

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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		
		For the year ended 31 December		
		2015	2014	+ / (-)
		\$'000	\$'000	%
Revenue	A	1,278,749	1,360,719	(6)
Cost of sales		(774,876)	(779,545)	(1)
Gross profit		503,873	581,174	(13)
Other income				
- Finance income		6,039	5,466	10
- Miscellaneous income		18,374	13,368	37
Expenses				
- Marketing and distribution	B	(67,275)	(56,040)	20
- Administrative	C	(81,010)	(73,449)	10
- Finance	D	(41,664)	(34,009)	23
- Other operating		(82,500)	(79,718)	3
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		126,633	119,776	6
Share of profit of joint venture companies		29,117	38,590	(25)
Profit before fair value and other (losses)/gains and income tax		411,587	515,158	(20)
Other (losses)/gains	E	(22,036)	25,552	(186)
Fair value gains on associated companies' investment properties		9,920	78,408	(87)
Fair value gains on the Group's investment properties		60,902	217,848	(72)
Profit before income tax	F	460,373	836,966	(45)
Income tax expense	G	(47,195)	(76,691)	(38)
Net profit		413,178	760,275	(46)
<u>Attributable to:</u>				
Equity holders of the Company		391,389	685,996	(43)
Non-controlling interests		21,789	74,279	(71)
		413,178	760,275	(46)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other (losses)/gains		350,362	397,660	(12)
Other (losses)/gains		(22,036)	25,552	(186)
Fair value gains on investment properties including those of associated companies		63,063	262,784	(76)
Net attributable profit		391,389	685,996	(43)

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

	The Group		
	For the year ended 31 December		
	2015	2014	+ / (-)
	\$'000	\$'000	%
A Revenue			
Revenue from property development (See footnote 1 below)	577,496	675,881	(15)
Revenue from property investments	219,391	198,206	11
Gross revenue from hotel ownership and operations	419,417	437,574	(4)
Revenue from hotel and other management services	20,156	20,260	(1)
Dividend income from available-for-sale financial assets	42,289	28,798	47
	1,278,749	1,360,719	(6)
B Marketing and distribution expense			
Advertising and promotion	26,507	25,340	5
Marketing and distribution payroll and related expenses	18,377	16,631	10
Sales commissions (See footnote 2 below)	14,134	10,300	37
Showflat expenses	8,257	3,769	119
	67,275	56,040	20
C Administrative expenses			
Administrative payroll and related expenses	51,240	47,920	7
Corporate expenses	16,222	12,186	33
Credit card commissions	6,219	6,036	3
Information technology related expenses	4,095	3,993	3
Others	3,234	3,314	(2)
	81,010	73,449	10
D Finance expense			
Bank facility fees	3,689	3,537	4
Interest expense (See footnote 3 below)	58,593	47,153	24
Less: borrowing costs capitalised	(31,772)	(25,343)	25
Currency exchange losses (net) (See footnote 4 below)	11,154	8,662	29
	41,664	34,009	23
E Other (losses)/gains			
Negative goodwill on acquisition of interests in an associated company	5,755	3,331	73
Write-back of impairment charge on property, plant and equipment (See footnote 5 below)	11,757	14,889	(21)
Impairment charge on property, plant and equipment (See footnote 5 below)	(40,224)	-	n.m.
Gain on liquidation of an available-for-sale financial asset	676	7,332	(91)
	(22,036)	25,552	(186)

n.m. : not meaningful

- Revenue from property development for 2014 included a one-time property development revenue of \$220.1 million (RM568 million) from the sale of land at Jalan Conlay, Kuala Lumpur and \$213.5 million from The Esplanade, Tianjin recognised on a completed contract basis.
- The higher sales commissions were mainly from the sales launches of Botanique at Bartley and Principal Garden in 2015 and from on-going sales of remaining units of existing projects.
- Interest expenses have increased with 1) higher average borrowings during 2015 from loans drawn in 2014 for the acquisition of the land parcels at Upper Paya Lebar, Prince Charles Crescent and Bishopsgate, London; and 2) higher interest rates on bank loans in comparison with 2014.
- Currency exchange losses resulted mainly from the Group's borrowings in US Dollars to fund its investments in the People's Republic of China.
- The write-back of impairment charge was in respect of PARKROYAL Melbourne Airport. The impairment charge was in respect of Pan Pacific Tianjin for an amount of \$3.2 million and the hotel under development in Bishopsgate, London for an amount of \$37.0 million. The impairment charge arose because the fair value of Pan Pacific Tianjin as appraised by professional valuers was below the carrying value and in the case of the mixed-use development at Bishopsgate, London, arose from the fair value on an "as if complete" basis for the hotel component being lower than the estimated development cost.

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

	The Group		
	For the year ended 31 December		
	2015	2014	+ / (-)
	\$'000	\$'000	%
F <u>Profit before income tax</u>			
Profit before income tax is stated after charging:			
Depreciation and amortisation (See footnote 6 below)	67,231	59,972	12
Property, plant and equipment written off and net loss on disposals	2,163	1,211	79
G <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	31,364	58,228	(46)
- Foreign (See footnote 7 below)	7,045	34,633	(80)
- Withholding tax paid	623	624	(0)
Deferred income tax			
- fair value (loss)/gains of investment properties	(778)	6,652	(112)
- others	12,194	(20,220)	160
	50,448	79,917	(37)
- (Over)/under provision in prior financial years:			
Current income tax			
- Singapore	(1,733)	(3,345)	(48)
- Foreign	(581)	61	(1,052)
Deferred income tax	(939)	58	(1,719)
	47,195	76,691	(38)
The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:			
Profit before income tax	460,373	836,966	(45)
Share of profit of associated companies, net of tax	(136,553)	(198,184)	(31)
Share of profit of joint venture companies, net of tax	(29,117)	(38,590)	(25)
Profit before tax and share of profit of associated companies and joint venture companies	294,703	600,192	(51)
Tax calculated at a tax rate of 17%	50,100	102,033	(51)
Effects of:			
- Singapore statutory stepped income exemption	(592)	(596)	(1)
- Tax rebates	(429)	(655)	(35)
- Different tax rates in other countries	2,265	15,256	(85)
- Income not subject to tax (See footnote 8 below)	(26,671)	(45,308)	(41)
- Expenses not deductible for tax purposes (See footnote 8 below)	16,962	9,168	85
- Utilisation of previously unrecognised tax losses	(9)	(1,254)	(99)
- Deferred tax assets not recognised in the current financial year	8,822	1,273	593
- Over provision in prior financial years:	(3,253)	(3,226)	1
Tax charge	47,195	76,691	(38)

⁶ Depreciation and amortisation have increased in 2015 mainly from depreciation on Pan Pacific Tianjin which opened in the fourth quarter of 2014.

⁷ The higher foreign income tax expense in 2014 resulted from tax on the gain on sale of land at Jalan Conlay, Kuala Lumpur, and tax on the profit recognised upon the completion of The Esplanade, Tianjin.

⁸ Income not subject to tax comprises mainly fair value gains on the Group's investment properties, write-back of impairment charge on property, plant and equipment and dividend income from available-for-sale financial assets. Expenses not deductible for tax purposes comprises mainly impairment charge on property, plant and equipment and exchange losses.

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

	Note	The Group		
		For the year ended 31 December		
		2015	2014	+ / (-)
		\$'000	\$'000	%
Net profit		413,178	760,275	(46)
Other comprehensive (loss)/income:				
Available-for-sale financial assets:				
- Fair value (losses)/gains	A	(191,333)	129,971	(247)
- Reversal/(provision) of deferred tax liabilities	B	96,327	(14,356)	771
Liquidation of an available-for-sale financial asset		-	(7,456)	100
Cash flow hedges:				
- Fair value gains		73	1,082	(93)
- Transfer to income statement		(283)	(379)	25
Currency translation differences arising from consolidation of foreign operations	C	3,946	5,224	(24)
Share of other comprehensive income of an associated company		2,516	2,852	(12)
Other comprehensive (loss)/income, net of tax		(88,754)	116,938	(176)
Total comprehensive income		324,424	877,213	(63)
<u>Attributable to:</u>				
Equity holders of the Company		302,838	801,176	(62)
Non-controlling interests		21,586	76,037	(72)
		324,424	877,213	(63)

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

A Fair value (losses)/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 decrease in value for the financial year ended 31 December 2015 was due to the decrease in the closing bid prices of the relevant quoted equity shares from the previous financial year.

B Reversal/(provision) of deferred tax liabilities

The deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets as at 31 December 2014 amounting to \$96.3 million has been reversed following the agreement with Inland Revenue Authority of Singapore that these assets are non-trading in nature.

C Currency translation differences arising from consolidation of foreign operations

The currency translation differences arose mainly from the translation of the net assets of the Group's foreign subsidiaries which are denominated in USD, AUD, RMB, MYR, VND and GBP.

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	
		31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000
ASSETS					
Current assets					
Cash and bank balances		276,398	286,506	1,546	2,849
Trade and other receivables	A	197,106	247,557	2,551	46,936
Derivative financial instrument		1,338	35	-	-
Developed properties held for sale		40,251	51,354	-	-
Development properties	B	1,444,041	1,663,857	-	-
Inventories		734	802	-	-
Available-for-sale financial assets	C	-	648,514	-	648,514
Other assets		15,618	19,261	199	213
Current income tax assets		125	98	-	-
		1,975,611	2,917,984	4,296	698,512
Non-current assets					
Trade and other receivables	A	13,348	77,374	745,969	782,512
Derivative financial instrument		-	578	-	323
Available-for-sale financial assets	C	804,872	340,272	619,647	111,748
Investments in associated companies		3,279,632	3,104,327	162,737	162,259
Investments in joint venture companies		86,349	57,232	-	-
Investments in subsidiaries		-	-	1,800,714	1,800,714
Investment properties	D	4,134,897	4,080,214	421,500	409,800
Property, plant and equipment		1,178,534	1,241,180	1,113	1,349
Intangibles		23,336	25,677	14	318
Deferred income tax assets		4,702	3,623	-	-
		9,525,670	8,930,477	3,751,694	3,269,023
Total assets		11,501,281	11,848,461	3,755,990	3,967,535
LIABILITIES					
Current liabilities					
Trade and other payables		238,322	281,731	397,787	325,472
Current income tax liabilities		41,788	75,216	1,205	3,499
Bank loans	E	523,339	1,116,665	179,403	336,940
2.493% unsecured fixed rate notes due 2015	F	-	174,938	-	174,938
Finance lease liabilities		266	280	-	-
		803,715	1,648,830	578,395	840,849
Non-current liabilities					
Trade and other payables		156,027	153,996	4,279	2,038
Finance lease liabilities		3,553	3,746	-	-
Bank loans	E	1,730,325	1,603,931	207,434	-
2.5% unsecured fixed rate notes due 2018	F	174,646	-	-	-
3.043% unsecured fixed rate notes due 2017		74,899	74,824	74,899	74,824
Derivative financial instrument		978	-	978	-
Loan from non-controlling shareholder of a subsidiary		63,009	54,158	-	-
Provision for retirement benefits		3,854	3,813	-	-
Deferred income tax liabilities	G	89,159	174,264	3,490	100,118
		2,296,450	2,068,732	291,080	176,980
Total liabilities		3,100,165	3,717,562	869,475	1,017,829
NET ASSETS		8,401,116	8,130,899	2,886,515	2,949,706
Capital & reserves attributable to equity holders of the Company					
Share capital		1,216,099	1,151,512	1,216,099	1,151,512
Reserves		889,866	977,032	475,608	524,924
Retained earnings		5,788,210	5,514,185	1,194,808	1,273,270
		7,894,175	7,642,729	2,886,515	2,949,706
Non-controlling interests					
		506,941	488,170	-	-
TOTAL EQUITY		8,401,116	8,130,899	2,886,515	2,949,706

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 and non-current trade and other receivables

Current and non-current trade and other receivables have decreased due mainly to 1) the repayment by an associated company, Peak Venture Pte. Ltd. of an advance of \$67.0 million made in end 2014 for a tender deposit; and 2) the repayment of \$77.8 million in shareholders' loan made out to United Venture Development (Bedok) Pte. Ltd. for the Archipelago project.

B Development properties

The decrease in development properties resulted mainly from the completion of Katong Regency and progressive billings for on-going development projects.

C Available-for-sale financial assets

Available-for-sale financial assets previously included under current assets have been re-classified to non-current assets following the Group's agreement with the Inland Revenue Authority of Singapore ("IRAS") that these assets are long term investments and non-trading in nature.

D 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.

E Current and non-current bank loans

The net decrease in current and non-current bank loans resulted mainly from 1) a repayment of \$67 million which was advanced to an associated company for a tender deposit in end 2014; and 2) funds received from progress instalments from the sale of units in development projects, Spottiswoode Residences, Seventy Saint Patrick's, Riverbank@Fernvale and Botanique at Bartley which were used to repay bank loans.

F 2.493% unsecured fixed rate notes due 2015/2.5% unsecured fixed rate notes due 2018

The 2.493% unsecured fixed rate notes due 2015 of \$175 million was redeemed on 8 May 2015. A new 2.5% unsecured fixed rate notes due 2018 of \$175 million was issued on 20 April 2015 and will mature on 20 April 2018.

G Deferred income tax liabilities

The deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets as at 31 December 2014 amounting to \$96.3 million has been reversed to reserves following the agreement with IRAS that these assets are non-trading in nature.

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

	As at 31.12.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	91,989	431,535	451,548	840,582
Amount repayable after one year	1,027,767	1,022,129	1,109,960	629,158

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 year ended 31 December

	Note	The Group	
		2015 \$'000	2014 \$'000
Cash flows from operating activities			
Net profit		413,178	760,275
Adjustments for:			
Income tax expense		47,195	76,691
Non-cash items		(81,245)	(172,599)
Dividend income and interest income		(48,328)	(34,264)
Interest expense		30,510	25,347
Fair value gains on the Group's investment properties		(60,902)	(217,848)
Negative goodwill on acquisition of interests in an associated company		(5,755)	(3,331)
Write-back of impairment charge on property, plant and equipment		(11,757)	(14,889)
Impairment charge on property, plant and equipment		40,224	-
Gain on liquidation of an available-for-sale financial asset		(676)	(7,332)
		<u>322,444</u>	<u>412,050</u>
Change in working capital			
Receivables	i	49,599	(62,015)
Development properties	ii	209,858	(456,220)
Derivative financial instrument		-	616
Inventories		68	(99)
Payables	iii	(813)	(208,448)
		<u>258,712</u>	<u>(726,166)</u>
Cash generated from/(used in) operations		581,156	(314,116)
Income tax paid		(66,704)	(96,521)
Bank deposits released/(pledged) as security		2,150	(31)
Net cash from/(used in) operating activities		<u>516,602</u>	<u>(410,668)</u>
Cash flows from investing activities			
Proceeds from liquidation of an available-for-sale financial asset		676	17,908
Redemption of preference shares by an associated company		-	6,275
Liquidation of subsidiaries		-	(1,607)
Proceeds from liquidation of associated companies		3,150	-
Payments for intangibles		(570)	(2,382)
Payments for interests in associated companies		(17,788)	(17,714)
Loans to an associated company and a joint venture company		(1,110)	(1,625)
Repayment of loan by a joint venture company	iv	77,800	-
Net proceeds from disposal of property, plant and equipment		281	173
Purchase of property, plant and equipment and investment properties	v	(47,262)	(157,266)
Interest received		6,039	5,466
Dividends received		42,015	18,672
Net cash from/(used in) investing activities		<u>63,231</u>	<u>(132,100)</u>
Cash flows from financing activities			
Proceeds from shares issued		7,926	3,577
Net proceeds from issue of shares to non-controlling shareholder of a subsidiary		-	300
Payments to non-controlling shareholder of a subsidiary for redemption of preference shares		-	(17,210)
Payments to non-controlling shareholder for purchase of shares in a subsidiary		-	(774)
Loans from non-controlling shareholder of a subsidiary		8,851	54,158
Repayment of loan from non-controlling shareholder of a subsidiary		-	(16,675)
Repayment of 2.5% unsecured fixed rate notes due 2014		-	(300,000)
Proceeds from 2.5% unsecured fixed rate notes due 2018		175,000	-
Repayment of 2.493% unsecured fixed rate notes due 2015		(175,000)	-
Proceeds from borrowings	vi	441,812	1,252,182
Repayment of borrowings	vi	(916,390)	(294,162)
Expenditure relating to bank borrowings		(4,158)	(5,741)
Interest paid		(57,678)	(49,830)
Payment of finance lease liabilities		(270)	(196)
Dividends paid to equity holders of the Company		(61,515)	(57,134)
Dividends paid to non-controlling interests	vii	(2,815)	(35,027)
Net cash (used in)/from financing activities		<u>(584,237)</u>	<u>533,468</u>
Net decrease in cash and cash equivalents		<u>(4,404)</u>	<u>(9,300)</u>
Cash and cash equivalents at the beginning of the financial year		280,855	287,997
Effects of currency translation on cash and cash equivalents		(3,905)	2,158
Cash and cash equivalents at the end of the financial year	viii	<u>272,546</u>	<u>280,855</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

Cash inflow for receivables for 2015 were mainly from the repayment by an associated company for an advance of \$67 million in relation to a tender deposit made in end 2014. The cash outflow for 2014 resulted from the same advance made out towards the end of 2014.

ii. Development properties

The cash inflow for development properties in 2015 arose mainly from progress billings of development projects while the cash outflow in 2014 relates mainly to the acquisition of land parcels at Upper Paya Lebar, Prince Charles Crescent and Bishopsgate, London.

iii. Payables

The movement in 2014 included an amount of \$179.8 million relating to the recognition of revenue from sales proceeds received in advance from the sale of residential and office units in The Esplanade, Tianjin upon its completion in 2014. The sales proceeds received in advance were previously recognised as a payable until the completion of the project as the project is accounted for using the completion of construction method.

iv. Repayment of loan by a joint venture company

The loan to a joint venture company, United Venture Development (Bedok) Pte. Ltd., was partially repaid during the financial year from sales proceeds received upon the completion of its development project, Archipelago.

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

Purchases of property, plant and equipment and investment properties arose mainly from expenditure for the on-going improvements to the Group's hotels.

vi. Proceeds from borrowings/Repayment of borrowings

Net repayments from borrowings during the year were mainly from funds received from the progress billings of the Group's development projects. Proceeds from borrowings in 2014 were mainly for the acquisition of land parcels at Prince Charles Crescent and Bishopsgate, London.

vii. Dividends paid to non-controlling interests

The higher dividends paid in 2014 was due mainly to the distribution of dividends of proceeds from the sale of Jalan Conlay to the non-controlling shareholders of a subsidiary, Suasana Simfoni Sdn Bhd, for which the Group holds a 60% interest.

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>2015</u>	<u>2014</u>
	\$'000	\$'000
Fixed deposits with financial institutions	187,783	152,804
Cash at bank and on hand	<u>88,615</u>	<u>133,702</u>
Cash and bank balances per Statement of Financial Position	276,398	286,506
Less: Bank deposits pledged as security	(3,852)	(5,651)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u><u>272,546</u></u>	<u><u>280,855</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 year ended 31 December

<u>The Group</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2015					
Beginning of financial year	1,151,512	977,032	5,514,185	488,170	8,130,899
Profit for the year	-	-	391,389	21,789	413,178
Other comprehensive loss for the year	-	(88,551)	-	(203)	(88,754)
Total comprehensive (loss)/income for the year	-	(88,551)	391,389	21,586	324,424
Employee share option scheme					
- value of employee services	-	1,360	-	-	1,360
- proceeds from shares issued	7,926	-	-	-	7,926
Dividends	-	-	(118,176)	(2,815)	(120,991)
Issue of shares under scrip dividend scheme	56,661	-	-	-	56,661
Share of an associated company's acquisition of interests from non-controlling shareholders	-	25	812	-	837
Total transactions with owners, recognised directly in equity	64,587	1,385	(117,364)	(2,815)	(54,207)
End of financial year	1,216,099	889,866	5,788,210	506,941	8,401,116
2014					
Beginning of financial year	1,050,897	855,311	4,853,490	467,272	7,226,970
Profit for the year	-	-	685,996	74,279	760,275
Other comprehensive income for the year	-	115,180	-	1,758	116,938
Total comprehensive income for the year	-	115,180	685,996	76,037	877,213
Employee share option scheme					
- value of employee services	-	1,489	-	-	1,489
- proceeds from shares issued	3,577	-	-	-	3,577
Dividends	-	-	(154,172)	(35,027)	(189,199)
Issue of shares under scrip dividend scheme	97,038	-	-	-	97,038
Acquisition of interests from non-controlling shareholders	-	-	821	(1,595)	(774)
Issue of shares to non-controlling shareholders	-	-	-	300	300
Liquidation of subsidiaries	-	-	-	(1,607)	(1,607)
Redemption of preference shares held by non-controlling shareholders	-	-	-	(17,210)	(17,210)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	5,052	128,050	-	133,102
Total transactions with owners, recognised directly in equity	100,615	6,541	(25,301)	(55,139)	26,716
End of financial year	1,151,512	977,032	5,514,185	488,170	8,130,899

- 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 year ended 31 December

<u>The Company</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2015				
Beginning of financial year	1,151,512	524,924	1,273,270	2,949,706
Profit for the year	-	-	39,714	39,714
Other comprehensive loss for the year	-	(50,676)	-	(50,676)
Total comprehensive (loss)/income for the year	-	(50,676)	39,714	(10,962)
Employee share option scheme				
- value of employee services	-	1,360	-	1,360
- proceeds from shares issued	7,926	-	-	7,926
Dividends	-	-	(118,176)	(118,176)
Issue of shares under scrip dividend scheme	56,661	-	-	56,661
Total transactions with owners, recognised directly in equity	64,587	1,360	(118,176)	(52,229)
End of financial year	1,216,099	475,608	1,194,808	2,886,515
2014				
Beginning of financial year	1,050,897	437,773	1,381,358	2,870,028
Profit for the year	-	-	46,084	46,084
Other comprehensive income for the year	-	85,662	-	85,662
Total comprehensive income for the year	-	85,662	46,084	131,746
Employee share option scheme				
- value of employee services	-	1,489	-	1,489
- proceeds from shares issued	3,577	-	-	3,577
Dividends	-	-	(154,172)	(154,172)
Issue of shares under scrip dividend scheme	97,038	-	-	97,038
Total transactions with owners, recognised directly in equity	100,615	1,489	(154,172)	(52,068)
End of financial year	1,151,512	524,924	1,273,270	2,949,706

- 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 financial year ended 31 December 2015, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2015	787,226,153
Issue of ordinary shares arising from the exercise of:	
2006 Options at exercise price of S\$3.21 per share	100,000
2007 Options at exercise price of S\$4.91 per share	102,000
2008 Options at exercise price of S\$3.68 per share	70,000
2010 Options at exercise price of S\$3.95 per share	5,000
2011 Options at exercise price of S\$4.62 per share	54,000
2012 Options at exercise price of S\$5.40 per share	418,000
2013 Options at exercise price of S\$6.55 per share	260,000
2014 Options at exercise price of S\$6.10 per share	429,000
Ordinary shares issued upon exercise of options	1,438,000
Issue of shares under scrip dividend scheme	7,554,850
Issued share capital as at 31 December 2015	<u>796,219,003</u>

During the fourth quarter of 2015, 17,000 ordinary shares (fourth quarter 2014: 170,000) were issued arising from the exercise of options granted under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

As at 31 December 2015, there were 4,574,000 (31.12.2014: 4,787,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares as of 31 December 2015 and 31 December 2014.

- 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	
	31.12.15	31.12.14
Total number of issued shares, excluding treasury shares	796,219,003	787,226,153

- 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 year as those of the audited financial statements for the financial year ended 31 December 2014.

- 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 2015, the Group adopted the new or amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the amended FRS that are relevant to the Group:

Amendments to FRS 19	Defined Benefit Plans: Employee Contributions
Amendments to FRS 102	Share-based Payment
Amendments to FRS 103	Business Combinations
Amendments to FRS 108	Operating Segments
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 24	Related Party Disclosures
Amendments to FRS 38	Intangible Assets
Amendments to FRS 113	Fair Value Measurement
Amendments to FRS 40	Investment Property

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	
	2015	2014
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	cents 49.39	cents 88.00
(ii) On a fully diluted basis	cents 49.35	cents 87.92

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	
	31.12.15	31.12.14	31.12.15	31.12.14
Net asset value per ordinary share	\$9.91	\$9.71	\$3.63	\$3.75
Net tangible asset backing per ordinary share	\$9.89	\$9.68	\$3.63	\$3.75

- 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 2015 decreased by \$82.0 million or 6% to \$1,278.7 million from \$1,360.7 million in 2014 due mainly to the one-time property development revenue of \$220.1 million from the sale of land at Jalan Conlay, Kuala Lumpur and \$213.5 million of property development revenue recognised on a completed contract basis for The Esplanade, Tianjin in 2014. Revenue from development properties in 2015 were mainly from development projects, Katong Regency, Seventy Saint Patrick's, Riverbank@Fernvale and Botanique at Bartley.

Revenue from property investments increased with contribution from OneKM mall which opened in the last quarter of 2014. Revenue from hotel operations was lower as performance at Pan Pacific Perth and PARKROYAL Yangon was affected by refurbishment works while the weakness in the Ringgit and Australian Dollar also affected the reported revenue from the Group's hotels in Malaysia and Australia upon translation to Singapore Dollars.

Dividend income from available-for-sale financial assets was higher with special and 80th anniversary dividends from United Overseas Bank Limited.

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)

Gross profit margin

Gross profit margin for 2015 was lower at 39% in comparison with 43% in 2014 due mainly to higher margins from the sale of land at Jalan Conlay in 2014.

Miscellaneous income

The higher miscellaneous income arose mainly from 1) compensation received for the early termination of leases by a tenant at Novena Square; and 2) advertising and promotion funds received from tenants at OneKM which opened in the last quarter of 2014.

Expenses

The increase in marketing and distribution expenses of \$11.2 million was due mainly to higher sales commissions and showflat costs from the new sales launches and from on-going sales of units at existing projects.

Administrative and other operating expenses have increased with higher expenses for OneKM and Pan Pacific Tianjin which opened in the fourth quarter of 2014 .

Finance expenses have increased with 1) higher average borrowings during 2015 from loans drawn in 2014 for the acquisition of the land parcels at Upper Paya Lebar, Prince Charles Crescent and Bishopsgate, London; 2) higher interest rates on bank loans in comparison with 2014; and 3) unrealised currency exchange losses on the Group's borrowings in US Dollars to fund its investments in the People's Republic of China.

Associated companies

The higher share of profit of associated companies in 2015 was mainly from United Industrial Corporation Limited which had higher profit from its development properties.

Joint venture companies

The share of profit of joint venture companies has decreased with the completion of the Archipelago project in September 2015.

Profit & Loss

The pre-tax profit before fair value and other gains was \$411.6 million, a decrease of 20% or \$103.6 million from the profit of \$515.2 million in 2014. The decrease was attributed mainly to the recognition of one-time pre-tax profit of \$98.9 million from the sale of the land at Jalan Conlay in 2014.

Fair value and other gains/(losses) (including the fair value gains of associated companies) was \$48.8 million compared to \$321.8 million in 2014. Consequently, profit before income tax was \$460.4 million, a 45% decrease from the profit of \$837.0 million in 2014. Profit after tax and non-controlling interest was \$391.4 million or a 43% decrease from the profit of \$686.0 million in 2014.

Net tangible asset and gearing

The Group shareholders' funds increased from \$7.6 billion as at 31 December 2014 to \$7.9 billion as at 31 December 2015 due mainly to profits recognised in 2015. Consequently the net tangible asset per ordinary share of the Group increased to \$9.89 as at 31 December 2015 from \$9.68 as at 31 December 2014.

The Group's gearing ratio improved from 0.34 as at 31 December 2014 to 0.27 as at 31 December 2015 with repayments of Group borrowings coupled with the effects of 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.

The year 2016 started with turbulence in the global financial markets amidst renewed concerns about risks to global economic growth. Of concern are China's slower growth and the fall in commodity prices. In Singapore, the forecast is for the economy to grow by 1.0 to 3.0% in 2016. In the residential property market, sale of new homes in Singapore is expected to remain subdued in the light of slowing economic growth and the continuing effects of the cooling measures. Office rentals will continue to face pressure as more new supply is expected to come on-stream in the second half of 2016. Similarly, retail rentals could soften further with new supply and weak retail sales. The hospitality sector in the Asia Pacific will continue to face competitive pressures in the light of an uncertain global economic outlook.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	First & Final
Dividend Type	:	Cash/Scrp
Dividend Rate	:	15.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(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	:	First & Final
Dividend Type	:	Cash/Scrp
Dividend Rate	:	15.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(c) Date payable

First & Final	:	Subject to shareholders' approval for payment of the First & Final Dividends and payment date to be announced later
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(d) Books closure date

The books closure dates will be announced at a later date.

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

Not applicable.

- 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.

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Property development				Property investments	Hotel operations					Total
	Singapore	Malaysia	China	United Kingdom		Singapore	Australia	Others	Investments	Others	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group											
2015											
Revenue											
Total segment sales	563,932	-	13,564	-	225,177	172,289	114,712	132,860	87,828	53,087	1,363,449
Inter-segment sales	-	-	-	-	(5,786)	(444)	-	-	(45,539)	(32,931)	(84,700)
Sales to external parties	563,932	-	13,564	-	219,391	171,845	114,712	132,860	42,289	20,156	1,278,749
Share of profit/(loss) of associated companies	610	-	(121)	-	129,681	5,435	-	905	-	43	136,553
Share of profit of joint venture companies	29,117	-	-	-	-	-	-	-	-	-	29,117
Adjusted EBITDA*	83,337	(51)	1,166	(297)	278,728	63,859	25,891	28,324	42,254	15,463	538,674
Depreciation and amortisation	-	(5)	(58)	-	(4,330)	(22,090)	(12,301)	(26,208)	-	(2,239)	(67,231)
Other gains/(losses)	-	-	-	-	5,755	-	11,757	(40,224)	676	-	(22,036)
Fair value gains on investment properties	-	-	-	-	60,902	-	-	-	-	-	60,902
Unallocated costs											(14,311)
Finance income											6,039
Finance expense											(41,664)
Profit before income tax											460,373
Income tax expense											(47,195)
Net profit											413,178
2014											
Revenue											
Total segment sales	242,296	220,072	213,513	-	203,960	173,423	132,070	132,544	135,275	51,486	1,504,639
Inter-segment sales	-	-	-	-	(5,754)	(463)	-	-	(106,477)	(31,226)	(143,920)
Sales to external parties	242,296	220,072	213,513	-	198,206	172,960	132,070	132,544	28,798	20,260	1,360,719
Share of profit of associated companies	135	-	(130)	-	191,478	5,643	-	993	-	65	198,184
Share of profit of joint venture companies	38,590	-	-	-	-	-	-	-	-	-	38,590
Adjusted EBITDA*	75,245	98,791	11,437	(281)	333,189	64,036	32,744	34,876	28,764	17,263	696,064
Depreciation and amortisation	(6)	-	(65)	-	(4,415)	(21,687)	(12,528)	(19,133)	-	(2,138)	(59,972)
Other gains	-	-	-	-	3,331	11,553	3,336	-	7,332	-	25,552
Fair value gains on investment properties	-	-	-	-	217,848	-	-	-	-	-	217,848
Unallocated costs											(13,983)
Finance income											5,466
Finance expense											(34,009)
Profit before income tax											836,966
Income tax expense											(76,691)
Net profit											760,275

* Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted to exclude unallocated costs, other gains/(losses) and fair value gains on investment properties

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

16 A breakdown of sales

	The Group		
	For the year ended		
	31.12.15	31.12.14	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	580,496	622,394	(7)
(b) Profit after tax before deducting non-controlling interests reported for first half year	242,306	386,046	(37)
(a) Sales reported for second half year	698,253	738,325	(5)
(b) Profit after tax before deducting non-controlling interests reported for second half year	170,872	374,229	(54)

17 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary one-tier dividend	119,433	118,176

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wee Wei Ling	64	<p>Daughter of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL").</p> <p>Sister of Mr Wee Ee-chao, Mr Wee Ee Lim and Mr Wee Ee Cheong, substantial shareholders of UOL.</p> <p>Mr Wee Ee-chao and Mr Wee Ee Lim are also directors of UOL.</p>	<p>Executive Director (Asset and Lifestyle) of Pan Pacific Hotels Group Limited ("PPHG").</p> <p>Oversees the approval of all capital expenditure for PPHG's owned hotel properties, and is responsible for the running of St Gregory Spa Pte Ltd and Dou Hua Restaurants Pte Ltd. Also co-ordinates PPHG's corporate social responsibility and charitable initiatives.</p> <p>Director of PPHG since 1994. PPHG is a wholly-owned subsidiary of UOL.</p>	Nil

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
26 February 2016