



UNAUDITED FIRST QUARTER FINANCIAL STATEMENT

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

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	Group		
		31.3.03	31.3.02	Increase/ (Decrease)
		\$'000	\$'000	%
Revenue	A	116,470	86,100	35
Cost of sales		(77,374)	(48,204)	61
Gross profit		39,096	37,896	3
Other operating income		4,959	4,882	2
Marketing and distribution expenses		(3,427)	(2,931)	17
Administrative expenses		(6,566)	(6,505)	1
Other operating expenses		(10,555)	(10,008)	5
Operating profit	B	23,507	23,334	1
Finance income	C	588	439	34
Finance costs	D	(7,778)	(9,490)	(18)
Share of results of associates		1,329	2,477	(46)
Profit before exceptional items		17,646	16,760	5
Exceptional items	E	867	83,509	(99)
Profit before tax		18,513	100,269	(82)
Tax	F	(4,513)	(4,645)	(3)
Profit after tax		14,000	95,624	(85)
Minority interests		(2,442)	(2,302)	6
Profit attributable to shareholders		11,558	93,322	(88)

Cost of sales have increased from \$48.2 million to \$77.4 million and this is due mainly to the inclusion of development costs pertaining to the sales of residential development projects. The share of results of associates have decreased to \$1.3 million for the first quarter 2003 from \$2.5 million for the corresponding period last year and this is due mainly to the lower progressive share of profits recognised from The Eden, an executive development project which is developed by an associate company, Tampines Condominium Pte Ltd.

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

	Group		
	31.3.03	31.3.02	Increase/ (Decrease)
	\$'000	\$'000	%
<b>A <u>Turnover</u></b>			
Revenue from property development	41,181	11,516	258
Revenue from property investments	27,980	27,699	1
Gross revenue from hotel operations	42,691	42,440	1
Revenue from trading and retail operations and management services	4,618	4,445	4
	116,470	86,100	35
<b>B <u>Operating profit</u></b>			
Operating profit is stated after charging :			
Depreciation and amortisation	8,207	8,237	-
and after crediting :			
Investment income	-	-	-
<b>C <u>Finance income</u></b>			
Interest income	437	439	-
Foreign exchange gain (net)	151	-	N.A.
	588	439	34
<b>D <u>Finance costs</u></b>			
Interest expense	4,851	5,859	(17)
Amortisation of bond discount	2,927	2,766	6
Foreign exchange loss (net)	-	865	N.A.
	7,778	9,490	(18)
<b>E <u>Exceptional items</u></b>			
Profit on sale of investment properties	867	83,509	(99)
<b>F <u>Tax</u></b>			
Adjustment for under or (over) provision of tax in respect of prior years	-	-	-

N.A. : Not applicable

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

	The Group		The Company	
	31.3.03	31.12.02	31.3.03	31.12.02
	\$'000	\$'000	\$'000	\$'000
<b>Non-current Assets</b>				
Fixed assets	2,221,151	2,209,785	217,216	216,745
Subsidiary companies	-	-	958,794	961,687
Associated companies	67,243	65,966	20,000	20,000
Other investments	302,916	302,916	48,811	48,811
Intangibles	2,292	2,400	-	-
Expenditure carried forward	1,164	1,399	857	1,057
	<u>2,594,766</u>	<u>2,582,466</u>	<u>1,245,678</u>	<u>1,248,300</u>
<b>Current Assets</b>				
Properties under development	237,836	220,246	26,123	25,000
Investments	175,353	175,353	175,353	175,353
Inventories	6,059	6,744	-	-
Trade debtors and other receivables	33,224	29,370	787	751
Deposits with financial institutions	46,288	47,757	12	12
Bank and cash balances	14,136	15,730	299	132
	<u>512,896</u>	<u>495,200</u>	<u>202,574</u>	<u>201,248</u>
<b>Current Liabilities</b>				
Trade creditors and other payables	(67,245)	(82,612)	(7,164)	(8,887)
Rental deposits	(7,098)	(8,283)	(1,199)	(1,044)
Bank overdrafts	(1,596)	(967)	-	(172)
Bank loans	(85,309)	(71,932)	(4,000)	(4,000)
3.1% Unsecured Bonds due 2003	(140,000)	(140,000)	(140,000)	(140,000)
Loans from minority shareholders of subsidiaries	(6,460)	-	-	-
Taxation	(30,715)	(24,954)	(4,067)	(3,842)
	<u>(338,423)</u>	<u>(328,748)</u>	<u>(156,430)</u>	<u>(157,945)</u>
<b>Net Current Assets</b>	<u>174,473</u>	<u>166,452</u>	<u>46,144</u>	<u>43,303</u>
<b>Non-current Liabilities</b>				
1.5% Unsecured Bonds due 2004	(175,351)	(173,546)	(175,351)	(173,546)
Transferable term loan	(109,002)	(107,880)	(109,002)	(107,880)
Bank loans	(457,437)	(457,904)	-	-
Loans from minority shareholders of subsidiaries	-	(5,990)	-	-
Rental deposits	(17,084)	(16,327)	(2,254)	(2,648)
Provision for retirement benefits	(2,839)	(2,939)	(740)	(707)
Deferred liability	(19,026)	(20,817)	-	-
Deferred taxation	(55,946)	(57,705)	(16,112)	(16,756)
	<u>(836,685)</u>	<u>(843,108)</u>	<u>(303,459)</u>	<u>(301,537)</u>
	<u>1,932,554</u>	<u>1,905,810</u>	<u>988,363</u>	<u>990,066</u>
<b>Share Capital &amp; Reserves</b>				
Share capital	613,426	613,414	613,426	613,414
Share premium	184,514	184,511	184,514	184,511
Reserves	423,186	416,278	120,208	120,208
Retained earnings	497,989	486,431	70,215	71,933
<b>Interests of the Shareholders</b>	<u>1,719,115</u>	<u>1,700,634</u>	<u>988,363</u>	<u>990,066</u>
<b>Minority Interests</b>	<u>213,439</u>	<u>205,176</u>	<u>-</u>	<u>-</u>
	<u>1,932,554</u>	<u>1,905,810</u>	<u>988,363</u>	<u>990,066</u>

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

	As At 31.3.03		As At 31.12.02	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	45,593	187,772	35,054	177,845
Amount repayable after one year	397,685	359,752	396,829	367,065

Details of any collateral

The borrowings are secured by mortgages on the borrowing subsidiaries' land and buildings, development properties for sale and/or hotel properties; and /or assignment of all rights and benefits with respect to the properties.

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

	Group	
	<u>31.3.03</u>	<u>31.3.02</u>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of associates	17,184	97,792
Adjustment for non-cash items	10,237	10,604
Profit on disposal of investment properties	(867)	(83,509)
Loss on disposal of fixed assets	278	28
Profit on sale of properties under development	(2,423)	(644)
Investment and interest income	(437)	(439)
Interest expense	4,851	5,859
Operating profit before working capital changes	<u>28,823</u>	<u>29,691</u>
Debtors	(3,728)	609
Inventories	685	84
Rental deposits	(428)	(3,963)
Creditors and other payables	(15,904)	25
Changes in working capital	(19,375)	(3,245)
Progress billings	-	3,544
Expenditure on properties under development	(13,357)	(35,971)
Retirement benefits	(137)	-
Income taxes paid	(520)	(2,954)
<b>Net cash used in operating activities</b>	<u>(4,566)</u>	<u>(8,935)</u>
<b>Cash flows from investing activities</b>		
Payment for interest in associated companies	-	(64)
Net proceeds from disposal of investment properties	2,796	117,878
Net proceeds from disposal of fixed assets	78	274
Purchase of fixed assets	(8,854)	(8,790)
Retention monies (released) / withheld	(480)	275
Interest received	437	439
<b>Net cash (used in) / from investing activities</b>	<u>(6,023)</u>	<u>110,012</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	15	137
Proceeds from issue of shares to minority shareholders of subsidiary	1,230	-
Net borrowings	9,992	(102,087)
Interest paid	(4,340)	(5,323)
<b>Net cash from / (used in) financing activities</b>	<u>6,897</u>	<u>(107,273)</u>
<b>Net decrease in cash and cash equivalents</b>	(3,692)	(6,196)
Cash and cash equivalents at 1 January	62,520	73,007
<b>Cash and cash equivalents at 31 March</b>	<u>58,828</u>	<u>66,811</u>

The proceeds from the sale of the Tiong Bahru Plaza retail mall were applied towards reducing bank borrowings, resulting in the decrease in net borrowings in first quarter 2002.

- 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

Group Statement of Changes in Equity for the period ended 31.3.03

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
Balance at 1 January 2003	613,414	184,511	416,278	486,431	1,700,634
Currency translation differences	-	-	7,818	-	7,818
Revaluation surplus transferred to income statement on disposal of investment property	-	-	(789)	-	(789)
Net profit	-	-	-	11,558	11,558
Negative goodwill	-	-	(121)	-	(121)
Issue of share capital	12	3	-	-	15
Balance at 31 March 2003	<u>613,426</u>	<u>184,514</u>	<u>423,186</u>	<u>497,989</u>	<u>1,719,115</u>

Group Statement of Changes in Equity for the period ended 31.3.02

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
Balance at 1 January 2002	612,972	184,349	577,954	360,893	1,736,168
Currency translation differences	-	-	2,089	-	2,089
Revaluation surplus transferred to income statement on disposal of investment property	-	-	(83,834)	-	(83,834)
Net profit	-	-	-	93,322	93,322
Negative goodwill	-	-	(103)	-	(103)
Issue of share capital	111	26	-	-	137
Balance at 31 March 2002	<u>613,083</u>	<u>184,375</u>	<u>496,106</u>	<u>454,215</u>	<u>1,747,779</u>

Company Statement of Changes in Equity for the period ended 31.3.03

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
Balance at 1 January 2003	613,414	184,511	120,208	71,933	990,066
Net loss	-	-	-	(1,718)	(1,718)
Issue of share capital	12	3	-	-	15
Balance at 31 March 2003	<u>613,426</u>	<u>184,514</u>	<u>120,208</u>	<u>70,215</u>	<u>988,363</u>

Company Statement of Changes in Equity for the period ended 31.3.02

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
Balance at 1 January 2002	612,972	184,349	143,326	57,768	998,415
Net loss	-	-	-	(1,532)	(1,532)
Issue of share capital	111	26	-	-	137
Balance at 31 March 2002	<u>613,083</u>	<u>184,375</u>	<u>143,326</u>	<u>56,236</u>	<u>997,020</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 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 period, the issued share capital was increased as follows:

	\$
Issued capital as at 1 January 2003	613,414,428
Issue of ordinary shares of \$1.00 each arising from the exercise of 1998 Options granted under the UOL Executives Share Options Scheme	12,000
Issued capital as at 31 March 2003	<u>613,426,428</u>

The following number of ordinary shares of \$1.00 each would be issued upon the exercise of the subscription rights in full by holders of the :

	<u>31.3.03</u>	<u>31.12.02</u>
UOL Warrants 2004 at any time on or before 12 June 2004 at the subscription price, presently \$1.25 per share	177,176,051	177,176,051
Options granted under the UOL Executives Share Options Scheme :		
- 1998 Options during the option period from 29 April 1999 to 28 January 2003 at the offer price of \$1.20	-	12,000
- 1999 Options during the option period from 6 May 2000 to 5 February 2004 at the offer price of \$1.60	391,000	391,000
- 2000 Options during the option period from 15 May 2001 to 14 February 2005 at the offer price of \$1.24	384,000	384,000
- 2001 Options during the option period from 31 May 2002 to 30 May 2011 at the offer price of \$1.58	1,164,000	1,164,000
- 2002 Options during the option period from 27 June 2003 to 26 June 2012 at the offer price of \$1.81	1,423,000	1,423,000
	<u>180,538,051</u>	<u>180,550,051</u>



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

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 year ended 31 December 2002.

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

Not applicable.

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

	Group	
	31.3.03	31.3.02
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	1.88 cents	15.22 cents
(ii) On a fully diluted basis	1.85 cents	14.91 cents

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the year and this is computed to be 613,416,729 at 31 March 2003 (31 March 2002: 612,984,619).

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 and warrants issued, 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

	Group		Company	
	31.3.03	31.12.02	31.3.03	31.12.02
Net asset value per ordinary share	\$2.80	\$2.77	\$1.61	\$1.61
Net tangible asset backing per ordinary share	\$2.80	\$2.77	\$1.61	\$1.61

- 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.

Total revenues for the Group for the first quarter of 2003 increased by 35% to \$116.5 million from \$86.1 million in the previous corresponding period. The increase was due mainly to the progressive recognition of revenues from the sale of the Group's development projects.

Profit before exceptional items for the first quarter of 2003 increased by 5% to \$17.6 million from \$16.8 million in the corresponding period last year. Higher profits from the sale of the Group's development projects contributed to the improvement. Group pre-tax profit for the first quarter 2003 however, declined by 82% to \$18.5 million from \$100.3 million in the previous corresponding period as the results for first quarter 2002 included the exceptional profit of \$83.5 million from the sale of the Tiong Bahru retail mall. As a result, attributable profit of the Group for first quarter 2003 declined to \$11.6 million from \$93.3 million for the corresponding period last year.

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

In the announcement of the full year results for 2002, the Directors stated that the profit of the Group in the current year is unlikely to match those of 2002 in the absence of the significant exceptional gains. The current announced results are in line with the prospect statement previously disclosed.

- 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 outbreak of severe acute respiratory syndrome ("SARS") towards the end of the first quarter 2003 has severely affected the tourism industry and consumer spending.

In view of the outbreak of SARS and the difficult economic environment, the property market in Singapore is likely to remain weak during the year.

Likewise, the Group's hotels in Singapore, Vietnam, China and Malaysia have seen significant decline in occupancy. The performance and profitability of the Group's hotels in the second quarter are likely to be adversely affected. Meanwhile, steps have been taken to improve operational efficiency and reduce costs.

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  
 Par value of shares : N.A.  
 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  
 Par value of shares : N.A.  
 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 2003.

13 Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) \$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$
	NIL	NIL

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
 Company Secretary  
 29 April 2003