1,546
Trade and other receivables		175,954	197,106	3,084	2,551
Derivative financial instrument		169	1,338	-	-
Developed properties held for sale		34,507	40,251	-	-
Development properties	A	1,390,795	1,444,041	-	-
Inventories		668	734	-	-
Other assets		21,828	15,618	867	199
Current income tax assets		190	125	-	-
		1,896,478	1,975,611	5,398	4,296
<b>Non-current assets</b>					
Trade and other receivables	B	74,937	13,348	931,065	745,969
Available-for-sale financial assets		762,073	804,872	587,769	619,647
Investments in associated companies		3,344,516	3,279,632	163,725	162,737
Investments in joint venture companies		87,955	86,349	-	-
Investments in subsidiaries		-	-	1,800,714	1,800,714
Investment properties	C	4,288,370	4,134,897	416,200	421,500
Property, plant and equipment		1,150,160	1,178,534	1,078	1,113
Intangibles		23,161	23,336	6	14
Deferred income tax assets		4,456	4,702	-	-
		9,735,628	9,525,670	3,900,557	3,751,694
<b>Total assets</b>		<b>11,632,106</b>	<b>11,501,281</b>	<b>3,905,955</b>	<b>3,755,990</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		201,247	238,322	404,339	397,787
Current income tax liabilities		46,013	41,788	1,600	1,205
Bank loans	D	1,003,402	523,339	506,169	179,403
Finance lease liabilities		262	266	-	-
		1,250,924	803,715	912,108	578,395
<b>Non-current liabilities</b>					
Trade and other payables		158,254	156,027	4,072	4,279
Finance lease liabilities		3,495	3,553	-	-
Bank loans	D	1,413,047	1,730,325	110,726	207,434
3.043% unsecured fixed rate notes due 2017		74,936	74,899	74,936	74,899
2.5% unsecured fixed rate notes due 2018		174,724	174,646	-	-
Derivative financial instrument		5,740	978	4,751	978
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		4,222	3,854	-	-
Deferred income tax liabilities		92,128	89,159	2,816	3,490
		1,989,555	2,296,450	197,301	291,080
<b>Total liabilities</b>		<b>3,240,479</b>	<b>3,100,165</b>	<b>1,109,409</b>	<b>869,475</b>
<b>NET ASSETS</b>		<b>8,391,627</b>	<b>8,401,116</b>	<b>2,796,546</b>	<b>2,886,515</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,271,237	1,216,099	1,271,237	1,216,099
Reserves		816,064	889,866	441,163	475,608
Retained earnings		5,810,381	5,788,210	1,084,146	1,194,808
		7,897,682	7,894,175	2,796,546	2,886,515
<b>Non-controlling interests</b>		493,945	506,941	-	-
<b>TOTAL EQUITY</b>		<b>8,391,627</b>	<b>8,401,116</b>	<b>2,796,546</b>	<b>2,886,515</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 Development properties

The decrease in development properties resulted mainly from progressive billings for on-going development projects.

B Non-current trade and other receivables

Non-current trade and other receivables have increased with a new shareholder's loan granted to a joint venture company, United Venture Development (Clementi) Pte. Ltd., to fund its acquisition of a residential site at Clementi Avenue 1 which was successfully tendered at a price of \$302.1 million.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. It is the practice of the Group to revalue its investment properties half yearly. The increase in investment properties was due mainly to 1) the acquisition of an investment property at 110 High Holborn, London for a consideration of £97.1 million (\$181.6 million); offset in part by 2) fair value losses of \$28.7 million recognised in the second quarter of 2016.

D Current and non-current bank loans

The net increase in current and non-current bank loans arose mainly from additional loans drawn for the Group's acquisition of 110 High Holborn and advances to a joint venture company to fund its acquisition of a residential site at Clementi Avenue 1.

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

	As at 30.06.16		As at 31.12.15	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	216,628	787,052	91,989	431,535
Amount repayable after one year	805,790	925,163	1,027,767	1,022,129

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 second quarter ended 30 June

	Note	The Group	
		2nd Qtr	2nd Qtr
		<u>2016</u>	<u>2015</u>
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		68,614	164,454
Adjustments for:			
Income tax expense		10,702	11,250
Non-cash items		(46,531)	(14,693)
Dividend and interest income		(17,717)	(23,228)
Interest expense		7,591	7,394
Fair value losses/(gains) on the Group's investment properties		28,687	(57,940)
Negative goodwill on acquisition of interests in an associated company		(203)	(473)
Gain on purchase of an investment property		(3,709)	-
		<u>47,434</u>	<u>86,764</u>
Change in working capital			
Receivables		(22,294)	(9,468)
Development properties	i	24,759	60,045
Inventories		(4)	69
Payables		16,965	4,094
		<u>19,426</u>	<u>54,740</u>
Cash generated from operations		66,860	141,504
Income tax paid		(12,846)	(30,879)
Retirement benefits paid		(3)	-
<b>Net cash from operating activities</b>		<u>54,011</u>	<u>110,625</u>
<b>Cash flows from investing activities</b>			
Proceeds from liquidation of associated companies		1,100	-
Payments for interest in an associated company		(334)	(1,536)
Payments for interests in a joint venture company		(2,000)	-
Loans to joint venture and associated companies		(6,350)	(70)
Net proceeds from disposal of property, plant and equipment		-	40
Purchase of property, plant and equipment and investment properties	ii	(195,018)	(13,427)
Interest received		945	1,517
Dividends received		28,355	24,991
<b>Net cash (used in)/from investing activities</b>		<u>(173,302)</u>	<u>11,515</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		-	5,567
Loans from non-controlling shareholder of a subsidiary		-	1,200
Proceeds from borrowings	iii	261,108	203,727
Repayment of borrowings	iii	(54,466)	(223,499)
Expenditure relating to bank borrowings		(134)	(465)
Interest paid		(15,457)	(14,681)
Payment of finance lease liabilities		(44)	(68)
Dividends paid to equity holders of the Company		(64,278)	(61,515)
Dividends paid to non-controlling interests		(2,000)	(2,893)
<b>Net cash from/(used in) financing activities</b>		<u>125,183</u>	<u>(92,627)</u>
<b>Net increase in cash and cash equivalents</b>		5,892	29,513
Cash and cash equivalents at the beginning of the financial period		268,811	235,033
Effects of currency translation on cash and cash equivalents		(2,536)	(2,230)
<b>Cash and cash equivalents at the end of the financial period</b>	iv	<u>272,167</u>	<u>262,316</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. Development properties

The cash inflow for development properties in the second quarter of 2016 and 2015 arose mainly from progress billings of development projects.

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

Purchases of property, plant and equipment and investment properties arose mainly from the acquisition of 110 High Holborn, London.

iii. Proceeds from borrowings/Repayment of borrowings

Net proceeds from borrowings in the second quarter of 2016 were mainly due to additional loans drawn for the acquisition of 110 High Holborn London.

iv. Cash and cash equivalents

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

	The Group	
	<u>30.06.16</u>	<u>30.06.15</u>
	\$'000	\$'000
Fixed deposits with financial institutions	184,459	168,836
Cash at bank and on hand	<u>87,908</u>	<u>96,977</u>
Cash and bank balances per Statement of Financial Position	272,367	265,813
Less: Bank deposits pledged as security	<u>(200)</u>	<u>(3,497)</u>
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>272,167</u>	<u>262,316</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 second quarter ended 30 June

<u>The Group</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>2016</b>					
Balance at 1 April 2016	1,216,099	847,975	5,860,991	496,159	8,421,224
Profit for the period	-	-	68,806	(192)	68,614
Other comprehensive loss for the period	-	(32,180)	-	(22)	(32,202)
Total comprehensive (loss)/income for the period	-	(32,180)	68,806	(214)	36,412
Employee share option scheme					
- value of employee services	-	269	-	-	269
Dividends	-	-	(119,416)	(2,000)	(121,416)
Issue of shares under scrip dividend scheme	55,138	-	-	-	55,138
Total transactions with owners, recognised directly in equity	55,138	269	(119,416)	(2,000)	(66,009)
Balance at 30 June 2016	<u>1,271,237</u>	<u>816,064</u>	<u>5,810,381</u>	<u>493,945</u>	<u>8,391,627</u>
<b>2015</b>					
Balance at 1 April 2015	1,153,668	1,033,691	5,588,718	492,190	8,268,267
Profit for the period	-	-	152,497	11,957	164,454
Other comprehensive loss for the period	-	(14,672)	-	(147)	(14,819)
Total comprehensive (loss)/income for the period	-	(14,672)	152,497	11,810	149,635
Employee share option scheme					
- value of employee services	-	343	-	-	343
- proceeds from shares issued	5,567	-	-	-	5,567
Dividends	-	-	(118,176)	(2,893)	(121,069)
Issue of shares under scrip dividend scheme	56,661	-	-	-	56,661
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	377	-	377
Total transactions with owners, recognised directly in equity	62,228	343	(117,799)	(2,893)	(58,121)
Balance at 30 June 2015	<u>1,215,896</u>	<u>1,019,362</u>	<u>5,623,416</u>	<u>501,107</u>	<u>8,359,781</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 second quarter ended 30 June

<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>2016</b>				
Balance at 1 April 2016	1,216,099	452,656	1,191,727	2,860,482
Profit for the period	-	-	11,835	11,835
Other comprehensive loss for the period	-	(11,762)	-	(11,762)
Total comprehensive (loss)/income for the period	-	(11,762)	11,835	73
Employee share option scheme				
- value of employee services	-	269	-	269
Dividends	-	-	(119,416)	(119,416)
Issue of shares under scrip dividend scheme	55,138	-	-	55,138
Total transactions with owners, recognised directly in equity	55,138	269	(119,416)	(64,009)
Balance at 30 June 2016	<u>1,271,237</u>	<u>441,163</u>	<u>1,084,146</u>	<u>2,796,546</u>
<b>2015</b>				
Balance at 1 April 2015	1,153,668	579,591	1,269,519	3,002,778
Profit for the period	-	-	30,874	30,874
Other comprehensive income for the period	-	3,307	-	3,307
Total comprehensive income for the period	-	3,307	30,874	34,181
Employee share option scheme				
- value of employee services	-	343	-	343
- proceeds from shares issued	5,567	-	-	5,567
Dividends	-	-	(118,176)	(118,176)
Issue of shares under scrip dividend scheme	56,661	-	-	56,661
Total transactions with owners, recognised directly in equity	62,228	343	(118,176)	(55,605)
Balance at 30 June 2015	<u>1,215,896</u>	<u>583,241</u>	<u>1,182,217</u>	<u>2,981,354</u>

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 30 June 2016, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 April 2016	796,219,003
Issue of shares under scrip dividend scheme	9,741,600
Issued share capital as at 30 June 2016	<u>805,960,603</u>

As at 30 June 2016, there were 5,670,000 (30.6.2015: 4,641,000) 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 30 June 2016 and 30 June 2015.

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	
	30.06.16	31.12.15
Total number of issued shares, excluding treasury shares	805,960,603	796,219,003

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 2015.

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 2016, the Group adopted the new or amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the new or amended FRS that are relevant to the Group:

- Improvements to Financial Reporting Standards (issued in November 2014)
- Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements
- Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 111 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interests in Other Entities, FRS 28 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

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	
	2nd Qtr 2016	2nd Qtr 2015
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 8.64	cents 19.36
(ii) On a fully diluted basis	cents 8.64	cents 19.33

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	
	30.06.16	31.12.15	30.06.16	31.12.15
Net asset value per ordinary share	\$9.80	\$9.91	\$3.47	\$3.63
Net tangible asset backing per ordinary share	\$9.77	\$9.89	\$3.47	\$3.63

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) seasonal 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 second quarter of 2016 increased by \$21.3 million or 6% to \$363.6 million from \$342.2 million in the previous corresponding quarter due mainly to higher progressive recognition of revenue from on-going property development projects, Riverbank@Fernvale, Seventy Saint Patrick's and Botanique at Bartley as well as new revenue from Principal Garden which was launched in October 2015. Revenue from hotel operations has also improved with higher revenue mainly from Pan Pacific Tianjin and PARKROYAL Yangon. The decrease in dividend income from available-for-sale financial assets was due mainly to lower dividends received from the Group's investment in United Overseas Bank Limited.

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)

### **Gross profit margin**

Gross profit margin for the second quarter of 2016 was lower at 34% compared to 40% for the second quarter of 2015 due mainly to 1) higher revenue from property development which has higher cost margins; 2) higher property development margin in 2015; and 3) lower dividend income received.

### **Finance income**

Finance income has decreased in the second quarter of 2016 due mainly to 1) lower interest income from loans to joint venture companies with the gradual repayment of loan by a joint venture company whose development project, Archipelago, obtained temporary occupation permit in September 2015; and 2) lower exchange gains from the Group's borrowings in US Dollars to fund its investments in the People's Republic of China.

### **Expenses**

The decrease in marketing and distribution expenses was due mainly to the sales launch of Botanique at Bartley in April 2015 resulting in higher expenses in the second quarter of 2015.

### **Associated companies**

The higher share of profit of associated companies in the second quarter of 2016 was mainly from United Industrial Corporation Limited which had higher profit from its development properties.

### **Profit & Loss**

#### **Second quarter ended 30 June 2016/2015**

The pre-tax profit before fair value and other gains/(losses) for the second quarter of 2016 was \$105.8 million, a decline of 8% compared to the profit of \$114.9 million for the second quarter of 2015. The decrease was due mainly to lower dividend income and profits from development properties.

The Group recorded a pre-tax profit of \$79.3 million, a decrease of 55% from the profit of \$175.7 million in the corresponding period of 2015 due mainly to recognition of 1) fair value losses of \$19.6 million for the investment properties of the Group and associated companies compared to fair value gains of \$60.3 million in the previous corresponding quarter; and 2) business acquisition costs of \$10.8 million for the Group's acquisition of 110 High Holborn.

Profit after tax and non-controlling interest was \$68.8 million, a decrease of 55% from the profit of \$152.5 million in the corresponding period of 2015.

#### **Six Months Ended 30 June 2016/2015**

The pre-tax profit before fair value and other gains/(losses) was \$199.3 million, a marginal decrease of 2% from the profit of \$203.8 million for the first six months of 2015.

With attributable fair value and other losses of \$21.3 million recognised for the six months ended 30 June 2016 in comparison with fair value and other gains of \$54.5 million in the previous corresponding period, profit after tax and non-controlling interest was \$145.9 million or a 36% decrease from the attributable profit of \$226.7 million in 2015.

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

The Group shareholders' funds increased marginally from \$7.89 billion as at 31 December 2015 to \$7.90 billion as at 30 June 2016 due mainly to higher share capital from scrip dividends issued and profits recognised in the first six months of 2016; offset in part by fair value losses on available-for-sale financial assets and dividends paid. The net tangible asset per ordinary share of the Group decreased to \$9.77 as at 30 June 2016 from \$9.89 as at 31 December 2015 due to payment of dividends during the quarter.

The Group's gearing ratio increased from 0.27 as at 31 December 2015 to 0.29 as at 30 June 2016 with new loans for the Group's acquisition of 110 High Holborn and advances to a joint venture company to fund its acquisition of a residential site at Clementi Avenue 1.

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

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.

With Britain's decision to withdraw from the European Union, the global economic outlook remains uncertain. In Singapore, demand for private residential properties remains lacklustre and will continue to be affected by the various cooling measures. Office rentals are under pressure given the looming supply coming on stream. Weak retail sales and competition from e-commerce will continue to impact retail rents. The hotel market in the Asia Pacific is expected to remain competitive given the uncertain macro-economic conditions.

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 second quarter ended 30 June 2016.

- 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 six months / second quarter ended 30 June 2016 to be false or misleading.

#### **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 its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

#### **BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
4 August 2016