

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

## 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		
		For the year ended 31 December		
		2014	2013	+ / (-)
		\$'000	\$'000	%
Revenue	A	1,360,719	1,058,608	29
Cost of sales		(779,545)	(535,394)	46
Gross profit		581,174	523,214	11
Other income				
- Finance income	B	5,466	4,488	22
- Miscellaneous income		13,368	12,708	5
Expenses				
- Marketing and distribution	C	(56,040)	(37,152)	51
- Administrative		(73,449)	(74,310)	(1)
- Finance	D	(34,009)	(42,815)	(21)
- Other operating	E	(79,718)	(73,768)	8
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		119,776	96,383	24
Share of profit of joint venture companies		38,590	18,506	109
Profit before fair value and other gains and income tax		515,158	427,254	21
Other gains	F	25,552	23,813	7
Fair value gains on associated companies' investment properties		78,408	91,459	(14)
Fair value gains on the Group's investment properties		217,848	409,425	(47)
Profit before income tax	G	836,966	951,951	(12)
Income tax expense	H	(76,691)	(70,487)	9
Net profit		760,275	881,464	(14)
<u>Attributable to:</u>				
Equity holders of the Company		685,996	785,820	(13)
Non-controlling interests		74,279	95,644	(22)
		760,275	881,464	(14)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other gains		397,660	344,180	16
Other gains		25,552	23,831	7
Fair value gains on investment properties including those of associated companies		262,784	417,809	(37)
Net attributable profit		685,996	785,820	(13)

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

	The Group		
	For the year ended 31 December		
	2014	2013	+ / (-)
	\$'000	\$'000	%
<b>A</b> <u>Revenue</u>			
Revenue from property development	675,881	409,984	65
Revenue from property investments	198,206	180,241	10
Gross revenue from hotel ownership and operations	437,574	420,425	4
Revenue from hotel and other management services	20,260	20,512	(1)
Dividend income from available-for-sale financial assets	28,798	27,446	5
	1,360,719	1,058,608	29
<b>B</b> <u>Finance income</u>			
Interest income	5,466	4,488	22
<b>C</b> <u>Marketing and distribution expense</u>			
Advertising and promotion	25,340	18,917	34
Marketing and distribution payroll and related expenses	16,631	14,790	12
Sales commissions	10,300	2,530	307
Showflat expenses	3,769	915	312
	56,040	37,152	51
<b>D</b> <u>Finance expense</u>			
Bank facility fees	3,537	3,709	(5)
Interest expense	47,153	48,312	(2)
Less: borrowing costs capitalised	(25,343)	(19,858)	28
Currency exchange losses (net)	8,662	10,652	(19)
	34,009	42,815	(21)
<b>E</b> <u>Other operating expense</u>			
Property taxes	22,431	21,163	6
Repairs, maintenance and security	9,788	9,150	7
Heat, light and power	22,416	23,550	(5)
Pre-opening and operating expenses of Pan Pacific Tianjin	4,380	-	n.m.
Others	20,703	19,905	4
	79,718	73,768	8
<b>F</b> <u>Other gains/(losses)</u>			
Negative goodwill on acquisition of interests in an associated company	3,331	3,509	(5)
Delisting expenses of a subsidiary	-	(1,177)	(100)
Write-back of impairment charge on property, plant and equipment <sup>1</sup>	14,889	27,502	(46)
Impairment charge on property, plant and equipment	-	(6,021)	(100)
Gain on liquidation of an available-for-sale financial asset	7,332	-	n.m.
	25,552	23,813	7
<b>G</b> <u>Profit before income tax</u>			
Profit before income tax is stated after charging:			
Depreciation and amortisation	59,972	58,835	2
Property, plant and equipment written off and net loss on disposals	1,211	961	26

n.m. : not meaningful

<sup>1</sup> The write-back of impairment charge was in respect of PARKROYAL on Pickering for an amount of \$11,553,000 and PARKROYAL Melbourne Airport for an amount of \$3,336,000 as the fair values appraised by professional valuers exceeded the carrying values of these properties.

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

	The Group		
	For the year ended 31 December		
	2014	2013	+ / (-)
	\$'000	\$'000	%
<b>H</b> <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	58,228	70,543	(17)
- Foreign <sup>2</sup>	34,633	9,993	247
- Withholding tax paid	624	501	25
Deferred income tax			
- fair value gains of investment properties	6,652	10,343	(36)
- others	(20,220)	(25,613)	(21)
	79,917	65,767	22
- (Over)/under provision in prior financial years:			
Current income tax			
- Singapore	(3,345)	(1,780)	88
- Foreign	61	(32)	291
Deferred income tax	58	6,532	(99)
	76,691	70,487	9
The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:			
Profit before income tax	836,966	951,951	(12)
Share of profit of associated companies, net of tax	(198,184)	(187,842)	6
Share of profit of joint venture companies, net of tax	(38,590)	(18,506)	109
Profit before tax and share of profit of associated companies and joint venture companies	600,192	745,603	(20)
Tax calculated at a tax rate of 17%	102,033	126,753	(20)
Effects of:			
- Singapore statutory stepped income exemption	(596)	(545)	9
- Tax rebates	(655)	(563)	16
- Different tax rates in other countries	15,256	4,127	270
- Income not subject to tax <sup>3</sup>	(45,308)	(79,954)	(43)
- Expenses not deductible for tax purposes	9,168	13,357	(31)
- Utilisation of previously unrecognised tax losses	(1,254)	(1,319)	(5)
- Deferred tax assets not recognised in the current financial year	1,273	3,911	(67)
- (Over)/under provision in prior financial years:	(3,226)	4,720	(168)
Tax charge	76,691	70,487	9

<sup>2</sup> The higher foreign income tax expense resulted mainly from tax on the sale of land at Jalan Conlay, Kuala Lumpur, Malaysia.

<sup>3</sup> Income not subject to tax comprises mainly fair value gains on the Group's investment properties, write-back of impairment charge on property, plant and equipment and dividend income from available-for-sale financial assets.

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

	Note	The Group		
		For the year ended 31 December		
		2014	2013	+ / (-)
		\$'000	\$'000	%
Net profit		760,275	881,464	(14)
Other comprehensive income/(loss):				
Fair value gains on available-for-sale financial assets	A	115,615	44,133	162
Liquidation of an available-for-sale financial asset		(7,456)	-	n.m.
Cash flow hedges:				
- Fair value gains		1,082	200	441
- Transfer to income statement		(379)	(260)	46
Currency translation differences arising from consolidation of foreign operations	B	5,224	(2,558)	304
Share of other comprehensive income of an associated company		2,852	5,500	(48)
Other comprehensive income, net of tax		116,938	47,015	149
Total comprehensive income		877,213	928,479	(6)
<u>Attributable to:</u>				
Equity holders of the Company		801,176	833,492	(4)
Non-controlling interests		76,037	94,987	(20)
		877,213	928,479	(6)

n.m. : not meaningful

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

A Fair value 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 increase in value for the financial year ended 31 December 2014 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous financial year.

B 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	
		31.12.14 \$'000	31.12.13 \$'000	31.12.14 \$'000	31.12.13 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		286,506	293,386	2,849	5,003
Trade and other receivables	A	247,557	377,733	46,936	7,890
Derivative financial instrument		35	616	-	616
Developed properties held for sale	B	51,354	4,144	-	-
Development properties	C	1,663,857	895,443	-	-
Inventories		802	703	-	-
Available-for-sale financial assets		648,514	582,102	648,514	564,070
Other assets		19,261	35,481	213	350
Current income tax assets		98	110	-	-
		2,917,984	2,189,718	698,512	577,929
<b>Non-current assets</b>					
Trade and other receivables	A	77,374	159,287	782,512	829,602
Derivative financial instrument		578	-	323	-
Available-for-sale financial assets		340,272	274,854	111,748	81,388
Investments in associated companies	D	3,104,327	2,765,006	162,259	161,289
Investments in joint venture companies		57,232	20,011	-	-
Investments in subsidiaries		-	-	1,800,714	1,799,578
Investment properties	E	4,080,214	3,814,190	409,800	388,490
Property, plant and equipment		1,241,180	1,169,105	1,349	1,530
Intangibles		25,677	26,117	318	622
Deferred income tax assets		3,623	3,160	-	-
		8,930,477	8,231,730	3,269,023	3,262,499
<b>Total assets</b>		<b>11,848,461</b>	<b>10,421,448</b>	<b>3,967,535</b>	<b>3,840,428</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	F	281,731	446,890	325,472	78,184
Current income tax liabilities		75,216	82,367	3,499	4,899
Bank loans	G	1,116,665	831,590	336,940	248,259
2.5% unsecured fixed rate notes due 2014	G	-	299,850	-	299,850
2.493% unsecured fixed rate notes due 2015	G	174,938	-	174,938	-
Finance lease liabilities		280	294	-	-
Derivative financial instrument		-	197	-	197
Loan from non-controlling shareholder of a subsidiary		-	16,917	-	-
		1,648,830	1,678,105	840,849	631,389
<b>Non-current liabilities</b>					
Trade and other payables		153,996	152,630	2,038	3,354
Finance lease liabilities		3,746	3,928	-	-
Bank loans	G	1,603,931	934,072	-	-
2.493% unsecured fixed rate notes due 2015	G	-	174,763	-	174,763
3.043% unsecured fixed rate notes due 2017	G	74,824	74,749	74,824	74,749
Derivative financial instrument		-	37	-	-
Loan from non-controlling shareholder of a subsidiary		54,158	-	-	-
Provision for retirement benefits		3,813	3,245	-	-
Deferred income tax liabilities		174,264	172,949	100,118	86,145
		2,068,732	1,516,373	176,980	339,011
<b>Total liabilities</b>		<b>3,717,562</b>	<b>3,194,478</b>	<b>1,017,829</b>	<b>970,400</b>
<b>NET ASSETS</b>		<b>8,130,899</b>	<b>7,226,970</b>	<b>2,949,706</b>	<b>2,870,028</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,151,512	1,050,897	1,151,512	1,050,897
Reserves		977,032	855,311	524,924	437,773
Retained earnings		5,514,185	4,853,490	1,273,270	1,381,358
		7,642,729	6,759,698	2,949,706	2,870,028
<b>Non-controlling interests</b>		<b>488,170</b>	<b>467,272</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>8,130,899</b>	<b>7,226,970</b>	<b>2,949,706</b>	<b>2,870,028</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 and non-current trade and other receivables

The decrease in non-current trade and other receivables arose mainly from the reclassification of a loan to associated company, United Venture Development (Bedok) Pte. Ltd. ("UVDB") from non-current to current as the loan is expected to be repaid upon the expected completion of UVDB's development project, Archipelago, in 2015.

Current trade and other receivables have decreased due mainly to the receipt of progress billings outstanding as at 31 December 2013 for development projects, Waterbank at Dakota and Spottiswoode Residences.

B Developed properties held for sale

Developed properties held for sale as at 31 December 2014 comprised the remaining unsold completed residential and office units in The Esplanade, Tianjin which have been transferred from development properties in 2014.

C Development properties

The increase in development properties from the balance as of 31 December 2013 resulted mainly from 1) the acquisition of two land parcels at Upper Paya Lebar and Prince Charles Crescent for \$392.3 million and \$463.1 million respectively; and 2) the acquisition of a Jersey unit trust which owns a 3,200 square metre freehold land in the City of London on Bishopsgate for a sum of £97 million (S\$200.9 million). The increases were offset in part by the sale of land at Jalan Conlay and the completion of The Esplanade, Tianjin in 2014.

D Investments in associated companies

The increase in investments in associated companies includes an amount of \$132.1 million being the Group's share of the effects of United Industrial Corporation Limited's acquisition of shares from the non-controlling shareholders of its subsidiary, Singapore Land Limited.

E 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. In addition to the recognition of fair valuation gains on investment properties, the increase from 31 December 2013 includes additional construction costs capitalised for OneKM and the retail component of The Esplanade, Tianjin.

F Current trade and other payables

The decrease in trade and other payables arose mainly from the recognition of revenue from sales proceeds received in advance from the sale of residential and office units in The Esplanade, Tianjin upon its completion in 2014. The sales proceeds received in advance were previously recognised as a payable until the completion of the project as the project is accounted for using the completion of construction method.

G Current and non-current bank loans and fixed rate notes

The net increase in bank loans and fixed rate notes of \$655.3 million was due mainly to additional loans drawn for the acquisition of the land parcels at Upper Paya Lebar, Prince Charles Crescent and Bishopsgate, London.

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

	As at 31.12.14		As at 31.12.13	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	451,548	840,582	152,711	995,996
Amount repayable after one year	1,109,960	629,158	830,345	357,423

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 year ended 31 December

	Note	The Group	
		2014	2013
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		760,275	881,464
Adjustments for:			
Income tax expense		76,691	70,487
Non-cash items		(172,599)	(134,567)
Dividend income and interest income		(34,264)	(31,934)
Interest expense		25,347	32,163
Fair value gains on the Group's investment properties		(217,848)	(409,425)
Negative goodwill on acquisition of interests in an associated company		(3,331)	(3,509)
Write-back of impairment charge on property, plant and equipment		(14,889)	(27,502)
Impairment charge on property, plant and equipment		-	6,021
Gain on liquidation of an available-for-sale financial asset		(7,332)	-
		<u>412,050</u>	<u>383,198</u>
Change in working capital			
Receivables		(62,015)	(12,601)
Development properties	i	(456,220)	(62,929)
Derivative financial instrument		616	257
Inventories		(99)	80
Payables	ii	(208,644)	155,478
		<u>(726,362)</u>	<u>80,285</u>
Cash (used in)/generated from operations		(314,312)	463,483
Income tax paid		(96,521)	(46,512)
Retirement benefits paid		-	(58)
Bank deposits pledged as security		(31)	(63)
<b>Net cash (used in)/from operating activities</b>		<u>(410,864)</u>	<u>416,850</u>
<b>Cash flows from investing activities</b>			
Proceeds from liquidation of an available-for-sale financial asset		17,908	-
Redemption of preference shares by an associated company		6,275	14,000
Proceeds from liquidation of subsidiaries		(1,607)	47
Payments for intangibles		(2,382)	(1,079)
Payments for interests in an associated company		(17,714)	(16,491)
Payment of deferred acquisition cost to a shareholder of an associated company		-	(7,105)
Payments for interests in a joint venture company		-	(500)
Loans to an associated company and joint venture companies		(1,625)	(11,620)
Repayment of loan by an associated company		-	1,906
Net proceeds from disposal of property, plant and equipment		173	347
Purchase of property, plant and equipment and investment properties	iii	(157,266)	(154,210)
Interest received		5,466	4,488
Dividends received		18,672	99,098
<b>Net cash used in investing activities</b>		<u>(132,100)</u>	<u>(71,119)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		3,577	3,943
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		300	2,093
Payments to non-controlling shareholders of subsidiaries for redemption of preference shares		(17,210)	(2,976)
Payments to non-controlling shareholders for purchase of shares in subsidiaries	iv	(774)	(281,921)
Loans from non-controlling shareholders of subsidiaries		54,158	7,307
Repayment of loans from non-controlling shareholder of a subsidiary		(16,675)	-
Repayment of 2.5% unsecured fixed rate notes due 2014		(300,000)	-
Proceeds from borrowings	v	1,252,182	459,104
Repayment of borrowings	v	(294,162)	(303,129)
Expenditure relating to bank borrowings		(5,741)	(2,234)
Interest paid		(49,830)	(48,284)
Dividends paid to equity holders of the Company		(57,134)	(115,485)
Dividends paid to non-controlling interests		(35,027)	(32,022)
<b>Net cash from/(used in) financing activities</b>		<u>533,664</u>	<u>(313,604)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(9,300)</u>	<u>32,127</u>
Cash and cash equivalents at the beginning of the financial year		287,997	254,925
Effects of currency translation on cash and cash equivalents		2,158	945
<b>Cash and cash equivalents at the end of the financial year</b>	vi	<u>280,855</u>	<u>287,997</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 outflow for development properties relates mainly to the acquisition of land parcels at Upper Paya Lebar, Prince Charles Crescent and in London.

ii. Payables

The movement in payables included an amount of \$179.8 million relating to the recognition of revenue from sales proceeds received in advance from the sale of residential and office units in The Esplanade, Tianjin upon its completion in 2014. The sales proceeds received in advance were previously recognised as a payable until the completion of the project as the project is accounted for using the completion of construction method.

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

Purchases of property, plant and equipment and investment properties arose mainly from 1) the acquisition of the hotel component of Bishopsgate, London; 2) payments for the construction of OneKM, Pan Pacific Tianjin, the retail component of The Esplanade, Tianjin; and 3) expenditure for the on-going improvements to the Group's hotels.

iv. Payments to non-controlling shareholders for purchase of shares in subsidiaries

The payment of \$281.9 million in 2013 was for the acquisition of shares in Pan Pacific Hotels Group Limited from its non-controlling shareholders pursuant to an exit offer. The payment in 2014 was for the acquisition of the remaining non-controlling interests in PARKROYAL Yangon.

v. Proceeds from borrowings/Repayment of borrowings

Net proceeds from borrowings were mainly from additional loans drawn for the repayment of the 2.5% unsecured fixed rate notes due 2014 as well as for the acquisition of the land parcels at Upper Paya Lebar, Prince Charles Crescent and in Bishopsgate, London.

vi. 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>2014</u>	<u>2013</u>
	\$'000	\$'000
Fixed deposits with financial institutions	152,804	139,460
Cash at bank and on hand	133,702	153,926
Cash and bank balances per Statement of Financial Position	286,506	293,386
Less: Bank deposits pledged as security	(5,651)	(5,389)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>280,855</u>	<u>287,997</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 year ended 31 December

<u>The Group</u>	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Non-controlling interests</u> \$'000	<u>Total equity</u> \$'000
<u>2014</u>					
Beginning of financial year	1,050,897	855,311	4,853,490	467,272	7,226,970
Profit for the year	-	-	685,996	74,279	760,275
Other comprehensive income for the year	-	115,180	-	1,758	116,938
Total comprehensive income for the year	-	115,180	685,996	76,037	877,213
Employee share option scheme					
- value of employee services	-	1,489	-	-	1,489
- proceeds from shares issued	3,577	-	-	-	3,577
Dividends	-	-	(154,172)	(35,027)	(189,199)
Issue of shares under scrip dividend scheme	97,038	-	-	-	97,038
Acquisition of interests from non-controlling shareholders	-	-	821	(1,595)	(774)
Issue of shares to non-controlling shareholders	-	-	-	300	300
Liquidation of subsidiaries	-	-	-	(1,607)	(1,607)
Redemption of preference shares held by non-controlling interests	-	-	-	(17,210)	(17,210)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	5,052	128,050	-	133,102
Total transactions with owners, recognised directly in equity	100,615	6,541	(25,301)	(55,139)	26,716
End of financial year	1,151,512	977,032	5,514,185	488,170	8,130,899
<u>2013</u>					
Beginning of financial year	1,046,954	805,738	4,289,920	576,314	6,718,926
Profit for the year	-	-	785,820	95,644	881,464
Other comprehensive income for the year	-	47,672	-	(657)	47,015
Total comprehensive income for the year	-	47,672	785,820	94,987	928,479
Employee share option scheme					
- value of employee services	-	1,901	-	-	1,901
- proceeds from shares issued	3,943	-	-	-	3,943
Dividends	-	-	(115,485)	(32,022)	(147,507)
Acquisition of interests from non-controlling shareholders	-	-	(110,797)	(171,124)	(281,921)
Issue of shares to non-controlling shareholders	-	-	-	2,093	2,093
Redemption of preference shares held by non-controlling shareholders	-	-	-	(2,976)	(2,976)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	4,032	-	4,032
Total transactions with owners, recognised directly in equity	3,943	1,901	(222,250)	(204,029)	(420,435)
End of financial year	1,050,897	855,311	4,853,490	467,272	7,226,970

- 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 year ended 31 December

	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
<u>The Company</u>				
<u>2014</u>				
Beginning of financial year	1,050,897	437,773	1,381,358	2,870,028
Profit for the year	-	-	46,084	46,084
Other comprehensive income for the year	-	85,662	-	85,662
Total comprehensive income for the year	-	85,662	46,084	131,746
Employee share option scheme				
- value of employee services	-	1,489	-	1,489
- proceeds from shares issued	3,577	-	-	3,577
Dividends	-	-	(154,172)	(154,172)
Issue of shares under scrip dividend scheme	97,038	-	-	97,038
Total transactions with owners, recognised directly in equity	100,615	1,489	(154,172)	(52,068)
End of financial year	1,151,512	524,924	1,273,270	2,949,706
<u>2013</u>				
Beginning of financial year	1,046,954	409,053	1,108,573	2,564,580
Profit for the year	-	-	388,270	388,270
Other comprehensive income for the year	-	26,819	-	26,819
Total comprehensive income for the year	-	26,819	388,270	415,089
Employee share option scheme				
- value of employee services	-	1,901	-	1,901
- proceeds from shares issued	3,943	-	-	3,943
Dividends	-	-	(115,485)	(115,485)
Total transactions with owners, recognised directly in equity	3,943	1,901	(115,485)	(109,641)
End of financial year	1,050,897	437,773	1,381,358	2,870,028

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 financial year ended 31 December 2014, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2014	770,883,154
Issue of ordinary shares arising from the exercise of:	
2005 Options at exercise price of S\$2.23 per share	42,000
2007 Options at exercise price of S\$4.91 per share	93,000
2008 Options at exercise price of S\$3.68 per share	36,000
2010 Options at exercise price of S\$3.95 per share	81,000
2011 Options at exercise price of S\$4.62 per share	166,000
2012 Options at exercise price of S\$5.40 per share	274,000
2013 Options at exercise price of S\$6.55 per share	50,000
Ordinary shares issued upon exercise of options	742,000
Issue of shares under scrip dividend scheme	15,600,999
Issued share capital as at 31 December 2014	<u>787,226,153</u>

During the fourth quarter of 2014, 170,000 ordinary shares (fourth quarter 2013: 318,000) were issued arising from the exercise of options granted under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

As at 31 December 2014, there were 4,787,000 (31.12.2013: 4,440,000) 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 December 2014 and 31 December 2013.

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	
	31.12.14	31.12.13
Total number of issued shares, excluding treasury shares	787,226,153	770,883,154

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 year as those of the audited financial statements for the financial year ended 31 December 2013.

- 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 2014, 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:

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
INT FRS 121	Levies

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	
	2014	2013
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	cents 88.00	cents 102.01
(ii) On a fully diluted basis	cents 87.92	cents 101.90

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

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	
	31.12.14	31.12.13	31.12.14	31.12.13
Net asset value per ordinary share	\$9.71	\$8.77	\$3.75	\$3.72
Net tangible asset backing per ordinary share	\$9.68	\$8.73	\$3.75	\$3.72

- 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 increased by \$302.1 million to \$1,360.7 million from \$1,058.6 million in 2013. The increase was mainly from the recognition of property development revenue of 1) \$220.1 million from the sale of land at Jalan Conlay; and 2) \$213.5 million from the completion of The Esplanade, Tianjin in 2014. The increase was offset in part by lower property development revenue from Waterbank at Dakota and Spottiswoode Residences which were completed in May and December 2013 respectively.

Revenue from investment properties increased with the opening of OneKM mall in the fourth quarter of 2014 and from the full year operations of Pan Pacific Serviced Suites Beach Road which opened in the second quarter of 2013. Hotel segment registered modest growth with higher contributions mainly from PARKROYAL on Beach Road and PARKROYAL on Pickering. Dividend income has also increased with special dividends received from 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) 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. (cont'd)

### **Expenses**

Gross profit margin for 2014 was 43% compared to the margin of 49% in 2013 and the decrease was due mainly to higher revenue contribution from property development which has a higher cost margin.

The increase in marketing and distribution expenses by \$18.9 million from 2013 was due mainly to 1) advertising and promotion expenses for the opening of OneKM mall; 2) higher sales commissions and showflat costs for the sales launches of Riverbank@Fernvale and Seventy Saint Patrick's in 2014; and 3) sales commissions and advertising expenses for the on-going sales of The Esplanade, Tianjin.

The decrease in finance expenses resulted mainly from lower average interest rates and higher borrowings for development projects with interest expenses capitalised as part of development costs. Other operating expenses have increased by \$6.0 million due mainly to pre-opening and operating expenses of the newly opened Pan Pacific Tianjin in the fourth quarter of 2014.

### **Associated companies**

The higher share of profit of associated companies in 2014 was mainly from United Industrial Corporation Limited which benefited from 1) higher contributions from Pan Pacific Singapore and the Archipelago and Thomson Three development projects; and 2) an increased interest in its subsidiary, Singapore Land Limited to 99.6% following its voluntary cash offer.

### **Joint venture companies**

The share of profit of joint venture companies have increased with higher contributions from the joint venture companies' development projects, Archipelago and Thomson Three.

### **Profit & Loss**

The pre-tax profit before fair value and other gains was \$515.2 million, an increase of 21% from the profit of \$427.3 million in 2013. The increase was attributed mainly to 1) higher profits from all segments, including the one-time pre-tax profit of \$98.9 million from the sale of the land at Jalan Conlay; 2) lower finance expenses; and 3) higher share of profit from associated and joint venture companies.

Including fair value and other gains amounting to \$321.8 million for 2014, profit before tax was \$837.0 million, a decrease of 12% from the profit of \$952.0 million for 2013 due to lower fair value gains from the investment properties of the Group and associated companies. Profit after tax and non-controlling interest was \$686.0 million or a 13% decrease from the profit of \$785.8 million in 2013.

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

The Group shareholders' funds increased from \$6.8 billion as at 31 December 2013 to \$7.6 billion as at 31 December 2014 with profits recognised in 2014 and higher reserves from fair value gains on available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$9.68 as at 31 December 2014 from \$8.73 as at 31 December 2013.

The Group's gearing ratio has increased to 0.34 as at 31 December 2014 from 0.28 as at 31 December 2013 with higher borrowings for the Group's land acquisitions.

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.

The global economy is expected to grow at an uneven pace while the forecast is for the Singapore economy to grow at between 2 and 4% in 2015. Buying sentiment for new homes is expected to remain muted on the back of rising interest costs and the effects of the various cooling measures. With limited new supply in 2015, office rents are expected to continue to grow. Retail rents could moderate in the face of rising occupancy costs and competition from online shopping. The outlook for hotels in Singapore and Asia Pacific remains challenging.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	First & Final
Dividend Type	:	Cash/Scrip
Dividend Rate	:	15.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(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	:	First & Final
Dividend Type	:	Cash/Scrip
Dividend Rate	:	15.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

Name of dividend	:	Special
Dividend Type	:	Cash/Scrip
Dividend Rate	:	5.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(c) Date payable

First & Final	:	Subject to shareholders' approval for payment of the First & Final Dividends and payment date to be announced later
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(d) Books closure date

The books closure dates will be announced at a later date.

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

Not applicable.

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.

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Property development				Property investments	Hotel operations				Total	
	Singapore	Malaysia	China	United Kingdom		Singapore	Australia	Others	Investments		Others
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>											
<b>2014</b>											
<b>Revenue</b>											
Total segment sales	242,296	220,072	213,513	-	203,960	173,423	132,070	132,544	135,275	51,486	1,504,639
Inter-segment sales	-	-	-	-	(5,754)	(463)	-	-	(106,477)	(31,226)	(143,920)
Sales to external parties	242,296	220,072	213,513	-	198,206	172,960	132,070	132,544	28,798	20,260	1,360,719
Share of profit of associated companies	135	-	(130)	-	191,478	5,643	-	993	-	65	198,184
Share of profit of joint venture companies	38,590	-	-	-	-	-	-	-	-	-	38,590
<b>Adjusted EBITDA*</b>	75,245	98,791	11,437	(281)	333,189	64,036	32,744	34,876	28,764	17,263	696,064
Depreciation and amortisation	(6)	-	(65)	-	(4,415)	(21,687)	(12,528)	(19,133)	-	(2,138)	(59,972)
Other gains	-	-	-	-	3,331	11,553	3,336	-	7,332	-	25,552
Fair value gains on investment properties	-	-	-	-	217,848	-	-	-	-	-	217,848
Unallocated costs											(13,983)
Finance income											5,466
Finance expense											(34,009)
Profit before income tax											836,966
Income tax expense											(76,691)
Net profit											760,275
<b>2013</b>											
<b>Revenue</b>											
Total segment sales	409,984	-	-	-	186,239	151,990	135,910	132,940	398,807	48,815	1,464,685
Inter-segment sales	-	-	-	-	(5,998)	(415)	-	-	(371,361)	(28,303)	(406,077)
Sales to external parties	409,984	-	-	-	180,241	151,575	135,910	132,940	27,446	20,512	1,058,608
Share of profit of associated companies	1,917	-	(299)	-	179,831	5,705	-	606	-	82	187,842
Share of profit of joint venture companies	18,506	-	-	-	-	-	-	-	-	-	18,506
<b>Adjusted EBITDA*</b>	158,664	(174)	(5,041)	-	310,289	49,304	34,988	40,502	27,402	13,434	629,368
Depreciation and amortisation	(7)	-	(83)	-	(4,089)	(21,150)	(13,765)	(18,146)	-	(1,595)	(58,835)
Other gains/(losses)	-	-	-	-	3,509	26,325	-	(6,021)	-	-	23,813
Fair value gains on investment properties	-	-	-	-	409,425	-	-	-	-	-	409,425
Unallocated costs											(13,493)
Finance income											4,488
Finance expense											(42,815)
Profit before income tax											951,951
Income tax expense											(70,487)
Net profit											881,464

\* Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted to exclude unallocated costs, other gains/(losses) and fair value gains on investment properties

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

16 A breakdown of sales

The Group			
For the year ended			
	31.12.14	31.12.13	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	622,394	552,097	13
(b) Profit after tax before deducting non-controlling interests reported for first half year	386,046	578,710	(33)
(a) Sales reported for second half year	738,325	506,511	46
(b) Profit after tax before deducting non-controlling interests reported for second half year	374,229	302,754	24

17 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary one-tier dividend	118,084	115,629
Special one-tier dividend	-	38,543
Preference	-	-
Total	118,084	154,172

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wee Wei Ling	63	Daughter of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL").  Sister of Mr Wee Ee-chao, Mr Wee Ee Lim and Mr Wee Ee Cheong, substantial shareholders of UOL.  Mr Wee Ee-chao and Mr Wee Ee Lim are also directors of UOL.	Executive Director (Asset and Lifestyle) of Pan Pacific Hotels Group Limited ("PPHG") with effect from 1 January 2014.  Oversees the approval of all capital expenditure for PPHG's owned hotel properties, and is responsible for the running of St Gregory Spa Pte Ltd and Dou Hua Restaurants Pte Ltd. Also co-ordinates PPHG's corporate social responsibility and charitable initiatives.  Director of PPHG since 1994. PPHG is a wholly-owned subsidiary of UOL.	Nil

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
26 February 2015