

**UNAUDITED THIRD 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					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2017	2016	+ / (-)	2017	2016	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	537,891	393,392	37	1,287,665	1,087,060	18
Cost of sales		(369,722)	(263,154)	40	(871,794)	(717,488)	22
Gross profit		168,169	130,238	29	415,871	369,572	13
Other income							
- Finance income	B	2,790	2,047	36	6,955	6,437	8
- Miscellaneous income		5,600	3,662	53	14,118	12,853	10
Expenses							
- Marketing and distribution	C	(19,289)	(15,260)	26	(50,481)	(47,721)	6
- Administrative	D	(25,136)	(20,192)	24	(64,278)	(57,950)	11
- Finance	E	(11,335)	(7,775)	46	(28,217)	(23,305)	21
- Other operating	F	(28,411)	(21,049)	35	(65,907)	(61,044)	8
Share of profit of associated companies excluding fair value losses of associated companies' investment properties		33,104	33,040	0	107,244	97,593	10
Share of profit/(loss) of joint venture companies excluding fair value gains of a joint venture company's investment property		4,064	(3,934)	203	9,717	3,672	165
Profit before fair value and other gains/(losses) and income tax		129,556	100,777	29	345,022	300,107	15
Other gains/(losses)	G	527,178	3,088	n.m.	529,587	(3,622)	n.m.
Fair value (losses)/gains on associated and joint venture companies' investment properties		-	-	-	(1,094)	9,112	(112)
Fair value gains/(losses) on the Group's investment properties		-	-	-	13,249	(28,687)	146
Profit before income tax	H	656,734	103,865	532	886,764	276,910	220
Income tax expense	I	(16,989)	(12,328)	38	(38,866)	(35,398)	10
Net profit		639,745	91,537	599	847,898	241,512	251
<u>Attributable to:</u>							
Equity holders of the Company		618,061	87,124	609	807,755	233,005	247
Non-controlling interests		21,684	4,413	391	40,143	8,507	372
		639,745	91,537	599	847,898	241,512	251
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains/(losses)		90,883	84,036	8	270,452	251,218	8
Other gains/(losses)		527,178	3,088	n.m.	529,587	(3,622)	n.m.
Fair value gains/(losses) on investment properties including those of associated and joint venture companies		-	-	-	7,716	(14,591)	153
Net attributable profit		618,061	87,124	609	807,755	233,005	247

n.m. : not meaningful

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2017	2016	+ / (-)	2017	2016	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>A Revenue</b>						
Revenue from property development	291,546	206,569	41	696,044	556,391	25
Revenue from property investments	82,736	57,541	44	195,663	168,188	16
Gross revenue from hotel ownership and operations	136,898	110,277	24	341,625	316,261	8
Revenue from hotel and other management services	12,771	5,596	128	24,566	16,039	53
Dividend income from available-for-sale financial assets	13,940	13,409	4	29,767	30,181	(1)
	537,891	393,392	37	1,287,665	1,087,060	18
<b>B Finance income</b>						
Interest income	1,938	1,913	1	4,526	3,980	14
Currency exchange gains (net)	852	134	536	2,429	2,457	(1)
	2,790	2,047	36	6,955	6,437	8
<b>C Marketing and distribution expense</b>						
Advertising and promotion	6,681	5,564	20	18,678	18,061	3
Marketing and distribution payroll and related expenses	6,037	4,960	22	15,960	14,399	11
Sales commissions	5,037	3,442	46	12,188	9,682	26
Showflat expenses	1,265	1,294	(2)	3,386	5,579	(39)
Others	269	-	n.m.	269	-	n.m.
	19,289	15,260	26	50,481	47,721	6
<b>D Administrative expenses</b>						
Administrative payroll and related expenses	15,518	13,425	16	42,442	39,858	6
Corporate expenses	4,611	3,668	26	10,646	9,590	11
Credit card commissions	1,638	1,583	3	4,538	4,653	(2)
Information technology related expenses	1,322	1,117	18	3,629	3,182	14
Others	2,047	399	413	3,023	667	353
	25,136	20,192	24	64,278	57,950	11
<b>E Finance expense</b>						
Bank facility fees	911	821	11	2,680	2,634	2
Interest expense	16,455	13,451	22	41,073	42,740	(4)
Less: borrowing costs capitalised	(6,031)	(6,497)	(7)	(15,536)	(22,069)	(30)
	11,335	7,775	46	28,217	23,305	21
<b>F Other operating expense</b>						
Property taxes	8,357	6,638	26	21,630	20,316	6
Repairs, maintenance and security	3,326	4,027	(17)	8,998	10,429	(14)
Heat, light and power	5,035	4,806	5	14,162	14,399	(2)
Others	11,693	5,578	110	21,117	15,900	33
	28,411	21,049	35	65,907	61,044	8
<b>G Other gains/(losses)</b>						
Negative goodwill on acquisition of a subsidiary and loss on derecognition of associated and joint venture companies (See footnote 1 on page 3)	542,075	-	n.m.	542,075	-	n.m.
Negative goodwill on acquisition of interests in an associated company	-	3,088	(100)	2,814	3,461	(19)
Acquisition of 110 High Holborn						
- Gain on purchase	-	-	-	-	3,709	(100)
- Business acquisition costs	-	-	-	-	(10,792)	(100)
Acquisition of Hilton Melbourne South Wharf						
- Business acquisition costs (See footnote 2 on page 3)	(14,897)	-	n.m.	(15,302)	-	n.m.
	527,178	3,088	n.m.	529,587	(3,622)	n.m.

n.m. : not meaningful

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2017	2016	+ / (-)	2017	2016	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>H Profit before income tax</b>						
Profit before income tax is stated after charging:						
Depreciation and amortisation (See footnote 3)	37,269	16,438	127	71,171	49,249	45
<b>I Income tax expense</b>						
Tax expense attributable to profit is made up of:						
- Profit for the financial year:						
Current income tax						
- Singapore	9,824	7,098	38	23,971	22,027	9
- Foreign	2,237	2,142	4	5,211	5,644	(8)
- Withholding tax paid	122	158	(23)	353	432	(18)
Deferred income tax						
- fair value loss of investment properties	-	-	-	(601)	(225)	167
- others	4,888	2,939	66	11,093	7,543	47
	17,071	12,337	38	40,027	35,421	13
- (Over)/under provision in prior financial years:						
Current income tax						
- Singapore	(203)	(9)	n.m.	(1,322)	(9)	n.m.
- Foreign	(82)	-	-	(42)	(14)	(200)
Deferred income tax	203	-	n.m.	203	-	n.m.
	16,989	12,328	38	38,866	35,398	10

n.m. : not meaningful

<sup>1</sup> On 31 August 2017, the Group completed the acquisition of 60 million shares in United Industrial Corporation Limited ("UIC") from a wholly owned subsidiary of Haw Par Corporation Limited. Following this acquisition, UIC Group has been accounted as a subsidiary of UOL Group in accordance with the Financial Reporting Standards ("FRS") 110 Consolidated Financial Statements and hence the income statement for the third quarter and nine months ended 30 September 2017 includes the consolidated results of the UIC Group after that date.

In addition to the consolidation of the UIC Group (including its subsidiary, Marina Centre Holdings Limited ("MCH")), the following associated and joint venture companies of UOL Group and UIC Group are now also consolidated as subsidiaries:

Entity	Hotel/Project
Aquamarina Hotel Private Limited ("AHPL")	Marina Mandarin Hotel
Shanghai Jin Peng Realty Co Ltd ("SJP")	Park Eleven
United Venture Development (Bedok) Pte. Ltd. ("UVDB")	Archipelago
United Venture Development (Thomson) Pte. Ltd. ("UVDT")	Thomson Three
United Venture Development (Clementi) Pte. Ltd. ("UVDC")	The Clement Canopy
UVD (Projects) Pte. Ltd. ("UVDP")	Potong Pasir
United Venture Investments (HI) Pte. Ltd. ("UVIHI")	Holborn Island

Acquisition accounting was applied in accordance with FRS 103 Business Combinations ("FRS103") (commonly known as purchase price allocation ("PPA")) requiring a fair valuation of all identifiable assets and liabilities of the acquired entities. This resulted in a negative goodwill on acquisition net of the loss on derecognition of associated and joint venture companies totaling \$542.1 million. Arising from the PPA exercise, a fair value uplift of \$421.1 million and \$82.3 million attributable to the Group has been recorded on property, plant and equipment and development property respectively. The fair value uplift to property, plant and equipment will result in a higher depreciation charge over the useful lives of these properties and the fair value uplift to development properties which includes \$56.1 million relating to Park Eleven and \$18.7 million relating to The Clement Canopy will result in a lower development profit to be recognised in future periods. The PPA exercise is currently on-going and the Group has up to one year from the acquisition date to finalise the PPA adjustments.

The share of profit of associated and joint venture companies for the third quarter of 2017 includes the share of profits of UIC, MCH, AHPL, SJP, UVDB, UVDT, UVDC, UVDP and UVIHI from 1 July 2017 up to the date of acquisition of the UIC shares on 31 August 2017. From 1 September 2017, the results of these companies are consolidated into the income statement of the Group.

<sup>2</sup> Business acquisition costs for Hilton Melbourne South Wharf relates mainly to stamp duty and professional fees incurred for the Group's acquisition of the hotel and are recorded in the income statement as the transaction was deemed a business combination under the FRS 103. The acquisition was completed on 28 July 2017 and the hotel has been rebranded as Pan Pacific Melbourne.

<sup>3</sup> Depreciation and amortisation has increased in the third quarter of 2017 mainly from the accelerated depreciation on the 206-room Pan Pacific Orchard which will cease operation from second quarter 2018 for redevelopment into a new 340-room hotel.

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

	Note	The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2017	2016	+ / (-)	2017	2016	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		639,745	91,537	599	847,898	241,512	251
Other comprehensive income/(loss):							
Fair value gains/(losses) on available-for-sale financial assets	A	15,983	17,927	(11)	128,913	(24,872)	618
Cash flow hedges		2,185	(458)	577	2,692	(5,381)	150
Currency translation differences arising from consolidation of foreign operations	B	(3,359)	5,254	(164)	(12,987)	(14,693)	12
Share of other comprehensive income/(loss) of an associated company		1,244	919	35	(845)	(5,862)	86
Other comprehensive income/(loss), net of tax		16,053	23,642	(32)	117,773	(50,808)	332
Total comprehensive income		655,798	115,179	469	965,671	190,704	406
Attributable to:							
Equity holders of the Company		635,024	110,809	473	926,286	182,322	408
Non-controlling interests		20,774	4,370	375	39,385	8,382	370
		655,798	115,179	469	965,671	190,704	406

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 third quarter ended 30 September 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 RMB, GBP, AUD, MYR, VND, and USD.

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	
		30.09.17 \$'000	31.12.16 \$'000	30.09.17 \$'000	31.12.16 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		719,172	301,512	1,601	1,680
Trade and other receivables	A	440,376	99,597	15,445	1,579
Developed properties held for sale		239,475	31,878	-	-
Development properties		2,908,393	1,142,342	-	-
Inventories		4,525	651	-	-
Other assets		66,975	16,993	569	242
Current income tax assets		216	157	-	-
		4,379,132	1,593,130	17,615	3,501
<b>Non-current assets</b>					
Trade and other receivables		43,090	128,780	1,067,479	783,355
Derivative financial instrument		1,769	207	-	-
Available-for-sale financial assets	B	1,003,733	855,051	766,251	658,110
Investments in associated companies		286,840	3,409,827	164,424	163,725
Investments in joint venture companies		-	77,747	-	-
Investments in subsidiaries		-	-	1,781,176	1,779,176
Investment properties	C	10,915,335	4,299,597	423,300	421,500
Property, plant and equipment	D	2,830,737	1,165,536	1,470	1,009
Intangibles		199,433	24,361	302	-
Deferred income tax assets		3,460	3,904	-	-
		15,284,397	9,965,010	4,204,402	3,806,875
<b>Total assets</b>		<b>19,663,529</b>	<b>11,558,140</b>	<b>4,222,017</b>	<b>3,810,376</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		862,437	203,125	724,653	564,319
Current income tax liabilities		94,945	50,699	1,556	1,838
3.043% unsecured fixed rate notes due 2017	E	-	74,974	-	74,974
Bank loans	F	1,911,944	653,429	188,634	140,559
Finance lease liabilities		279	272	-	-
Derivative financial instrument		626	-	-	-
		2,870,231	982,499	914,843	781,690
<b>Non-current liabilities</b>					
Trade and other payables		218,299	157,013	2,655	4,491
Finance lease liabilities		3,736	3,634	-	-
Bank loans	F	1,782,053	1,200,202	181,627	176,417
2.5% unsecured fixed rate notes due 2020		239,300	239,120	-	-
2.5% unsecured fixed rate notes due 2018		174,921	174,803	-	-
Derivative financial instrument		2,033	4,272	2,033	3,596
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		5,342	4,927	-	-
Deferred income tax liabilities		380,358	93,297	3,273	2,960
		2,869,051	1,940,277	189,588	187,464
<b>Total liabilities</b>		<b>5,739,282</b>	<b>2,922,776</b>	<b>1,104,431</b>	<b>969,154</b>
<b>NET ASSETS</b>					
		<b>13,924,247</b>	<b>8,635,364</b>	<b>3,117,586</b>	<b>2,841,222</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital	G	1,545,421	1,269,853	1,545,421	1,269,853
Reserves		800,117	912,147	603,495	503,144
Retained earnings		6,860,430	5,945,154	968,670	1,068,225
		9,205,968	8,127,154	3,117,586	2,841,222
<b>Non-controlling interests</b>		4,718,279	508,210	-	-
<b>TOTAL EQUITY</b>		<b>13,924,247</b>	<b>8,635,364</b>	<b>3,117,586</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

The increases in cash and bank balances, current trade and other receivables, development properties and development properties held for sale, investment properties, property, plant and equipment, intangibles, trade and other payables, bank loans and deferred tax liabilities and the decreases in associated and joint venture companies and non-current trade and other receivables from the balances as of 31 December 2016 were due mainly to the consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group upon the completion of the acquisition of 60 million UIC shares on 31 August 2017 (see footnote 1 on page 3). The following are explanatory notes for other relevant variances excluding the effects of the consolidation of these entities.

A Current trade and other receivables

The recognition of receivables for the balance of payments for Riverbank@Fernvale upon the receipt of temporary occupation permit on 23 March 2017 contributed to an increase in the current trade and other receivables balance.

B Available-for-sale financial assets

The increase in available-for-sale financial assets arose mainly from the (i) recognition of \$128.9 million of fair value gains; and (ii) election to receive dividends from United Overseas Bank Limited in scrip amounting to \$13.4 million.

C 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.

D Property, plant and equipment

In July 2017, the Group acquired the 396-room Hilton Melbourne South Wharf for an aggregate cash consideration of A\$230.0 million (approximately S\$246.1 million). The hotel was renamed Pan Pacific Melbourne subsequent to the acquisition.

E 3.043% unsecured fixed rate notes due 2017

The 3.043% unsecured fixed rate notes due 2017 was redeemed on 8 May 2017.

F Current and non-current bank loans

The increases in current and non-current bank loans include loans drawn for 1) the redemption of the unsecured fixed rate notes due on 8 May 2017; 2) the en-bloc purchase of a leasehold property at Potong Pasir Avenue 1 in May 2017; and 3) the acquisition of Pan Pacific Melbourne in July 2017.

G Share capital

The increase in share capital was mainly from the issue of 27,272,727 new shares with a deemed value of \$8.03 being the last traded price on the date of exercise of the option on 25 August 2017 for the acquisition of the 60 million UIC shares.

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

	As at 30.09.17		As at 31.12.16	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	310,483	1,602,430	112,167	616,659
Amount repayable after one year	599,343	1,667,813	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 third quarter ended 30 September

	Note	The Group	
		3rd Qtr	3rd Qtr
		2017	2016
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		639,745	91,537
Adjustments for:			
Income tax expense		16,989	12,328
Non-cash items		5,105	(25,247)
Dividend and interest income		(15,878)	(15,322)
Interest expense		11,335	7,775
Negative goodwill on acquisition of a subsidiary and loss on derecognition of associated and joint venture companies		(542,075)	(3,088)
		<u>115,221</u>	<u>67,983</u>
Change in working capital			
Receivables	i	(230,964)	(30,917)
Development properties	i	283,681	68,226
Inventories		(386)	2
Payables		51,319	9,965
		<u>103,650</u>	<u>47,276</u>
Cash generated from operations		218,871	115,259
Income tax paid		(24,837)	(16,062)
<b>Net cash from operating activities</b>		<u>194,034</u>	<u>99,197</u>
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	ii	469,761	-
Payments for intangibles		(48)	(137)
Payments for interest in an associated company		-	(4,559)
Loans to an associated company and a joint venture company		(2,253)	(1,750)
Repayment of loan by a joint venture company		-	55,450
Net proceeds from disposal of property, plant and equipment		-	76
Acquisition of a business	iii	(264,436)	-
Purchase of property, plant and equipment and investment properties		(19,221)	(3,508)
Interest received		1,941	844
Dividends received		2,337	2,336
<b>Net cash from investing activities</b>		<u>188,081</u>	<u>48,752</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		4,069	216
Net proceeds from issue of shares to non-controlling shareholders of a subsidiary		276	-
Proceeds from 2.5% unsecured fixed rate notes due 2020		-	240,000
Proceeds from borrowings	iv	853,224	55
Repayment of borrowings	iv	(775,142)	(381,799)
Expenditure relating to bank borrowings		(765)	(1,016)
Interest paid		(13,651)	(12,382)
Payment of finance lease liabilities		(70)	(67)
<b>Net cash from/(used in) financing activities</b>		<u>67,941</u>	<u>(154,993)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>450,056</u>	<u>(7,044)</u>
Cash and cash equivalents at the beginning of the financial period		268,518	272,166
Effects of currency translation on cash and cash equivalents		398	(18)
<b>Cash and cash equivalents at the end of the financial period</b>	v	<u>718,972</u>	<u>265,104</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.

ii. Acquisition of a subsidiary, net of cash acquired

This relates to the acquisition of 60 million UIC shares which resulted in the consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group (see footnote 1 on page 3). The cash inflow was made up mainly of the cash and bank balances of the acquired entities as the acquisition was paid via the issue of new UOL shares.

iii. Acquisition of a business

The acquisition of a business relates to the Group's purchase of Hilton Melbourne South Wharf which was renamed Pan Pacific Melbourne subsequent to the acquisition.

iv. Proceeds from borrowings/Repayment of borrowings

The net borrowings in the third quarter of 2017 were due mainly to bank loans drawn for the acquisition of Pan Pacific Melbourne.

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>30.09.17</u>	<u>30.09.16</u>
	\$'000	\$'000
Fixed deposits with financial institutions	270,248	177,563
Cash at bank and on hand	<u>448,924</u>	<u>87,741</u>
Cash and bank balances per Statement of Financial Position	719,172	265,304
Less: Bank deposits pledged as security	(200)	(200)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u><u>718,972</u></u>	<u><u>265,104</u></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 third quarter ended 30 September

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>The Group</b>					
<b>2017</b>					
Balance at 1 July 2017	1,322,352	1,014,318	6,014,131	524,821	8,875,622
Profit for the period	-	-	618,061	21,684	639,745
Other comprehensive income/(loss) for the period	-	16,963	-	(910)	16,053
Total comprehensive income for the period	-	16,963	618,061	20,774	655,798
Employee share option scheme					
- value of employee services	-	400	-	14	414
- proceeds from shares issued	4,069	-	-	-	4,069
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	-	219,000
Issue of shares to non-controlling shareholders	-	-	-	276	276
Acquisition of subsidiaries	-	(231,564)	228,238	4,172,394	4,169,068
Total transactions with owners, recognised directly in equity	223,069	(231,164)	228,238	4,172,684	4,392,827
Balance at 30 September 2017	1,545,421	800,117	6,860,430	4,718,279	13,924,247
<b>2016</b>					
Balance at 1 July 2016	1,271,237	816,064	5,810,381	493,945	8,391,627
Profit for the period	-	-	87,124	4,413	91,537
Other comprehensive income/(loss) for the period	-	23,685	-	(43)	23,642
Total comprehensive income for the period	-	23,685	87,124	4,370	115,179
Employee share option scheme					
- value of employee services	-	269	-	-	269
- proceeds from shares issued	216	-	-	-	216
Total transactions with owners, recognised directly in equity	216	269	-	-	485
Balance at 30 September 2016	1,271,453	840,018	5,897,505	498,315	8,507,291

- 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 third quarter ended 30 September

	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
<u>The Company</u>				
<b>2017</b>				
Balance at 1 July 2017	1,322,352	590,302	961,750	2,874,404
Profit for the period	-	-	6,920	6,920
Other comprehensive income for the period	-	12,807	-	12,807
Total comprehensive income for the period	-	12,807	6,920	19,727
Employee share option scheme				
- value of employee services	-	386	-	386
- proceeds from shares issued	4,069	-	-	4,069
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	219,000
Total transactions with owners, recognised directly in equity	223,069	386	-	223,455
Balance at 30 September 2017	1,545,421	603,495	968,670	3,117,586
<b>2016</b>				
Balance at 1 July 2016	1,271,237	441,163	1,084,146	2,796,546
Profit for the period	-	-	8,433	8,433
Other comprehensive income for the period	-	13,306	-	13,306
Total comprehensive income for the period	-	13,306	8,433	21,739
Employee share option scheme				
- value of employee services	-	269	-	269
- proceeds from shares issued	216	-	-	216
Total transactions with owners, recognised directly in equity	216	269	-	485
Balance at 30 September 2016	1,271,453	454,738	1,092,579	2,818,770

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 30 September 2017, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 July 2017	812,877,505
Issue of ordinary shares arising from the exercise of:	
2008 Options at exercise price of S\$3.68 per share	100,000
2010 Options at exercise price of S\$3.95 per share	28,000
2011 Options at exercise price of S\$4.62 per share	9,000
2012 Options at exercise price of S\$5.40 per share	84,000
2013 Options at exercise price of S\$6.55 per share	114,000
2014 Options at exercise price of S\$6.10 per share	70,000
2015 Options at exercise price of S\$7.67 per share	14,000
2016 Options at exercise price of S\$5.87 per share	309,000
Ordinary shares issued upon exercise of options	728,000
New shares allotted to Haw Par Capital Pte Ltd, a wholly-owned subsidiary of Haw Par Corporation Limited for the acquisition of 60,000,000 UIC shares	27,272,727
Issued share capital as at 30 September 2017	<u>840,878,232</u>

As at 30 September 2017, there were 4,980,000 (30.9.2016: 5,442,000) 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 and there were no subsidiary holdings as of 30 September 2017 and 30 September 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	
	30.09.17	31.12.16
Total number of issued shares, excluding treasury shares	840,878,232	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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings during the period ended 30 September 2017.

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

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	
	3rd Qtr 2017	3rd Qtr 2016
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 76.35	cents 10.90
(ii) On a fully diluted basis	cents 76.27	cents 10.90

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 the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	30.09.17	31.12.16	30.09.17	31.12.16
Net asset value per ordinary share	\$10.95	\$10.10	\$3.71	\$3.53
Net tangible asset backing per ordinary share	\$10.71	\$10.07	\$3.71	\$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) 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 third quarter of 2017 increased by \$144.5 million or 37% to \$537.9 million from \$393.4 million in the third quarter of 2016 due mainly to the consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group which contributed an additional \$144.3 million in revenue. Excluding the effects of this consolidation, progressive recognition of revenue from development properties was lower by \$6.0 million or 3% due mainly to the completion of Riverbank@Fernvale in March 2017 whereas revenue from hotel operations improved by 5% or \$5.5 million with new revenue from Pan Pacific Melbourne which was acquired in end July 2017.

#### **Gross profit margin**

Gross profit margin for the third quarter of 2017 was lower at 31% compared to 33% for the third quarter of 2016 due mainly to accelerated depreciation expenses of \$15.3 million for Pan Pacific Orchard which is scheduled for redevelopment in second quarter 2018.

#### **Miscellaneous income**

Miscellaneous income has increased due mainly to the recognition of a \$1.5 million in compensation for the termination of the Pan Pacific Nirwana Bali management contract in August 2017.

#### **Expenses**

Finance expense in the third quarter of 2017 has increased due mainly to 1) interest expenses of UIC Group; and 2) bank loans utilised for the acquisition of Pan Pacific Melbourne in July 2017.

- 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. (cont'd)

#### **Joint venture companies**

The increase in share of profit from joint venture companies was due mainly to contribution in July and August 2017 from The Clement Canopy development which was launched in end February 2017 and Holborn Island, London which was acquired in November 2016. From 1 September 2017 onwards, the results of these entities were consolidated with the results of the Group.

#### **Profit & Loss**

##### **Third quarter ended 30 September 2017/2016**

The pre-tax profit before fair value and other gains/(losses) for the third quarter of 2017 was \$129.6 million, an increase of 29% compared to the profit of \$100.8 million for the third quarter of 2016. The increase was due mainly to higher profit from property development and property investment and higher contribution from joint venture companies.

The Group recorded a pre-tax profit of \$656.7 million, an increase of 532% from the profit of \$103.9 million in the third quarter of 2016 which was due mainly to the recognition of a negative goodwill on acquisition net of the loss on derecognition of associated and joint venture companies totaling \$542.1 million arising from the purchase price allocation exercise for the acquisition of the UIC Group as a subsidiary. The PPA exercise is currently on-going and the Group has up to one year from the acquisition date to finalise the PPA adjustments.

Profit after tax and non-controlling interest was \$618.1 million, an increase of 609% from the profit of \$87.1 million in the corresponding quarter of 2016.

##### **Nine Months Ended 30 September 2017/2016**

The pre-tax profit before fair value and other gains/(losses) was \$345.0 million, an increase of 15% from the profit of \$300.1 million in 2016. The increase was due mainly to higher profit from property development and property investments and higher contribution from associated and joint venture companies.

With higher attributable fair value and other gains of \$537.3 million recognised for the nine months ended 30 September 2017 compared to fair value and other losses of \$18.2 million in the previous corresponding period, profit after tax and non-controlling interest was \$807.8 million or a 247% increase from the profit of \$233.0 million in 2016.

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

The Group's shareholders' funds increased from \$8.13 billion as at 31 December 2016 to \$9.21 billion as at 30 September 2017 due mainly to profits recognised in the first nine months of 2017 which include the effects of consolidation of UIC Group and the associated and joint venture companies of the UOL Group and UIC Group. Consequently the net tangible asset per ordinary share of the Group increased to \$10.71 as at 30 September 2017 from \$10.07 as at 31 December 2016.

The Group's gearing ratio of increased marginally to 0.25 as at 30 September 2017 compared to 0.24 as at 31 December 2016 as the effects of higher borrowings of the consolidated group were largely offset by 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 the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to advance estimates, the Singapore economy grew by 4.6% on a year-on-year basis in the third quarter of 2017, higher than the 2.9% growth in the previous quarter. Prices of private residential properties saw its first quarter-on-quarter increase of 0.7% after 15 consecutive quarters of decline, reflecting a turnaround in the residential market. Office rents are expected to stabilise on the back of a more positive economic outlook. New supply and a challenging retail environment will continue to put pressure on retail rental. The Group's hotels in Asia Pacific, particularly those in the People's Republic of China and Myanmar, continue to face competitive pressures and oversupply of rooms.

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 third quarter ended 30 September 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 nine months / third quarter ended 30 September 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  
9 November 2017