

**UNAUDITED SECOND 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					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2014	2013	+ / (-)	2014	2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	213,618	304,313	(30)	622,394	552,097	13
Cost of sales		(95,319)	(155,601)	(39)	(302,650)	(287,861)	5
Gross profit		118,299	148,712	(20)	319,744	264,236	21
Other income							
- Finance income	B	1,498	1,080	39	2,831	2,140	32
- Miscellaneous income		2,959	2,650	12	6,709	5,856	15
Expenses							
- Marketing and distribution	C	(9,762)	(8,348)	17	(24,499)	(16,641)	47
- Administrative	D	(18,515)	(18,964)	(2)	(35,979)	(36,614)	(2)
- Finance	E	(8,970)	(15,574)	(42)	(15,971)	(26,820)	(40)
- Other operating	F	(18,626)	(18,856)	(1)	(36,816)	(36,861)	(0)
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		28,061	20,229	39	53,215	43,061	24
Share of profit of joint venture companies		10,307	4,404	134	19,637	8,630	128
Profit before fair value and other gains and income tax		105,251	115,333	(9)	288,871	206,987	40
Other gains	G	-	1,077	(100)	7,486	2,024	270
Fair value gains on associated companies' investment properties		52,455	66,226	(21)	52,455	66,226	(21)
Fair value gains on the Group's investment properties		84,993	334,043	(75)	84,993	334,043	(75)
Profit before income tax	H	242,699	516,679	(53)	433,805	609,280	(29)
Income tax expense	I	(11,633)	(15,641)	(26)	(47,759)	(30,570)	56
Net profit		231,066	501,038	(54)	386,046	578,710	(33)
<u>Attributable to:</u>							
Equity holders of the Company		211,722	431,395	(51)	332,547	503,083	(34)
Non-controlling interests		19,344	69,643	(72)	53,499	75,627	(29)
		231,066	501,038	(54)	386,046	578,710	(33)
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains		90,539	93,613	(3)	203,878	164,354	24
Other gains		-	1,077	(100)	7,486	2,024	270
Fair value gains on investment properties including those of associated companies		121,183	336,705	(64)	121,183	336,705	(64)
Net attributable profit		211,722	431,395	(51)	332,547	503,083	(34)

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

	The Group					
	Second Quarter Ended 30 June			Six Months Ended 30 June		
	2014	2013	+ / (-)	2014	2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>A</b>	<b><u>Revenue</u></b>					
Revenue from property development	36,611	133,171	(73)	284,483	234,797	21
Revenue from property investments	47,577	43,994	8	96,310	86,059	12
Gross revenue from hotel ownership and operations	104,486	102,682	2	211,716	201,860	5
Revenue from hotel and other management services	4,638	4,431	5	9,579	9,346	2
Dividend income from available-for-sale financial assets	20,306	20,035	1	20,306	20,035	1
	<b>213,618</b>	<b>304,313</b>	<b>(30)</b>	<b>622,394</b>	<b>552,097</b>	<b>13</b>
<b>B</b>	<b><u>Finance income</u></b>					
Interest income	1,498	1,080	39	2,831	2,140	32
<b>C</b>	<b><u>Marketing and distribution expense</u></b>					
Advertising and promotion	4,703	4,176	13	10,012	8,446	19
Marketing and distribution payroll and related expenses	3,512	3,340	5	6,607	6,661	(1)
Sales commissions	755	718	5	6,492	1,261	415
Showflat expenses	792	114	595	1,388	273	408
	<b>9,762</b>	<b>8,348</b>	<b>17</b>	<b>24,499</b>	<b>16,641</b>	<b>47</b>
<b>D</b>	<b><u>Administrative expenses</u></b>					
Administrative payroll and related expenses	12,164	12,596	(3)	24,013	24,782	(3)
Corporate expenses	2,794	3,103	(10)	5,199	5,608	(7)
Credit card commissions	1,424	1,297	10	2,899	2,391	21
Information technology related expenses	1,019	940	8	2,023	1,887	7
Others	1,114	1,028	8	1,845	1,946	(5)
	<b>18,515</b>	<b>18,964</b>	<b>(2)</b>	<b>35,979</b>	<b>36,614</b>	<b>(2)</b>
<b>E</b>	<b><u>Finance expense</u></b>					
Bank facility fees	777	899	(14)	1,732	2,305	(25)
Interest expense	11,359	11,802	(4)	22,522	22,948	(2)
Less: borrowing costs capitalised	(6,219)	(4,612)	35	(11,355)	(9,063)	25
Currency exchange losses (net)	3,053	7,485	(59)	3,072	10,630	(71)
	<b>8,970</b>	<b>15,574</b>	<b>(42)</b>	<b>15,971</b>	<b>26,820</b>	<b>(40)</b>
<b>F</b>	<b><u>Other operating expense</u></b>					
Property taxes	5,697	5,192	10	11,516	10,230	13
Repairs, maintenance and security	2,284	2,046	12	4,299	4,025	7
Heat, light and power	5,639	6,278	(10)	11,072	12,348	(10)
Others	5,006	5,340	(6)	9,929	10,258	(3)
	<b>18,626</b>	<b>18,856</b>	<b>(1)</b>	<b>36,816</b>	<b>36,861</b>	<b>(0)</b>

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

	The Group					
	Second Quarter Ended 30 June			Six Months Ended 30 June		
	2014	2013	+ / (-)	2014	2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>G</b> <u>Other gains</u>						
Negative goodwill on acquisition of interests in an associated company	-	1,077	(100)	154	2,024	(92)
Gain on liquidation of an available-for-sale financial asset	-	-	-	7,332	-	n.m.
	-	1,077	(100)	7,486	2,024	270
<b>H</b> <u>Profit before income tax</u>						
Profit before income tax is stated after charging:						
Depreciation and amortisation	14,530	14,554	(0)	28,940	29,121	(1)
<b>I</b> <u>Income tax expense</u>						
Tax expense attributable to profit is made up of:						
- Profit for the financial year:						
Current income tax						
- Singapore	7,142	16,127	(56)	14,841	22,481	(34)
- Foreign	1,905	2,476	(23)	29,433	5,339	451
- Withholding tax paid	176	122	44	292	245	19
Deferred income tax						
- fair value gains of investment properties	1,425	-	n.m.	1,425	-	n.m.
- others	883	(3,116)	128	1,577	2,473	(36)
	11,531	15,609	(26)	47,568	30,538	56
- Under/(over) provision in prior financial years:						
Current income tax						
- Singapore	4	39	(90)	81	39	108
- Foreign	98	(7)	n.m.	110	(7)	n.m.
	11,633	15,641	(26)	47,759	30,570	56

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		
		2014	2013	+ / (-)	2014	2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		231,066	501,038	(54)	386,046	578,710	(33)
Other comprehensive income:							
Fair value gains/(losses) on available-for-sale financial assets	A	29,432	(17,522)	268	34,085	4,190	713
Cash flow hedges:							
- Fair value gains		111	86	29	277	62	347
- Transfer to income statement		(72)	(43)	67	(179)	(74)	142
Currency translation differences arising from consolidation of foreign operations	B	4,222	(3,917)	208	1,097	5,459	(80)
Share of other comprehensive (loss)/income of an associated company		(702)	2,416	129	(2,948)	4,078	(172)
Other comprehensive income, net of tax		32,991	(18,980)	274	32,332	13,715	136
Total comprehensive income		264,057	482,058	(45)	418,378	592,425	(29)
<u>Attributable to:</u>							
Equity holders of the Company		242,570	414,124	(41)	363,213	517,005	(30)
Non-controlling interests		21,487	67,934	(68)	55,165	75,420	(27)
		264,057	482,058	(45)	418,378	592,425	(29)

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

A Fair value gains/(losses) 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 second quarter ended 30 June 2014 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

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 and VND.

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	
		30.06.14 \$'000	31.12.13 \$'000	30.06.14 \$'000	31.12.13 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		304,441	293,386	9,868	5,003
Trade and other receivables	A	111,333	377,733	14,326	7,890
Derivative financial instrument		326	616	326	616
Developed properties held for sale		4,144	4,144	-	-
Development properties	B	1,174,140	895,443	-	-
Inventories		714	703	-	-
Available-for-sale financial assets		596,969	582,102	596,969	564,070
Other assets	C	162,666	35,481	758	350
Current income tax assets		127	110	-	-
		<u>2,354,860</u>	<u>2,189,718</u>	<u>622,247</u>	<u>577,929</u>
<b>Non-current assets</b>					
Trade and other receivables		161,155	159,287	992,800	829,602
Available-for-sale financial assets		308,981	274,854	99,054	81,388
Investments in associated companies		2,984,285	2,765,006	162,259	161,289
Investments in joint venture companies		38,329	20,011	-	-
Investments in subsidiaries		-	-	1,801,414	1,799,578
Investment properties	D	3,921,683	3,814,190	399,500	388,490
Property, plant and equipment		1,157,419	1,169,105	1,370	1,530
Intangibles		25,063	26,117	470	622
Deferred income tax assets		3,897	3,160	-	-
		<u>8,600,812</u>	<u>8,231,730</u>	<u>3,456,867</u>	<u>3,262,499</u>
<b>Total assets</b>		<u>10,955,672</u>	<u>10,421,448</u>	<u>4,079,114</u>	<u>3,840,428</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		395,795	446,890	305,859	78,184
Current income tax liabilities		85,938	82,367	4,866	4,899
Bank loans	E	773,051	831,590	246,026	248,259
2.5% unsecured fixed rate notes due 2014		300,000	299,850	300,000	299,850
2.493% unsecured fixed rate notes due 2015		174,851	-	174,851	-
Finance lease liabilities		306	294	-	-
Derivative financial instrument		-	197	-	197
Loans from non-controlling shareholders of subsidiaries		-	16,917	-	-
		<u>1,729,941</u>	<u>1,678,105</u>	<u>1,031,602</u>	<u>631,389</u>
<b>Non-current liabilities</b>					
Trade and other payables		155,746	152,630	2,766	3,354
Finance lease liabilities		4,096	3,928	-	-
Bank loans	E	1,098,639	934,072	-	-
2.493% unsecured fixed rate notes due 2015		-	174,763	-	174,763
3.043% unsecured fixed rate notes due 2017		74,786	74,749	74,786	74,749
Derivative financial instrument		115	37	-	-
Loan from minority shareholder of a subsidiary		38,899	-	-	-
Provision for retirement benefits		3,591	3,245	-	-
Deferred income tax liabilities		182,658	172,949	91,416	86,145
		<u>1,558,530</u>	<u>1,516,373</u>	<u>168,968</u>	<u>339,011</u>
<b>Total liabilities</b>		<u>3,288,471</u>	<u>3,194,478</u>	<u>1,200,570</u>	<u>970,400</u>
<b>NET ASSETS</b>		<u>7,667,201</u>	<u>7,226,970</u>	<u>2,878,544</u>	<u>2,870,028</u>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,150,186	1,050,897	1,150,186	1,050,897
Reserves		886,720	855,311	468,701	437,773
Retained earnings		5,159,947	4,853,490	1,259,657	1,381,358
		<u>7,196,853</u>	<u>6,759,698</u>	<u>2,878,544</u>	<u>2,870,028</u>
<b>Non-controlling interests</b>		<u>470,348</u>	<u>467,272</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>		<u>7,667,201</u>	<u>7,226,970</u>	<u>2,878,544</u>	<u>2,870,028</u>

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 the receipt of receivables for development projects, Waterbank at Dakota and Spottiswoode Residences which were completed in May and December 2013 respectively.

B Development properties

The increase in development properties from the balance as of 31 December 2013 resulted mainly from the acquisition of the land parcel at Upper Paya Lebar for a sum of \$392.3 million and offset in part by the sale of land at Jalan Conlay.

C Other assets

Other assets as at 30 June 2014 included a deposit of \$115.8 million for the successful tender of a residential site at Prince Charles Crescent from the Urban Redevelopment Authority.

D Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 30 June 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.

E Current and non-current bank loans

The net increase in bank loans was due mainly to additional loans drawn for the acquisition of the land parcel at Upper Paya Lebar.

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

	As at 30.06.14		As at 31.12.13	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	206,716	1,041,977	152,711	995,996
Amount repayable after one year	903,289	313,899	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 second quarter ended 30 June

	Note	The Group	
		2nd Qtr	2nd Qtr
		<u>2014</u>	<u>2013</u>
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		231,066	501,038
Adjustments for:			
Income tax expense		11,633	15,641
Non-cash items		(69,365)	(69,132)
Dividend income and interest income		(21,804)	(21,115)
Interest expense		5,917	8,089
Fair value gains on the Group's investment properties		(84,993)	(334,043)
Negative goodwill on acquisition of interests in an associated company		-	(1,077)
		<u>72,454</u>	<u>99,401</u>
Change in working capital			
Receivables	i	3,480	(91,598)
Development properties	ii	(330,653)	137,787
Derivative financial instrument		-	26
Inventories		(28)	48
Payables		3,053	32,948
		<u>(324,148)</u>	<u>79,211</u>
Cash (used in)/generated from operations		(251,694)	178,612
Income tax paid		(36,603)	(18,304)
Retirement benefits paid		-	(18)
<b>Net cash (used in)/provided by operating activities</b>		<u>(288,297)</u>	<u>160,290</u>
<b>Cash flows from investing activities</b>			
Redemption of preference shares by an associated company	iii	6,275	-
Liquidation of subsidiaries		8	-
Payments for intangibles		(379)	(778)
Payments for interests in an associated company		-	(5,573)
Loans to joint venture companies		(550)	(7,269)
Net proceeds from disposal of property, plant and equipment		21	35
Purchase of property, plant and equipment and investment properties	iv	(24,477)	(38,311)
Interest received		1,498	1,080
Dividends received	v	6,215	68,604
<b>Net cash (used in)/from investing activities</b>		<u>(11,389)</u>	<u>17,788</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		2,085	2,396
Payment to non-controlling shareholder of a subsidiary for redemption of preference shares		(17,210)	-
Loans from non-controlling shareholders of a subsidiary		38,899	5,965
Repayment of loans to non-controlling shareholders of subsidiaries		(17,082)	-
Proceeds from borrowings	vi	333,695	175,133
Repayment of borrowings	vi	(66,885)	(75,222)
Expenditure relating to bank borrowings		(2,398)	(666)
Interest paid		(11,464)	(12,436)
Dividends paid to equity holders of the Company		(57,134)	(115,485)
Dividends paid to non-controlling interests		(30,972)	(21,622)
<b>Net cash from/(used in) financing activities</b>		<u>171,534</u>	<u>(41,937)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(128,152)</u>	<u>136,141</u>
Cash and cash equivalents at the beginning of the financial period		428,031	273,235
Effects of currency translation on cash and cash equivalents		(776)	336
<b>Cash and cash equivalents at the end of the financial period</b>	vii	<u>299,103</u>	<u>409,712</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

The decrease in cashflows for receivables in the corresponding quarter ended 30 June 2013 was due mainly to progressive billings of on-going development projects including Waterbank at Dakota which obtained its temporary occupation permit in that quarter.

ii. Development properties

The cash outflow for development properties in the second quarter of 2014 relates mainly to the acquisition of land parcel at Upper Paya Lebar.

iii. Redemption of preference shares by an associated company

This relates to the redemption of preference shares by associated company, Premier Land Development Pte. Ltd. ("PLD"), following the completion of its development project, Terrene at Bukit Timah in 2013.

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

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

v. Dividends received

Lower cash dividends were received in the second quarter of 2014 as 1) the Group has elected to receive scrip dividends for its investments in United Overseas Bank Limited and United Industrial Corporation Limited; and 2) lower dividends of \$2.5 million were received from PLD in the second quarter of 2014 in comparison to \$26.7 million received in the second quarter of 2013.

vi. Proceeds from borrowings/Repayment of borrowings

Net proceeds from borrowings in the second quarter of 2014 were mainly from additional loans drawn for the acquisition of land parcel at Upper Paya Lebar.

vii. 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>30.06.14</u>	<u>30.06.13</u>
	\$'000	\$'000
Fixed deposits with financial institutions	166,127	280,002
Cash at bank and on hand	138,314	135,113
Cash and bank balances per Statement of Financial Position	304,441	415,115
Less: Bank deposits pledged as security	(5,338)	(5,403)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>299,103</u>	<u>409,712</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> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Non-controlling interests</u> \$'000	<u>Total equity</u> \$'000
<u>2014</u>					
Balance at 1 April 2014	1,051,063	855,455	4,978,947	497,043	7,382,508
Employee share option scheme					
- value of employee services	-	417	-	-	417
- proceeds from shares issued	2,085	-	-	-	2,085
Dividends	-	-	(154,172)	(30,972)	(185,144)
Issue of shares under scrip dividend scheme	97,038	-	-	-	97,038
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	-	-	123,450	-	123,450
Total comprehensive income for the period	-	30,848	211,722	21,487	264,057
Balance at 30 June 2014	<u>1,150,186</u>	<u>886,720</u>	<u>5,159,947</u>	<u>470,348</u>	<u>7,667,201</u>
<u>2013</u>					
Balance at 1 April 2013	1,047,138	839,264	4,362,903	583,800	6,833,105
Employee share option scheme					
- proceeds from shares issued	2,396	-	-	-	2,396
Dividends	-	-	(115,485)	(21,622)	(137,107)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	1,480	-	1,480
Total comprehensive income for the period	-	(17,271)	431,395	67,934	482,058
Balance at 30 June 2013	<u>1,049,534</u>	<u>821,993</u>	<u>4,680,293</u>	<u>630,112</u>	<u>7,181,932</u>

Statement of Changes in Equity for the second quarter ended 30 June

<u>The Company</u>	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
<u>2014</u>				
Balance at 1 April 2014	1,051,063	446,951	1,383,587	2,881,601
Employee share option scheme				
- value of employee services	-	417	-	417
- proceeds from shares issued	2,085	-	-	2,085
Dividends	-	-	(154,172)	(154,172)
Issue of shares under scrip dividend scheme	97,038	-	-	97,038
Total comprehensive income for the period	-	21,333	30,242	51,575
Balance at 30 June 2014	<u>1,150,186</u>	<u>468,701</u>	<u>1,259,657</u>	<u>2,878,544</u>
<u>2013</u>				
Balance at 1 April 2013	1,047,138	426,431	1,129,422	2,602,991
Employee share option scheme				
- proceeds from shares issued	2,396	-	-	2,396
Dividends	-	-	(115,485)	(115,485)
Total comprehensive income for the period	-	(11,501)	107,066	95,565
Balance at 30 June 2013	<u>1,049,534</u>	<u>414,930</u>	<u>1,121,003</u>	<u>2,585,467</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 2014, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 April 2014	770,919,154
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S\$4.91 per share	11,000
2008 Options at exercise price of S\$3.68 per share	18,000
2010 Options at exercise price of S\$3.95 per share	68,000
2011 Options at exercise price of S\$4.62 per share	67,000
2012 Options at exercise price of S\$5.40 per share	196,000
2013 Options at exercise price of S\$6.55 per share	50,000
Issue of shares under scrip dividend scheme	15,600,999
Issued share capital as at 30 June 2014	<u>786,930,153</u>

As at 30 June 2014, there were 5,135,000 (30.6.2013: 4,877,000) 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 2014 and 30 June 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	
	30.06.14	31.12.13
Total number of issued shares, excluding treasury shares	786,930,153	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 period 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
FRS 111	Joint Arrangements
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	
	2nd Qtr 2014	2nd Qtr 2013
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 27.45	cents 56.03
(ii) On a fully diluted basis	cents 27.42	cents 55.94

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	
	30.06.14	31.12.13	30.06.14	31.12.13
Net asset value per ordinary share	\$9.15	\$8.77	\$3.66	\$3.72
Net tangible asset backing per ordinary share	\$9.11	\$8.73	\$3.66	\$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 in the second quarter of 2014 decreased by \$90.7 million to \$213.6 million from \$304.3 million in the corresponding period of 2013. The decrease was attributed mainly to a decline in revenue from the sale of development properties at Waterbank at Dakota and Spottiswoode Residences which were completed in May and December 2013 respectively. Revenue from all other segments registered modest growth with higher contributions mainly from PARKROYAL on Beach Road, PARKROYAL on Pickering and the Pan Pacific Serviced Suites Beach Road which opened in May 2013.

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 higher at 55% for the second quarter of 2014 in comparison with 49% in the previous corresponding period due mainly to lower revenue contribution from property development which has a higher cost margin.

The increase in marketing and distribution expenses of \$1.4 million was attributed mainly to advertising and showflat expenses for the sales of Riverbank@Fernvale which was launched in February 2014. The currency exchange losses within finance expenses for the second quarter of 2014 arose mainly from the return of the Group's investment in Malaysian Ringgit following the sale of land at Jalan Conlay, Kuala Lumpur while the currency exchange losses in the previous corresponding quarter in 2013 were mainly from the Group's borrowings in US Dollars to fund its investments in the People's Republic of China.

### **Associated companies**

The higher share of profit of associated companies in the second quarter of 2014 was attributed mainly to 1) United Industrial Corporation Limited which had higher contributions from Pan Pacific Singapore and the Archipelago project; and 2) Marina Centre Holdings Private Limited which also benefited from the improved performance of Pan Pacific Singapore.

### **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**

#### **Second quarter ended 30 June 2014/2013**

The pre-tax profit before fair value and other gains for the second quarter of 2014 was \$105.3 million compared to the profit of \$115.3 million for the second quarter of 2013 with the 9% decrease attributed mainly to lower profit from property development.

The Group recorded a pre-tax profit of \$242.7 million, a decrease of 53% from \$516.7 million in the corresponding period of 2013 as there were lower fair value gains from the Group and associated companies' investment properties. Profit after tax and non-controlling interest was \$211.7 million, a decrease of 51% from the profit of \$431.4 million in the corresponding period of 2013.

#### **Six Months Ended 30 June 2014/2013**

The pre-tax profit before fair value and other gains for the first half of 2014 was \$288.9 million, an increase of 40% from the profit of \$207.0 million for the first half of 2013. The increase was attributed mainly to 1) higher profits from all segments, including the one-time pre-tax profit of \$98.4 million from the sale of the land at Jalan Conlay; 2) lower unrealised currency exchange losses; and 3) higher share of profit from associated and joint venture companies.

Profit after tax and non-controlling interest was \$332.5 million, a decrease of 34% from the profit of \$503.1 million in the corresponding period of 2013 with lower fair value gains from the Group and associated companies' investment properties.

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

The Group shareholders' funds increased from \$6.8 billion as at 31 December 2013 to \$7.2 billion as at 30 June 2014 with profits recognised in the first half 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 \$9.11 as at 30 June 2014 from \$8.73 as at 31 December 2013.

The Group's gearing ratio remained the same at 0.28 for both 31 December 2013 and 30 June 2014 with the effects of additional loans drawn for land acquisition offset by the 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.

The Singapore economy grew by an estimated 2.1% on a year-on-year basis in the second quarter of 2014, down from the growth of 4.7% in the previous quarter. Prices of private residential properties in Singapore have continued to fall and it is expected that the market would remain subdued. With limited new supply until 2016, rentals of office space are expected to strengthen while retail rents are expected to remain stable. Rising geopolitical tensions could affect travel in the Asia Pacific region.

- 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 2014.

- 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 2014 to be false or misleading.

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
8 August 2014