First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 2016

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Note	3 months ended 31.3.16 $'000	31.3.15 $'000	+/(-) %
Revenue	1	201,277	193,152	4
Cost of sales	2	(121,204)	(114,814)	6
Gross profit		80,073	78,338	2
Investment income	3	938	1,098	(15)
Other gains and losses		516	304	70
Selling and distribution costs		(4,439)	(6,261)	(29)
Administrative expenses		(5,268)	(4,866)	8
Finance expenses		(2,770)	(2,778)	(0)
Share of results of associated companies		7,192	6,519	10
Share of results of joint ventures		2,591	6,958	(63)
Profit before income tax	4	78,833	79,312	(1)
Income tax expense		(11,999)	(10,541)	14
Net profit		66,834	68,771	(3)
Profit attributable to:				
Equity holders of the Company		59,669	60,807	(2)
Non-controlling interests		7,165	7,964	(10)
		66,834	68,771	(3)

Consolidated Statement of Comprehensive Income

	3 months ended	
	31.3.16	**31.3.15**
	$'000	$'000
Net profit	66,834	68,771
Other comprehensive (expense)/income items that may be reclassified subsequently to income statement:		
Net currency translation differences of financial statements of foreign entities	(10,445)	10,594
Total comprehensive income	56,389	79,365
Total comprehensive income attributable to:		
Equity holders of the Company	50,318	70,234
Non-controlling interests	6,071	9,131
	56,389	79,365

The net currency translation loss of $10.4 million for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: net currency translation gain of $10.6 million) was attributable mainly to the Rmb financial statements of associated company, Shanghai Jin Peng Realty Co Ltd.

Notes to the income statement

	3 months ended	
	31.3.16	**31.3.15**
	$'000	$'000
1. Revenue		
Gross rental income	68,675	68,127
Gross revenue from hotel operations	36,120	36,081
Sale of properties held for sale	70,364	62,573
Gross revenue from information technology operations	23,510	24,312
Car parking income, property services fees and other income	2,608	2,059
	201,277	193,152
2. Cost of sales		
Property operating expenses	18,217	18,408
Cost of sales from hotel operations	26,345	26,234
Cost of properties held for sale sold	55,276	48,007
Cost of sales from information technology operations	21,366	22,165
	121,204	114,814
3. Investment income		
Interest income	938	1,002
Dividend income	-	96
	938	1,098
4. Profit before income tax		
Profit before income tax is stated after charging:		
Depreciation	5,994	6,004

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group 31.3.16 $'000	Group 31.12.15 $'000	Company 31.3.16 $'000	Company 31.12.15 $'000
ASSETS					
Non-current assets					
Other receivables		56,817	14,551	-	-
Financial assets, available-for-sale		12,045	12,045	-	-
Investments in associated companies		543,112	542,075	-	-
Investments in joint ventures		88,907	86,316	-	-
Investments in subsidiary companies		-	-	1,228,098	1,228,098
Investment properties	1	6,110,748	6,095,400	-	-
Property, plant and equipment		483,601	491,926	360	376
		7,295,230	7,242,313	1,228,458	1,228,474
Current assets					
Cash and cash equivalents		76,151	82,054	456	698
Properties held for sale		1,077,019	1,071,065	-	-
Trade and other receivables		111,888	140,319	1,805,472	1,791,971
Inventories		2,460	2,707	-	-
		1,267,518	1,296,145	1,805,928	1,792,669
Total assets		8,562,748	8,538,458	3,034,386	3,021,143
LIABILITIES					
Current liabilities					
Trade and other payables	2	149,932	181,454	239,725	151,563
Current income tax liabilities		48,816	45,486	-	-
Borrowings	3	802,176	638,775	300,920	374,700
		1,000,924	865,715	540,645	526,263
Non-current liabilities					
Trade and other payables		69,688	73,297	1,624	1,624
Borrowings		604,186	768,377	598,000	597,700
Deferred income tax liabilities		50,823	50,050	-	-
		724,697	891,724	599,624	599,324
Total liabilities		1,725,621	1,757,439	1,140,269	1,125,587
NET ASSETS		6,837,127	6,781,019	1,894,117	1,895,556
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		1,486,698	1,486,638	1,486,698	1,486,638
Reserves		4,523,509	4,472,829	407,419	408,918
		6,010,207	5,959,467	1,894,117	1,895,556
Non-controlling interests		826,920	821,552	-	-
TOTAL EQUITY		6,837,127	6,781,019	1,894,117	1,895,556

Notes to the statement of financial position

1. Investment properties are stated at 31 December 2015 valuations by independent professional valuers, with $15.3 million redevelopment and upgrading costs incurred during the first quarter of 2016. Valuations are carried out half yearly in June and December.

2. The Company's current trade and other payables, comprising mainly amounts due to subsidiary companies, increased due to intercompany funding.

3. The Company's borrowings decreased due to repayment of borrowings via intercompany funding from subsidiary companies.

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

Amount repayable in one year or less, or on demand

At 31.3.16		At 31.12.15	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
326,456	475,720	177,075	461,700

Amount repayable after one year

At 31.3.16		At 31.12.15	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
6,186	598,000	170,677	597,700

Details of any collateral

The $332.6 million loans are secured by way of mortgages over Pan Pacific Singapore hotel, Westin Tianjin hotel, certain property development projects and bank deposits pledged.

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.

	3 months ended	
	31.3.16	**31.3.15**
	$'000	$'000
Cash flows from operating activities		
Profit before income tax	78,833	79,312
Adjustments to profits	(2,944)	(4,056)
Working capital changes	(24,904)	45,263
Interest paid	(6,403)	(6,447)
Income tax paid	(7,699)	(8,286)
Net cash provided by operating activities	36,883	105,786
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,060)	(796)
Proceeds from disposal of property, plant and equipment	-	44
Upgrading of investment properties	(1,167)	(1,437)
Redevelopment of investment properties	(13,013)	(8,926)
Loans to joint ventures	(41,970)	(915)
Repayment of loan by a joint venture	15,544	-
Dividend received from unquoted equity investment	-	96
Interest received	531	105
Net cash used in investing activities	(41,135)	(11,829)
Cash flows from financing activities		
Repayment of borrowings	(1,256)	(93,558)
Decrease/(Increase) in bank deposits pledged as security	2,820	(900)
Proceeds from issuance of shares	60	1,875
Acquisition of shares from non-controlling shareholders	(455)	(1,359)
Net cash provided by/(used in) financing activities	1,169	(93,942)
Net (decrease)/increase in cash and cash equivalents	(3,083)	15
Cash and cash equivalents at 1 January	72,234	69,470
Cash and cash equivalents at 31 March	69,151	69,485

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

	31.3.16	**31.3.15**
	$'000	$'000
Cash and cash equivalents (per Statement of Financial Position)	76,151	81,865
Less: Bank deposits pledged as security	(7,000)	(12,380)
Cash and cash equivalents (per Statement of Cash Flows)	69,151	69,485

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company						
Group	**Share capital** $'000	**Retained earnings** $'000	**Asset revaluation reserve** $'000	**Other reserves** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
2016							
Balance at 1 January 2016	**1,486,638**	**4,404,763**	**40,437**	**27,629**	**5,959,467**	**821,552**	**6,781,019**
Net profit	-	59,669	-	-	59,669	7,165	66,834
Other comprehensive expense	-	-	-	(9,351)	(9,351)	(1,094)	(10,445)
Total comprehensive income/(expense)	**-**	**59,669**	**-**	**(9,351)**	**50,318**	**6,071**	**56,389**
Employee share option scheme							
- value of employee services	-	-	-	114	114	-	114
- proceeds from shares issued	60	-	-	-	60	-	60
Effect of acquisition of shares from non-controlling shareholders	-	248	-	-	248	(703)	(455)
Total transactions with owners, recognised directly in equity	**60**	**248**	**-**	**114**	**422**	**(703)**	**(281)**
Balance at 31 March 2016	**1,486,698**	**4,464,680**	**40,437**	**18,392**	**6,010,207**	**826,920**	**6,837,127**
2015							
Balance at 1 January 2015	**1,446,183**	**4,184,166**	**40,397**	**21,872**	**5,692,618**	**805,449**	**6,498,067**
Net profit	-	60,807	-	-	60,807	7,964	68,771
Other comprehensive income	-	-	-	9,427	9,427	1,167	10,594
Total comprehensive income	**-**	**60,807**	**-**	**9,427**	**70,234**	**9,131**	**79,365**
Employee share option scheme							
- value of employee services	-	-	-	158	158	-	158
- proceeds from shares issued	1,875	-	-	-	1,875	-	1,875
Effect of acquisition of shares from non-controlling shareholders	-	689	-	-	689	(2,048)	(1,359)
Total transactions with owners, recognised directly in equity	**1,875**	**689**	**-**	**158**	**2,722**	**(2,048)**	**674**
Balance at 31 March 2015	**1,448,058**	**4,245,662**	**40,397**	**31,457**	**5,765,574**	**812,532**	**6,578,106**

Company	**Share capital** $'000	**Retained earnings** $'000	**Share option reserve** $'000	**Total equity** $'000
2016				
Balance at 1 January 2016	1,486,638	403,173	5,745	1,895,556
Net loss and total comprehensive expense	-	(1,613)	-	(1,613)
Employee share option scheme				
- value of employee services	-	-	114	114
- proceeds from shares issued	60	-	-	60
Balance at 31 March 2016	1,486,698	401,560	5,859	1,894,117
2015				
Balance at 1 January 2015	1,446,183	399,538	5,322	1,851,043
Net loss and total comprehensive expense	-	(1,630)	-	(1,630)
Employee share option scheme				
- value of employee services	-	-	158	158
- proceeds from shares issued	1,875	-	-	1,875
Balance at 31 March 2015	1,448,058	397,908	5,480	1,851,446

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.

The changes in the Company's issued share capital for the 3 months ended 31 March 2016 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 January 2016	1,405,025
Issue of ordinary shares arising from the exercise of UIC share options	22
Issued share capital as at 31 March 2016	1,405,047

As at 31 March 2016, there were 3,706,000 (31 March 2015: 3,444,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the UIC Share Option Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.3.16	**31.12.15**
	'000	'000
Total number of issued shares	1,405,047	1,405,025

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation in the 2015 audited annual financial statements have been applied for the current reporting period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Nil.

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

	Latest quarter	Previous quarter
	31.3.16	**31.3.15**
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares on issue	4.2 cents	4.4 cents
(b) On a fully diluted basis For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than the average market price in the current quarter. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.		

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	31.3.16	31.12.15
Net asset value per ordinary share		
Group	$4.28	$4.24
Company	$1.35	$1.35

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue at $201.3 million increased by $8.1 million (4%) due mainly to higher trading property sales.

Sales of trading properties at $70.4 million was higher by $7.8 million (12%) with progressive sales recognition on percentage of completion basis for Alex Residences, Mon Jervois and Pollen & Bleu, partially offset by lower progressive sales recognition on percentage of completion basis for V on Shenton.

Gross rental income from investment properties increased slightly by $0.5 million (1%) to $68.7 million (1Q 2015: $68.1 million) whilst revenue from information technology operations decreased slightly by $0.8 million (3%) to $23.5 million (1Q 2015: $24.3 million). Revenue from hotel operations remained stable at $36.1 million.

Lower contributions from the Archipelago (completed in September 2015) and Thomson Three joint venture residential property projects led to the decrease in share of joint ventures' profit by $4.4 million (63%) to $2.6 million.

Net attributable profit recorded $59.7 million, a decrease of $1.1 million (2%) compared to 1Q 2015, primarily due to the absence of contribution from the Archipelago joint venture residential project on completion in September 2015.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Office rental in the Central Business District is expected to soften in 2016 due to new supply of office spaces.

The residential property market in Singapore will remain weak while cooling measures are in place.

The retail market is expected to be subdued in 2016, given the local economic outlook.

The hotel industry is expected to remain competitive.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 31 March 2016.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "IPTs", the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the first quarter ended 31 March 2016 to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
22 April 2016