



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 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		
		2013	2012	+ / (-)
		\$'000	\$'000	%
Revenue	A	247,784	297,733	(17)
Cost of sales		(132,260)	(179,573)	(26)
Gross profit		115,524	118,160	(2)
Other income				
- Finance income	B	1,060	5,663	(81)
- Miscellaneous income		3,205	3,254	(2)
Expenses				
- Marketing and distribution	C	(8,293)	(6,446)	29
- Administrative		(17,650)	(16,284)	8
- Finance	D	(11,246)	(8,183)	37
- Other operating	E	(18,005)	(16,135)	12
Share of profit of associated companies		22,832	27,754	(18)
Share of profit of joint venture companies		4,226	-	n.m.
Profit before other gains and income tax		91,653	107,783	(15)
Other gains	F	948	572	66
Profit before income tax	G	92,601	108,355	(15)
Income tax expense	H	(14,929)	(14,637)	2
Net profit		77,672	93,718	(17)
<u>Attributable to:</u>				
Equity holders of the Company		71,688	84,006	(15)
Non-controlling interests		5,984	9,712	(38)
		77,672	93,718	(17)

n.m. : not meaningful

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

	The Group		
	First Quarter Ended 31 March		
	2013	2012	+ / (-)
	\$'000	\$'000	%
A <u>Revenue</u>			
Revenue from property development	101,626	153,219	(34)
Revenue from property investments	42,065	41,893	0
Gross revenue from hotel ownership and operations	99,178	96,830	2
Revenue from hotel and other management services	4,915	5,791	(15)
	247,784	297,733	(17)
B <u>Finance income</u>			
Interest income	1,060	866	22
Currency exchange gains (net)	-	4,797	n.m.
	1,060	5,663	(81)
C <u>Marketing and distribution expense</u> ¹			
Sales commissions	543	32	n.m.
Showflat expenses	159	29	448
Advertising and promotion	4,270	3,661	17
Marketing and distribution payroll expenses	3,321	2,724	22
	8,293	6,446	29
D <u>Finance expense</u>			
Bank facility fees	360	561	(36)
Interest expense	7,741	7,622	2
Currency exchange losses (net)	3,145	-	n.m.
	11,246	8,183	37
E <u>Other operating expense</u> ¹			
Property and other taxes	5,037	4,734	6
Repairs, maintenance and security	1,980	2,150	(8)
Heat, light and power	6,070	5,885	3
Others	4,918	3,366	46
	18,005	16,135	12
F <u>Other gains</u>			
Negative goodwill on acquisition of interests in an associated company	948	572	66

n.m. : not meaningful

¹ Included in marketing and distribution expenses and other operating expenses were \$0.8 million and \$1.8 million incurred respectively for the PARKROYAL on Pickering which opened in the first quarter of 2013.

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

	The Group		
	First Quarter Ended 31 March		
	2013	2012	+ / (-)
	\$'000	\$'000	%
G <u>Profit before income tax</u> Profit before income tax is stated after charging: Depreciation and amortisation ²	14,567	11,447	27
H <u>Income tax expense</u> ³ Tax expense attributable to profit is made up of: - Profit from current financial year: Current income tax - Singapore - Foreign - Withholding tax paid Deferred income tax - Under provision in preceding financial years: Current income tax - Singapore	6,354 2,863 123 5,589 14,929 - 14,929	6,211 2,897 173 5,326 14,607 30 14,637	2 (1) (29) 5 2 n.m. 2

n.m. : not meaningful

² Higher depreciation charges were recognised in the first quarter of 2013 in comparison with the corresponding quarter in 2012 due mainly to (a) the commencement of depreciation for PARKROYAL on Pickering which opened in January 2013; and (b) depreciation charges for Pan Pacific Orchard and PARKROYAL Darling Harbour which were refurbished in 2012.

³ The higher effective tax rate for the first quarter of 2013 was due mainly to higher profit contributions from the overseas properties which have higher corporate tax rates and higher expenses not deductible for tax purposes.

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

	Note	The Group		
		First Quarter Ended 31 March		
		2013	2012	+ / (-)
		\$'000	\$'000	%
Net profit		77,672	93,718	(17)
Other comprehensive income/(loss):				
Fair value gains on available-for-sale financial assets	A	21,712	100,277	(78)
Fair value losses on cash-flow hedges		(55)	-	n.m.
Currency translation differences arising from consolidation of foreign operations	B	9,376	(8,049)	216
Share of other comprehensive income/(loss) of an associated company		1,662	(2,212)	175
Other comprehensive income for the period, net of tax		32,695	90,016	(64)
Total comprehensive income for the period		110,367	183,734	(40)
<u>Attributable to:</u>				
Equity holders of the Company		102,881	174,438	(41)
Non-controlling interests		7,486	9,296	(19)
		110,367	183,734	(40)

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

A Fair value gains 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 2013 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	
		31.03.13 \$'000	31.12.12 \$'000	31.03.13 \$'000	31.12.12 \$'000
ASSETS					
Current assets					
Cash and bank balances		278,508	260,061	8,076	11,092
Trade and other receivables	A	158,425	202,526	65,796	88,408
Development properties		991,313	995,915	-	-
Inventories		719	783	-	-
Available-for-sale financial assets		539,301	522,226	539,300	522,226
Other assets		20,694	12,045	3,100	1,286
Current income tax assets		178	415	-	-
		1,989,138	1,993,971	616,272	623,012
Non-current assets					
Trade and other receivables		151,606	148,691	938,941	928,021
Derivative financial instrument		721	873	721	873
Available-for-sale financial assets		291,024	283,484	90,197	89,270
Investments in associated companies		2,647,170	2,633,129	161,289	161,289
Investments in joint venture companies		4,362	-	-	-
Investments in subsidiaries		-	-	1,517,900	1,519,419
Investment properties	B	3,357,884	3,342,754	330,990	330,990
Property, plant and equipment		1,137,105	1,130,024	1,665	1,627
Intangibles		27,019	27,607	794	866
Deferred income tax assets		3,629	3,789	39	27
		7,620,520	7,570,351	3,042,536	3,032,382
Total assets		9,609,658	9,564,322	3,658,808	3,655,394
LIABILITIES					
Current liabilities					
Trade and other payables	C	253,019	278,260	72,747	75,411
Current income tax liabilities		57,580	50,672	5,821	5,842
Bank loans	D	587,909	658,738	143,255	178,212
Finance lease liabilities		339	331	-	-
		898,847	988,001	221,823	259,465
Non-current liabilities					
Trade and other payables		158,671	163,021	3,100	3,612
Finance lease liabilities		4,536	4,419	-	-
Bank loans	D	967,127	951,652	199,689	199,639
2.5% unsecured fixed rate notes due 2014		299,625	299,550	299,625	299,550
2.493% unsecured fixed rate notes due 2015		174,632	174,588	174,632	174,588
3.043% unsecured fixed rate notes due 2017		74,692	74,674	74,692	74,674
Derivative financial instrument		228	162	228	162
Loans from non-controlling shareholders of subsidiaries		10,021	9,957	-	-
Provision for retirement benefits		3,075	2,942	-	-
Deferred income tax liabilities		185,099	176,430	82,027	79,124
		1,877,706	1,857,395	833,993	831,349
Total liabilities		2,776,553	2,845,396	1,055,816	1,090,814
NET ASSETS		6,833,105	6,718,926	2,602,992	2,564,580
Capital & reserves attributable to equity holders of the Company					
Share capital		1,047,138	1,046,954	1,047,138	1,046,954
Reserves		839,264	805,738	426,431	409,053
Retained earnings		4,362,903	4,289,920	1,129,422	1,108,573
		6,249,305	6,142,612	2,602,991	2,564,580
Non-controlling interests		583,800	576,314	-	-
TOTAL EQUITY		6,833,105	6,718,926	2,602,991	2,564,580

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

The decrease in current Trade and other receivables was due mainly to the receipt of progressive billings for Meadows@Peirce, Double Bay Residences and Katong Regency which were outstanding as at 31 December 2012.

B Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 31 December 2012. It is the practice of the Group to revalue its investment properties half yearly. The increase from 31 December 2012 arose mainly from additional construction costs capitalised for OneKM and The Esplanade in Tianjin.

C Current Trade and other payables

The decrease in current Trade and other payables was mainly from payments for construction costs of PARKROYAL on Pickering and One Upper Pickering, accrued as of the end of 2012.

D Current and non-current Bank loans

The decrease in current bank loans was mainly due to repayment with proceeds from progressive billings of development projects, Spottiswoode Residences and Waterbank at Dakota. The increase in non-current banks loans was due mainly to additional loans drawn for the construction of PARKROYAL on Pickering, One Upper Pickering and Pan Pacific Serviced Suites Beach Road.

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

	As at 31.03.13		As at 31.12.12	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	108,871	479,341	148,446	511,397
Amount repayable after one year	766,400	764,084	750,895	764,444

Details of any collaterals

The borrowings are secured by 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>2013</u>	<u>2012</u>
		\$'000	\$'000
Cash flows from operating activities			
Net profit		77,672	93,718
Adjustments for:			
Income tax expense		14,929	14,637
Non-cash items	i	(6,647)	(20,994)
Interest income		(1,060)	(866)
Interest expense		8,101	8,183
Negative goodwill on acquisition of interests in an associated company		(948)	(572)
		<u>92,047</u>	<u>94,106</u>
Change in working capital			
Receivables	ii	6,262	(25,836)
Development properties	iii	35,346	169,779
Derivative financial instrument		152	(267)
Inventories		64	147
Payables	iv	(24,039)	(100,618)
		<u>17,785</u>	<u>43,205</u>
Cash generated from operations		<u>109,832</u>	<u>137,311</u>
Income tax paid		(2,210)	(1,016)
Retirement benefits paid		(30)	(9)
Release of fixed deposits pledged as security		-	6,000
Bank deposits pledged as security		(62)	(5,304)
Net cash provided by operating activities		<u>107,530</u>	<u>136,982</u>
Cash flows from investing activities			
Proceeds from liquidation of a subsidiary		47	-
Payments for intangibles		(11)	-
Payments for interests in an associated company		(3,750)	(3,508)
Payments for interests in a joint venture company		(500)	-
Loans to joint venture companies		(2,550)	(3,600)
Repayment of loan made to an associated company		1,906	-
Net proceeds from disposal of property, plant and equipment		16	58
Purchase of property, plant and equipment and investment properties	v	(23,412)	(32,978)
Interest received		1,060	866
Dividends received	vi	16,500	-
Net cash used in investing activities		<u>(10,694)</u>	<u>(39,162)</u>
Cash flows from financing activities			
Proceeds from shares issued		184	247
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		-	1,993
Repayment of loans from non-controlling shareholders of subsidiaries		-	(830)
Proceeds from borrowings	vii	35,921	400,058
Repayment of borrowings	vii	(103,603)	(438,084)
Expenditure relating to bank borrowings		(64)	(2,334)
Interest paid		(12,202)	(14,083)
Dividends paid to non-controlling interests		-	(6,735)
Net cash used in financing activities		<u>(79,764)</u>	<u>(59,768)</u>
Net increase in cash and cash equivalents		<u>17,072</u>	<u>38,052</u>
Cash and cash equivalents at 1 January		254,924	291,142
Effects of currency translation on cash and cash equivalents		1,239	(316)
Cash and cash equivalents at 31 March	viii	<u>273,235</u>	<u>328,878</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. Non-cash items

The adjustment for non-cash items includes depreciation, share of profit of associated and joint venture companies and exchange differences. The decrease was due mainly to higher depreciation charge and exchange losses in the first quarter of 2013 in comparison with exchange gains in the first quarter of 2012.

ii. Receivables

The cash inflows from receivables in the first quarter of 2013 were mainly from the receipt of progressive billings for Meadows@Peirce, Double Bay Residences and Katong Regency which were outstanding as at 31 December 2012.

iii. Development properties

The higher cash inflows for development properties in the previous corresponding quarter of 2012 were due mainly to progressive billings following the receipt of TOP for Meadows@Peirce.

iv. Payables

The higher cash outflows recorded in the previous corresponding quarter of 2012 relate mainly to the payment of development charge of \$88.1 million for Katong Regency and OneKM.

v. 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 new function rooms at PARKROYAL on Beach Road, Pan Pacific Serviced Suites Beach Road, OneKM and The Esplanade in Tianjin.

vi. Dividends received

Dividends were received from an associated company, Nassim Park Developments Pte Ltd.

vii. Proceeds from borrowings/Repayment of borrowings

Net repayment of borrowings were made with funds received mainly from the progressive billings of development projects, Spottiswoode Residences and Waterbank at Dakota, as well as proceeds from the rental of investment properties.

viii. 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>31.03.13</u>	<u>31.03.12</u>
	\$'000	\$'000
Fixed deposits with financial institutions	184,622	259,678
Cash at bank and on hand	93,886	74,504
Cash and bank balances per Statement of Financial Position	278,508	334,182
Less: Bank deposits pledged as security	(5,273)	(5,304)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>273,235</u>	<u>328,878</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>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
<u>2013</u>					
Balance at 1 January 2013	1,046,954	805,738	4,289,920	576,314	6,718,926
Employee share option scheme					
- value of employee services	-	2,333	-	-	2,333
- proceeds from shares issued	184	-	-	-	184
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	1,295	-	1,295
Total comprehensive income for the period	-	31,193	71,688	7,486	110,367
Balance at 31 March 2013	<u>1,047,138</u>	<u>839,264</u>	<u>4,362,903</u>	<u>583,800</u>	<u>6,833,105</u>
<u>2012</u>					
Balance at 1 January 2012	1,040,694	661,039	3,582,240	486,950	5,770,923
Employee share option scheme					
- value of employee services	-	(113)	-	-	(113)
- proceeds from shares issued	247	-	-	-	247
Dividends	-	-	-	(6,735)	(6,735)
Issue of shares to non-controlling interests	-	-	-	1,993	1,993
Total comprehensive income for the period	-	90,432	84,006	9,296	183,734
Balance at 31 March 2012	<u>1,040,941</u>	<u>751,358</u>	<u>3,666,246</u>	<u>491,504</u>	<u>5,950,049</u>

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

	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>				
<u>2013</u>				
Balance at 1 January 2013	1,046,954	409,053	1,108,573	2,564,580
Employee share option scheme				
- value of employee services	-	2,333	-	2,333
- proceeds from shares issued	184	-	-	184
Total comprehensive income for the period	-	15,045	20,849	35,894
Balance at 31 March 2013	<u>1,047,138</u>	<u>426,431</u>	<u>1,129,422</u>	<u>2,602,991</u>
<u>2012</u>				
Balance at 1 January 2012	1,040,694	283,513	1,076,499	2,400,706
Employee share option scheme				
- value of employee services	-	(113)	-	(113)
- proceeds from shares issued	247	-	-	247
Total comprehensive income for the period	-	71,337	145	71,482
Balance at 31 March 2012	<u>1,040,941</u>	<u>354,737</u>	<u>1,076,644</u>	<u>2,472,322</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 2013, the changes in the issued share capital of the Company were as follows:

	<u>Number of Ordinary Shares</u>
Issued capital as at 1 January 2013	769,897,154
Issue of ordinary shares arising from the exercise of:	
2008 Options at exercise price of \$3.68 per share	20,000
2011 Options at exercise price of \$4.62 per share	24,000
Issued share capital as at 31 March 2013	<u>769,941,154</u>

As at 31 March 2013, there were unexercised options for 5,442,000 (31.3.12: 4,296,000) of unissued ordinary shares 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 2013 and 31 March 2012.

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	
	31.03.13	31.12.12
Total number of issued shares, excluding treasury shares	769,941,154	769,897,154

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 2012.

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 2013, the Group adopted the Financial Reporting Standards ("FRS") 113 - Fair Value Measurement, that was mandatory for application from that date. The adoption of FRS 113 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 2013	1st Qtr 2012
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 9.31	cents 10.93
(ii) On a fully diluted basis	cents 9.30	cents 10.93

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

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	
	31.03.13	31.12.12	31.03.13	31.12.12
Net asset value per ordinary share	\$8.12	\$7.98	\$3.38	\$3.33
Net tangible asset backing per ordinary share	\$8.08	\$7.94	\$3.38	\$3.33

- 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 first quarter of 2013 decreased by \$49.9 million or 17% to \$247.8 million from \$297.7 million in the corresponding period of 2012. The reduction was due mainly to lower revenue from the sale of development properties following the completion of Meadows@Peirce in the first quarter of 2012 and Double Bay Residences in the third quarter of 2012; and from Waterbank at Dakota as it approaches completion in the second quarter of 2013. Hotel revenue improved with contribution from the newly opened PARKROYAL on Pickering and higher revenue from PARKROYAL Yangon, partly offset by lower contributions from Pan Pacific Perth and PARKROYAL on Beach Road. Revenue from hotel and other management services decreased due mainly to lower fees from the management of Pan Pacific Singapore.

Expenses

Gross profit margin of 47% for the first quarter of 2013 was higher than the 40% recorded for the first quarter of 2012 due mainly to lower revenue from property development which has a higher cost margin. The increase in marketing and distribution expenses by \$1.8 million or 29%, and other operating expenses by \$1.9 million or 12%, was due mainly to the opening of PARKROYAL on Pickering in the first quarter of 2013 and higher sales commissions and expenses for The Esplanade in Tianjin. The higher finance expenses for the first quarter of 2013 arose mainly from unrealised currency exchange losses from the Group's borrowings in US Dollars to fund its investments in The People's Republic of China.

Associated companies

Share of profit of associated companies in the first quarter of 2013 decreased from the corresponding quarter of 2012 with lower contribution from United Industrial Corporation Limited and Premier Land Development Pte Ltd following the completion of their development projects, The Trizon, in May 2012 and Terrene at Bukit Timah, in January 2013 respectively.

Joint venture companies

The share of profit of joint venture companies for the first quarter of 2013 was due mainly to contribution from United Venture Development (Bedok) Pte Ltd for its development project, Archipelago.

- 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)

Profit & Loss

The Group recorded a pre-tax profit of \$92.6 million in the first quarter of 2013, a decrease of 15% from the profit of \$108.4 million in the corresponding period of 2012. The decrease was attributed mainly to higher currency exchange losses and lower profit from hotel operations which was impacted mainly by opening costs of PARKROYAL on Pickering. Profit after tax and non-controlling interest was \$71.7 million, representing a 15% decrease from \$84.0 million in the corresponding period of 2012.

Net tangible asset and gearing

The Group shareholders' funds increased from \$6.1 billion as at 31 December 2012 to \$6.2 billion as at 31 March 2013. The increase was due mainly to profits recognised in the first quarter of 2013 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 \$8.08 as at 31 March 2013 from \$7.94 as at 31 December 2012.

The Group's gearing ratio has decreased marginally to 0.27 as at 31 March 2013 from 0.28 as at 31 December 2012 with lower borrowings combined with the effects of 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.

Notwithstanding the latest round of cooling measures which have moderated prices of residential properties, demand for new homes in the mass market segment is expected to be supported by underlying demand. Office rentals are likely to remain at current levels especially for the CBD and the city fringe locations. Retail rents are expected to remain stable, underpinned by firm consumer sentiment.

According to the World Tourism Organization, tourist arrivals to Asia and the Pacific are projected to grow at a slower pace of 5 to 6% in 2013 compared to 6.8% in 2012 and this could affect the performance of the Group's hotel properties.

The Company has on 10 May 2013 announced its delisting proposal and exit offer for Pan Pacific Hotels Group Limited and details of the aforesaid are set out in the said announcements.

- 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 2013.

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 2013 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
10 May 2013