



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		
		First Quarter Ended 31 March		
		2004	2003	+ / (-)
		\$'000	\$'000	%
Revenue	A	102,385	116,470	(12)
Cost of sales		(58,335)	(77,374)	(25)
Gross profit		44,050	39,096	13
Other operating income		5,325	4,959	7
Marketing and distribution expenses		(3,829)	(3,427)	12
Administrative expenses		(7,505)	(6,566)	14
Other operating expenses		(11,991)	(10,555)	14
Exceptional items	B	-	867	(100)
Operating profit	C	26,050	24,374	7
Finance income	D	681	588	16
Finance costs	E	(7,113)	(7,778)	(9)
Share of results of associates		465	1,329	(65)
Profit before tax		20,083	18,513	8
Tax	F	(1,690)	(4,513)	(63)
Profit after tax		18,393	14,000	31
Minority interests		(3,598)	(2,442)	47
Profit attributable to shareholders		14,795	11,558	28

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

	Group		
	First Quarter Ended 31 March		
	2004	2003	+ / (-)
	\$'000	\$'000	%
A <u>Turnover</u>			
Revenue from property development	18,143	41,181	(56)
Revenue from property investments	26,644	27,980	(5)
Gross revenue from hotel operations	53,045	42,691	24
Revenue from trading and retail operations and management services	4,553	4,618	(1)
Revenue	102,385	116,470	(12)
Investment income	760	-	n.m.
Turnover	103,145	116,470	(11)
B <u>Exceptional items</u>			
Gain on sale of investment properties	-	867	(100)
C <u>Operating profit</u>			
Operating profit is stated after charging :			
Depreciation and amortisation	8,629	8,207	5
D <u>Finance income</u>			
Interest income	681	437	56
Foreign exchange gain (net)	-	151	(100)
	681	588	16
E <u>Finance costs</u>			
Interest expense	3,911	4,851	(19)
Amortisation of bond discount	3,100	2,927	6
Foreign exchange loss (net)	102	-	n.m.
	7,113	7,778	(9)
F <u>Tax</u>			
The charge/ (credit) for taxation includes the following :			
Under / (over) provision of tax in respect of prior years	-	-	-
Adjustment to deferred taxation arising from change in tax rate from 22% to 20% with effect from year of assessment 2005	(2,132)	-	n.m.

n.m. : not meaningful

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	
	31.03.04	31.12.03	31.03.04	31.12.03
	\$'000	\$'000	\$'000	\$'000
Non-current Assets				
Property, plant and equipment	590,424	600,054	1,599	1,598
Investment properties	1,579,152	1,579,330	203,350	203,340
Subsidiary companies	-	-	1,148,410	1,117,227
Associated companies	42,444	42,206	400	400
Investments	303,914	303,914	48,811	48,811
Expenditure carried forward	358	550	182	341
Intangibles	13,852	13,972	-	-
Deferred tax assets	536	590	-	-
	2,530,680	2,540,616	1,402,752	1,371,717
Current Assets				
Properties for resale under development	132,015	125,439	-	-
Developed properties for resale	16,705	18,415	-	-
Investments	176,117	176,117	176,117	176,117
Inventories	6,859	6,976	-	-
Tax recoverable	1,471	1,481	-	-
Trade and other receivables	56,375	75,463	5,060	5,382
Other current assets	8,044	5,199	263	208
Cash and cash equivalents	74,556	109,994	3,742	27,760
	472,142	519,084	185,182	209,467
Current Liabilities				
Trade and other payables	(77,221)	(95,249)	(6,724)	(9,552)
Bank overdrafts	(488)	(724)	(6)	-
Bank loans	(17,560)	(17,728)	-	-
1.5% Unsecured Bonds due 2004	(182,793)	(180,881)	(182,793)	(180,881)
Transferable term loan due 2004	(113,628)	(112,440)	(113,628)	(112,440)
Taxation	(29,563)	(25,829)	(5,762)	(5,546)
	(421,253)	(432,851)	(308,913)	(308,419)
Net Current Assets/ (Liabilities)	50,889	86,233	(123,731)	(98,952)
Non-current Liabilities				
Bank loans	(481,639)	(543,516)	-	-
Loans from subsidiaries	-	-	(194,606)	(192,073)
Loans from minority shareholder of subsidiary	(150)	-	-	-
Rental deposits	(15,821)	(12,973)	(1,712)	(1,940)
Provision for retirement benefits	(2,643)	(2,856)	(612)	(816)
Deferred liability	(9,719)	(11,966)	-	-
Deferred tax liabilities	(53,386)	(58,968)	(11,335)	(13,150)
	(563,358)	(630,279)	(208,265)	(207,979)
	2,018,211	1,996,570	1,070,756	1,064,786
Share Capital & Reserves				
Share capital	701,434	696,741	701,434	696,741
Share premium	227,958	225,586	227,958	225,586
Reserves	328,398	330,809	84,188	83,652
Retained earnings	532,170	517,375	57,176	58,807
Interests of the Shareholders	1,789,960	1,770,511	1,070,756	1,064,786
Minority Interests	228,251	226,059	-	-
	2,018,211	1,996,570	1,070,756	1,064,786

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

	As At 31.3.04		As At 31.12.03	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	10,045	308,003	8,567	309,885
Amount repayable after one year	435,074	46,715	483,328	60,188

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

<u>Group Consolidated Cash Flow Statement for the first quarter ended 31 March</u>		Group	
		2004 <u>1st Qr</u>	2003 <u>1st Qr</u>
	<u>Notes</u>	\$'000	\$'000
Cash flows from operating activities			
Profit before tax and share of results of associates		19,618	17,184
Adjustment for non-cash items		7,069	10,237
Gain on disposal of investment properties		-	(867)
Loss on disposal of property, plant and equipment		129	278
Profit on sale of properties under development		(2,783)	(2,423)
Investment and interest income		(1,441)	(437)
Interest expense		3,911	4,851
Operating profit before working capital changes		<u>26,503</u>	<u>28,823</u>
Receivables		(1,593)	(3,728)
Inventories		118	685
Rental deposits		(523)	(428)
Payables		(11,598)	(15,904)
Changes in working capital		(13,596)	(19,375)
Progress billings	i	21,524	-
Expenditure on properties under development		(5,194)	(13,357)
Retirement benefits		(252)	(137)
Income taxes paid		(198)	(520)
Net cash from/ (used in) operating activities		<u>28,787</u>	<u>(4,566)</u>
Cash flows from investing activities			
Net proceeds from disposal of investment properties		-	2,796
Net proceeds from disposal of property, plant and equipment		29	78
Purchase of property, plant and equipment and investment properties	ii	(3,492)	(8,854)
Retention monies released		(1,192)	(480)
Interest received		682	437
Dividend received		608	-
Net cash used in investing activities		<u>(3,365)</u>	<u>(6,023)</u>
Cash flows from financing activities			
Proceeds from issue of shares		5,914	15
Proceeds from issue of shares to minority shareholders of subsidiary		-	1,230
Loan from minority shareholder of subsidiary		150	-
Net borrowings	iii	(60,243)	9,992
Interest paid		(6,445)	(4,340)
Net cash (used in) / from financing activities		<u>(60,624)</u>	<u>6,897</u>
Net decrease in cash and cash equivalents		(35,202)	(3,692)
Cash and cash equivalents at 1 January		109,270	62,520
Cash and cash equivalents at 31 March	iv	<u>74,068</u>	<u>58,828</u>

Notes to the Consolidated Cash Flow Statement

i. Progress billings

This is mainly due to billings from the projects in Country Park, Novena Suites and The Hemisphere development in Perth, Australia.

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

The expenditure for first quarter 2004 relates mainly to costs incurred for the addition of another 85 rooms to Sheraton Suzhou Hotel & Towers and to build a new 9-storey wing at the Novotel Garden Plaza Saigon in Ho Chi Minh City. The costs incurred in the corresponding period of the preceding year relates mainly to the refurbishment of Plaza Parkroyal and the service apartments at The Plaza in Singapore, and the Parkroyal Kuala Lumpur and Penang Parkroyal in Malaysia.

iii. Net borrowings

Repayment in borrowings was funded principally from proceeds from the exercise of the UOL Warrants 2004 and proceeds from progress billings.

iv. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	The Group	
	<u>31.03.04</u>	<u>31.03.03</u>
	\$'000	\$'000
Cash at bank and on hand and fixed deposits	74,556	60,424
Less : Bank overdrafts	(488)	(1,596)
Cash and cash equivalents per group cash flow statement	<u>74,068</u>	<u>58,828</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

Group Statement of Changes in Equity for the first quarter ended 31 March 2004

	<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 2004	696,741	225,586	330,809	517,375	1,770,511
Currency translation differences	-	-	(3,857)	-	(3,857)
Adjustment arising from changes in tax rate from 22% to 20%	-	-	2,597	-	2,597
Net profit	-	-	-	14,795	14,795
Issue of share capital	4,693	2,372	(1,151)	-	5,914
Balance at 31 March 2004	<u>701,434</u>	<u>227,958</u>	<u>328,398</u>	<u>532,170</u>	<u>1,789,960</u>

Group Statement of Changes in Equity for the first quarter ended 31 March 2003

	<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	414,450	486,431	1,698,806
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
Issue of share capital	12	3	-	-	15
Balance at 31 March 2003	<u>613,426</u>	<u>184,514</u>	<u>421,479</u>	<u>497,989</u>	<u>1,717,408</u>

1(d)(i) Company Statement of Changes in Equity for the first quarter ended 31 March 2004

	<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 2004	696,741	225,586	83,652	58,807	1,064,786
Adjustment arising from changes in tax rate from 22% to 20%	-	-	1,687	-	1,687
Net loss	-	-	-	(1,631)	(1,631)
Issue of share capital	4,693	2,372	(1,151)	-	5,914
Balance at 31 March 2004	<u>701,434</u>	<u>227,958</u>	<u>84,188</u>	<u>57,176</u>	<u>1,070,756</u>

Company Statement of Changes in Equity for the first quarter ended 31 March 2003

	<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>

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 2004	696,741,038
Issue of ordinary shares of \$1.00 each arising from the exercise of UOL Warrants 2004	4,547,002
1999 Options granted under the UOL Executives Share Options Scheme	42,000
2000 Options granted under the UOL Executives Share Options Scheme	17,000
2001 Options granted under the UOL 2000 Share Option Scheme	69,000
2002 Options granted under the UOL 2000 Share Option Scheme	18,000
Issued capital as at 31 March 2004	<u><u>701,434,040</u></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>31.03.04</u>	<u>31.03.03</u>
UOL Warrants 2004 at any time on or before 12 June 2004 at the subscription price, presently \$1.25 per share	90,517,439	177,176,051
Options granted under the UOL Executives Share Options Scheme and UOL 2000 Share Option Scheme :		
- 1999 Options during the option period from 6 May 2000 to 5 February 2004 at the offer price of \$1.60 per share	-	391,000
- 2000 Options during the option period from 15 May 2001 to 14 February 2005 at the offer price of \$1.24 per share	215,000	384,000
- 2001 Options during the option period from 31 May 2002 to 30 May 2011 at the offer price of \$1.58 per share	609,000	1,164,000
- 2002 Options during the option period from 27 June 2003 to 26 June 2012 at the offer price of \$1.81 per share	1,120,000	1,423,000
- 2003 Options during the option period from 27 June 2004 to 26 June 2013 at the offer price of \$2.05 per share	1,575,000	-
	<u><u>94,036,439</u></u>	<u><u>180,538,051</u></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 2003.

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	
	1st Quarter 2004	1st Quarter 2003
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 2.12	cents 1.88
(ii) On a fully diluted basis	cents 2.10	cents 1.85

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the 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 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	
	31.03.04	31.12.03	31.03.04	31.12.03
Net asset value per ordinary share	\$2.55	\$2.54	\$1.53	\$1.53
Net tangible asset backing per ordinary share	\$2.53	\$2.52	\$1.53	\$1.53

- 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.

Group turnover for the first quarter of 2004 declined by 11% to \$103.1 million from \$116.5 million in the previous corresponding period. The decrease was due mainly to lower progressive revenue recognised from development projects of the Group although revenue from the hotel operations, particularly those hotels in Singapore, Malaysia, China and Australia increased during the first quarter of 2004.

Despite the decline in turnover, Group's gross profit in the first quarter of 2004 increased by 13% or \$5 million from \$39.1 million in 2003 to \$44.1million. This was due largely to higher profits from the hotel operations.

The Group's pre-tax profit for the first quarter of 2004 increased by 8% to \$20.1 million from \$18.5 million in the previous corresponding period. Net attributable profit of the Group for the first quarter of 2004 increased by 28% to \$14.8 million from \$11.6 million in the previous corresponding period due to lower tax charge and higher operating profits. The lower tax charge in the first quarter of 2004 was the result of a write-back of deferred taxation arising from the recent 2% reduction in the Singapore income tax rate.

- 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

On the back of a stronger performance in the Singapore economy in the first quarter of 2004, the residential and retail property market should hold up well for the rest of the year. Rental rates for office space, however will continue to be soft in an oversupply situation.

The Group's hotels in Singapore are expected to improve on occupancy and room rates. The Group's hotels in Malaysia, China, Australia and Vietnam would see an improvement in profits. The Group's hotel in Yangon, Myanmar has seen an increase in occupancy although operating conditions remain difficult.

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 2004.

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

Gwee Lian Kheng
 Director
 23 April 2004