

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENT**

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

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

	Note	The Group		
		First Quarter Ended 31 March		
		2017	2016	+ / (-)
		\$'000	\$'000	%
Revenue	A	350,681	330,117	6
Cost of sales		(234,923)	(216,110)	9
Gross profit		115,758	114,007	2
Other income				
- Finance income		3,252	3,110	5
- Miscellaneous income		4,578	5,328	(14)
Expenses				
- Marketing and distribution	B	(15,149)	(16,070)	(6)
- Administrative		(19,431)	(18,940)	3
- Finance	C	(8,009)	(7,939)	1
- Other operating	D	(18,759)	(20,022)	(6)
Share of profit of associated companies		32,127	31,527	2
Share of profit of joint venture companies		2,314	2,559	(10)
Profit before other gains and income tax		96,681	93,560	3
Other gains	E	915	169	441
Profit before income tax	F	97,596	93,729	4
Income tax expense	G	(11,278)	(12,369)	(9)
Net profit		86,318	81,360	6
<u>Attributable to:</u>				
Equity holders of the Company		80,280	77,075	4
Non-controlling interests		6,038	4,285	41
		86,318	81,360	6

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

	The Group		
	First Quarter Ended 31 March		
	2017	2016	+ / (-)
	\$'000	\$'000	%
<b>A Revenue</b>			
Revenue from property development	183,264	164,342	12
Revenue from property investments	56,542	55,503	2
Revenue from hotel ownership and operations	104,583	104,871	(0)
Revenue from hotel and other management services	6,292	5,401	16
	350,681	330,117	6
<b>B Marketing and distribution expense</b>			
Advertising and promotion	5,988	5,652	6
Marketing and distribution payroll and related expenses <sup>1</sup>	5,095	4,665	9
Sales commissions	2,717	2,777	(2)
Showflat expenses	1,349	2,976	(55)
	15,149	16,070	(6)
<b>C Finance expense</b>			
Bank facility fees	980	954	3
Interest expense	12,152	15,351	(21)
Less: borrowing costs capitalised	(5,123)	(8,366)	(39)
	8,009	7,939	1
<b>D Other operating expense</b>			
Property taxes	6,534	6,882	(5)
Repairs, maintenance and security	2,848	3,010	(5)
Heat, light and power	4,611	4,848	(5)
Others	4,766	5,282	(10)
	18,759	20,022	(6)
<b>E Other gains</b>			
Negative goodwill on acquisition of interests in an associated company	915	169	441
<b>F Profit before income tax</b>			
Profit before income tax is stated after charging:			
Depreciation and amortisation	17,073	16,526	3
<b>G Income tax expense<sup>2</sup></b>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	6,930	7,580	(9)
- Foreign	1,740	2,436	(29)
- Withholding tax paid	123	133	(8)
Deferred income tax	3,593	2,234	61
	12,386	12,383	0
- Over provision in prior financial years:			
Current income tax			
- Singapore	(1,108)	-	n.m.
- Foreign	-	(14)	(100)
	11,278	12,369	(9)

n.m. : not meaningful

<sup>1</sup> Marketing and distribution payroll and related expenses have increased due mainly to higher sales incentive payments for the Group's hotels in Australia for the first quarter of 2017.

<sup>2</sup> The lower effective tax rate for the first quarter of 2017 (excluding share of profit of associated and joint venture companies which have no tax impact) was due mainly to write-back of tax provisions relating to prior years.

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

	Note	The Group		
		First Quarter Ended 31 March		
		2017	2016	+ / (-)
		\$'000	\$'000	%
Net profit		86,318	81,360	6
Other comprehensive income/(loss):				
Fair value gains/(losses) on available-for-sale financial assets	A	68,327	(27,952)	344
Cash flow hedges		87	(3,221)	(103)
Currency translation differences arising from consolidation of foreign operations	B	(10,181)	(6,983)	46
Share of other comprehensive loss of an associated company		(2,316)	(4,090)	(43)
Other comprehensive income/(loss), net of tax		55,917	(42,246)	232
Total comprehensive income		142,235	39,114	264
<u>Attributable to:</u>				
Equity holders of the Company		136,106	34,889	290
Non-controlling interests		6,129	4,225	45
		142,235	39,114	264

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 first quarter ended 31 March 2017 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, VND and GBP. Currency translation losses for the first quarter of 2017 was attributed mainly to the weakening of RMB, MYR and GBP from the previous quarter.

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

	Note	The Group		The Company	
		31.03.17	31.12.16	31.03.17	31.12.16
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	A	249,026	301,512	1,058	1,680
Trade and other receivables	B	308,006	99,597	3,234	1,579
Developed properties held for sale	C	63,591	31,878	-	-
Development properties	D	894,719	1,142,342	-	-
Inventories		572	651	-	-
Other assets	E	38,221	16,993	862	242
Current income tax assets		248	157	-	-
		1,554,383	1,593,130	5,154	3,501
<b>Non-current assets</b>					
Trade and other receivables		148,774	128,780	786,356	783,355
Derivative financial instrument		46	207	-	-
Available-for-sale financial assets		923,379	855,051	709,854	658,110
Investments in associated companies	F	3,453,706	3,409,827	163,725	163,725
Investments in joint venture companies		80,062	77,747	-	-
Investments in subsidiaries		-	-	1,781,176	1,779,176
Investment properties	G	4,293,393	4,299,597	421,500	421,500
Property, plant and equipment		1,153,726	1,165,536	1,026	1,009
Intangibles		24,445	24,361	337	-
Deferred income tax assets		3,812	3,904	-	-
		10,081,343	9,965,010	3,863,974	3,806,875
<b>Total assets</b>		<b>11,635,726</b>	<b>11,558,140</b>	<b>3,869,128</b>	<b>3,810,376</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		186,522	203,125	558,977	564,319
Current income tax liabilities		56,902	50,699	1,838	1,838
Bank loans	H	667,284	653,429	157,602	140,559
3.043% unsecured fixed rate notes due 2017		74,992	74,974	74,992	74,974
Finance lease liabilities		278	272	-	-
		985,978	982,499	793,409	781,690
<b>Non-current liabilities</b>					
Trade and other payables		158,289	157,013	4,030	4,491
Finance lease liabilities		3,716	3,634	-	-
Bank loans	H	1,126,623	1,200,202	173,790	176,417
2.5% unsecured fixed rate notes due 2020		239,180	239,120	-	-
2.5% unsecured fixed rate notes due 2018		174,843	174,803	-	-
Derivative financial instrument		4,009	4,272	3,136	3,596
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		4,965	4,927	-	-
Deferred income tax liabilities		96,804	93,297	2,953	2,960
		1,871,438	1,940,277	183,909	187,464
<b>Total liabilities</b>		<b>2,857,416</b>	<b>2,922,776</b>	<b>977,318</b>	<b>969,154</b>
<b>NET ASSETS</b>		<b>8,778,310</b>	<b>8,635,364</b>	<b>2,891,810</b>	<b>2,841,222</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,270,348	1,269,853	1,270,348	1,269,853
Reserves		968,189	912,147	555,486	503,144
Retained earnings		6,025,434	5,945,154	1,065,976	1,068,225
		8,263,971	8,127,154	2,891,810	2,841,222
<b>Non-controlling interests</b>		<b>514,339</b>	<b>508,210</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>8,778,310</b>	<b>8,635,364</b>	<b>2,891,810</b>	<b>2,841,222</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 Cash and bank balances

The decrease in cash and bank balances was due mainly to 1) release of monies in project accounts for completed projects, Seventy Saint Patrick's and Riverbank@Fernvale which were applied mainly towards the repayment of bank loans; and 2) payment of deposit for the acquisition of Hilton Melbourne South Wharf (see Note E).

B Current trade and other receivables

Current trade and other receivables have increased due mainly to the recognition of receivables for the balance of payments for Riverbank@Fernvale upon receipt of temporary occupation permit on 23 March 2017.

C Developed properties held for sale

Developed properties held for sale includes 1) the remaining 29 unsold office units in The Esplanade, Tianjin; and 2) 36 unsold units at residential development, Riverbank@Fernvale.

D Development properties

The decrease in development properties was due mainly to the completion of Riverbank@Fernvale and progressive billings for on-going development projects.

E Other assets

Included in other assets as at 31 March 2017 is a deposit of A\$17.25 million (S\$18.39 million) for the acquisition of the 396-room Hilton Melbourne South Wharf by a wholly owned subsidiary of the Group.

F Investments in associated companies

Investments in associated companies increased due mainly to 1) acquisition of an additional 20% shareholding interest in City Square Hotel Co. Ltd which owns the proposed 348-room Pan Pacific Yangon, for an aggregate cash consideration of US\$9.0 million (S\$12.7 million); 2) acquisition of shares in United Industrial Corporation Limited; and 3) the Group's share of profit of associated companies during the first quarter of 2017.

G Investment properties

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

H Current and non-current bank loans

The net decrease in current and non-current bank loans of \$59.7 million arose mainly from repayments with funds from progress billings of development projects.

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

	As at 31.03.17		As at 31.12.16	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	104,706	637,735	112,167	616,659
Amount repayable after one year	501,065	1,107,222	568,702	1,113,791

Details of any collaterals

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

	Note	The Group	
		1st Qtr	1st Qtr
		<u>2017</u>	<u>2016</u>
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		86,318	81,360
Adjustments for:			
Income tax expense		11,278	12,369
Non-cash items		(18,859)	(17,289)
Interest income		(1,269)	(1,122)
Interest expense		8,009	7,939
Negative goodwill on acquisition of interests in an associated company		(915)	(169)
		<u>84,562</u>	<u>83,088</u>
Change in working capital			
Receivables	i	(33,231)	9,372
Development properties	i	40,734	17,675
Inventories		78	70
Payables		(34,004)	(33,140)
		<u>(26,423)</u>	<u>(6,023)</u>
Cash generated from operations		58,139	77,065
Income tax paid		(1,299)	(1,454)
Retirement benefits paid		(11)	-
Release of bank deposits pledged as security		-	3,563
<b>Net cash from operating activities</b>		<u>56,829</u>	<u>79,174</u>
<b>Cash flows from investing activities</b>			
Payments for intangibles		(427)	(573)
Payments for interests in associated companies	ii	(14,416)	(2,349)
Loans to an associated company and joint venture companies	iii	(21,952)	(56,500)
Repayment of loan by a joint venture company		-	15,544
Net proceeds from disposal of property, plant and equipment		29	56
Purchase of property, plant and equipment and investment properties		(7,661)	(8,432)
Interest received		1,269	1,122
Dividends received		523	-
<b>Net cash used in investing activities</b>		<u>(42,635)</u>	<u>(51,132)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		495	-
Payment to a non-controlling shareholder for purchase of shares in a subsidiary		-	(19,411)
Proceeds from borrowings	iv	38,344	234,216
Repayment of borrowings	iv	(91,565)	(229,826)
Interest paid		(12,684)	(15,101)
Payment of finance lease liabilities		(70)	(88)
<b>Net cash used in financing activities</b>		<u>(65,480)</u>	<u>(30,210)</u>
<b>Net decrease in cash and cash equivalents</b>			
		(51,286)	(2,168)
Cash and cash equivalents at the beginning of the financial period		301,312	272,546
Effects of currency translation on cash and cash equivalents		(1,200)	(1,567)
<b>Cash and cash equivalents at the end of the financial period</b>	v	<u>248,826</u>	<u>268,811</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/Development properties

The cash flow changes for receivables and development properties resulted mainly from the progressive billings of on-going development projects including Riverbank@Fernvale which obtained its temporary occupation permit in the first quarter of 2017.

ii. Payments for interests in associated companies

The payments for interests in associated companies relate to acquisition of shareholding interests in City Square Hotel Co. Ltd ("CSHC") and United Industrial Corporation Limited.

iii. Loans to an associated company and joint venture companies

Additional loans were made out to 1) CSHC for the development of Pan Pacific Yangon; 2) United Venture Development (Clementi) Pte. Ltd. for the development of The Clement Canopy; and 3) UVD (Projects) Pte. Ltd. for the en-bloc purchase of Raintree Gardens at Potong Pasir.

iv. Proceeds from borrowings/Repayment of borrowings

Net repayment of borrowings in the first quarter of 2017 were made with funds mainly from progress billings of development projects.

v. Cash and cash equivalents

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

	<u>The Group</u>	
	<u>31.03.17</u>	<u>31.03.16</u>
	\$'000	\$'000
Fixed deposits with financial institutions	175,693	170,156
Cash at bank and on hand	73,333	98,855
Cash and bank balances per Statement of Financial Position	249,026	269,011
Less: Bank deposits pledged as security	(200)	(200)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>248,826</u>	<u>268,811</u>

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

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

	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Non- controlling interests</u> \$'000	<u>Total equity</u> \$'000
<b>The Group</b>					
<b>2017</b>					
Balance at 1 January 2017	1,269,853	912,147	5,945,154	508,210	8,635,364
Profit for the period	-	-	80,280	6,038	86,318
Other comprehensive income for the period	-	55,826	-	91	55,917
Total comprehensive income for the period	-	55,826	80,280	6,129	142,235
Employee share option scheme					
- value of employee services	-	216	-	-	216
- proceeds from shares issued	495	-	-	-	495
Total transactions with owners, recognised directly in equity	495	216	-	-	711
Balance at 31 March 2017	<u>1,270,348</u>	<u>968,189</u>	<u>6,025,434</u>	<u>514,339</u>	<u>8,778,310</u>
<b>2016</b>					
Balance at 1 January 2016	1,216,099	889,866	5,788,210	506,941	8,401,116
Profit for the period	-	-	77,075	4,285	81,360
Other comprehensive loss for the period	-	(42,186)	-	(60)	(42,246)
Total comprehensive (loss)/income for the period	-	(42,186)	77,075	4,225	39,114
Employee share option scheme					
- value of employee services	-	295	-	-	295
Acquisition of interests from non-controlling shareholder	-	-	(4,404)	(15,007)	(19,411)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	110	-	110
Total transactions with owners, recognised directly in equity	-	295	(4,294)	(15,007)	(19,006)
Balance at 31 March 2016	<u>1,216,099</u>	<u>847,975</u>	<u>5,860,991</u>	<u>496,159</u>	<u>8,421,224</u>



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

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

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>The Company</b>				
<b>2017</b>				
Balance at 1 January 2017	1,269,853	503,144	1,068,225	2,841,222
Loss for the period	-	-	(2,249)	(2,249)
Other comprehensive income for the period	-	52,126	-	52,126
Total comprehensive income/(loss) for the period	-	52,126	(2,249)	49,877
Employee share option scheme				
- value of employee services	-	216	-	216
- proceeds from shares issued	495	-	-	495
Total transactions with owners, recognised directly in equity	495	216	-	711
Balance at 31 March 2017	<u>1,270,348</u>	<u>555,486</u>	<u>1,065,976</u>	<u>2,891,810</u>
<b>2016</b>				
Balance at 1 January 2016	1,216,099	475,608	1,194,808	2,886,515
Loss for the period	-	-	(3,081)	(3,081)
Other comprehensive loss for the period	-	(23,247)	-	(23,247)
Total comprehensive loss for the period	-	(23,247)	(3,081)	(26,328)
Employee share option scheme				
- value of employee services	-	295	-	295
Total transactions with owners, recognised directly in equity	-	295	-	295
Balance at 31 March 2016	<u>1,216,099</u>	<u>452,656</u>	<u>1,191,727</u>	<u>2,860,482</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 31 March 2017, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2017	804,611,403
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S\$4.91 per share	2,000
2012 Options at exercise price of S\$5.40 per share	60,000
2014 Options at exercise price of S\$6.10 per share	15,000
2016 Options at exercise price of S\$5.87 per share	12,000
Ordinary shares issued upon exercise of options	89,000
Issued share capital as at 31 March 2017	<u>804,700,403</u>

As at 31 March 2017, there were 5,062,000 (31.3.2016: 5,738,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 31 March 2017 and 31 March 2016.

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

	The Company	
	31.03.17	31.12.16
Total number of issued shares, excluding treasury shares	804,700,403	804,611,403

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 2016.

- 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 2017, 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:

- Amendments to FRS 7: Statement of Cash Flows - Disclosure Initiative
- Amendments to FRS 12: Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

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

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

	The Group	
	1st Qtr 2017	1st Qtr 2016
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 9.98	cents 9.68
(ii) On a fully diluted basis	cents 9.97	cents 9.68

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

For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than market value.

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

	The Group		The Company	
	31.03.17	31.12.16	31.03.17	31.12.16
Net asset value per ordinary share	\$10.27	\$10.10	\$3.59	\$3.53
Net tangible asset backing per ordinary share	\$10.24	\$10.07	\$3.59	\$3.53

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

#### **Revenue**

Group revenue in the first quarter of 2017 increased by \$20.6 million or 6% to \$350.7 million from \$330.1 million in the first quarter of 2016 due mainly to higher progressive recognition of revenue from on-going property development projects, Principal Garden and Botanique at Bartley. Revenue from property investments recorded a marginal increase with contribution from 110 High Holborn which was acquired in June 2016. Hotel operation revenue was largely similar to those in the previous corresponding quarter in 2016 as the improved performance from Australian hotels was offset by lower revenue from PARKROYAL Penang due to on-going refurbishments.

#### **Gross profit margin**

Gross profit margin for the first quarter of 2017 was lower at 33% compared to 35% for the first quarter of 2016 due mainly to higher revenue from property development which has a higher cost ratio.

#### **Miscellaneous income**

Miscellaneous income has decreased by \$0.8 million or 14% due mainly to lower wage credits received from the Singapore government for the first quarter of 2017 compared to 2016.

- 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)

#### **Joint venture companies**

The decrease in share of profit from joint venture companies was due mainly to absence of contribution from the Thomson Three development which was completed in May 2016. The decrease was offset partially by contributions from The Clement Canopy development which was launched in end February 2017 and Holborn Island, London which was acquired in November 2016.

#### **Profit & Loss**

Pre-tax profit for the first quarter of 2017 increased 4% from \$93.7 million for the first quarter of 2016 to \$97.6 million for the current quarter due mainly to higher profit from property development.

Profit after tax and non-controlling interest was \$80.3 million, representing a 4% increase from the profit of \$77.1 million in the corresponding period of 2016.

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

The Group's shareholders' funds increased from \$8.13 billion as at 31 December 2016 to \$8.26 billion as at 31 March 2017 due mainly to profits recognised in the first quarter of 2017 and fair value gains on available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$10.24 as at 31 March 2017 from \$10.07 as at 31 December 2016.

The Group's gearing ratio as at 31 March 2017 and 31 December 2016 remained unchanged at 0.24.

- 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.

Based on advance estimates, Singapore's GDP grew by 2.5% on a year-on-year basis in the first quarter of 2017. Conditions in Singapore's private residential market appear to be stabilising following recent tweaks to the property cooling measures and improved sentiments. The pressure on office rents has abated with improving take-up rate and an expected slowdown in supply. Retail rents remain under pressure from new supply and competition from e-commerce.

Economic and political uncertainties could weigh on the London property market but the effects on the Group's properties in Midtown could be mitigated by limited supply.

The uncertain economic and political outlook could affect trading conditions in the Asia Pacific hospitality sector.

- 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable : N.A.

(d) Books closure date : N.A.

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

No dividend has been declared or recommended for the first quarter ended 31 March 2017.

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

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

#### **CONFIRMATION BY DIRECTORS**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first quarter ended 31 March 2017 to be false or misleading.

#### **CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

Foo Thiam Fong Wellington  
Company Secretary  
12 May 2017