

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		
		2016	2015	+ / (-)
		\$'000	\$'000	%
Revenue	A	1,440,739	1,278,749	13
Cost of sales		(955,729)	(774,876)	23
Gross profit		485,010	503,873	(4)
Other income				
- Finance income		5,406	6,039	(10)
- Miscellaneous income		17,175	18,374	(7)
Expenses				
- Marketing and distribution	B	(63,374)	(67,275)	(6)
- Administrative		(77,660)	(81,010)	(4)
- Finance	C	(30,292)	(41,664)	(27)
- Other operating		(81,310)	(82,500)	(1)
Share of profit of associated companies excluding fair value (losses)/gains of associated companies' investment properties		131,993	126,633	4
Share of profit of joint venture companies excluding other losses of a joint venture company		4,256	29,117	(85)
Profit before fair value and other (losses)/gains and income tax		391,204	411,587	(5)
Other losses of a joint venture company	D	(3,169)	-	n.m.
Other losses of the Group	E	(23,275)	(22,036)	6
Fair value (losses)/gains on associated companies' investment properties		(1,144)	9,920	(112)
Fair value (losses)/gains on the Group's investment properties		(9,700)	60,902	(116)
Profit before income tax	F	353,916	460,373	(23)
Income tax expense	G	(48,316)	(47,195)	2
Net profit		305,600	413,178	(26)
<u>Attributable to:</u>				
Equity holders of the Company		287,040	391,389	(27)
Non-controlling interests		18,560	21,789	(15)
		305,600	413,178	(26)
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		324,200	350,362	(7)
Other losses including those of a joint venture company		(26,444)	(22,036)	20
Fair value (losses)/gains on investment properties including those of associated companies		(10,716)	63,063	(117)
Net attributable profit		287,040	391,389	(27)

n.m. : not meaningful

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

	The Group			
	For the year ended 31 December			
	2016	2015	+ / (-)	
	\$'000	\$'000	%	
A	<u>Revenue</u>			
	Revenue from property development	733,934	577,496	27
	Revenue from property investments	225,038	219,391	3
	Revenue from hotel ownership and operations	429,613	419,417	2
	Revenue from hotel and other management services	21,973	20,156	9
	Dividend income from available-for-sale financial assets	30,181	42,289	(29)
		1,440,739	1,278,749	13
B	<u>Marketing and distribution expense</u>			
	Advertising and promotion	25,152	26,507	(5)
	Marketing and distribution payroll and related expenses	18,912	18,377	3
	Sales commissions	12,283	14,134	(13)
	Showflat expenses	7,027	8,257	(15)
		63,374	67,275	(6)
C	<u>Finance expense</u>			
	Bank facility fees	3,549	3,689	(4)
	Interest expense	55,575	58,593	(5)
	Less: borrowing costs capitalised	(29,868)	(31,772)	(6)
	Currency exchange losses (net)	1,036	11,154	(91)
		30,292	41,664	(27)
D	<u>Other losses of a joint venture company</u>			
	Acquisition of Holborn Island - share of:			
	- Gain on purchase (See footnote 1 below)	8,736	-	n.m.
	- Business acquisition costs (See footnote 1 below)	(11,905)	-	n.m.
		(3,169)	-	n.m.
E	<u>Other gains/(losses) of the Group</u>			
	Negative goodwill on acquisition of interests in an associated company	7,400	5,755	29
	Acquisition of 110 High Holborn			
	- Gain on purchase (See footnote 1 below)	3,518	-	n.m.
	- Business acquisition costs (See footnote 1 below)	(10,234)	-	n.m.
	Write-back of impairment charge on property, plant and equipment (See footnote 2 below)	2,741	11,757	(77)
	Impairment charge on property, plant and equipment (See footnote 2 below)	(26,700)	(40,224)	(34)
	Gain on liquidation of an available-for-sale financial asset	-	676	(100)
		(23,275)	(22,036)	6

n.m. : not meaningful

¹ The gain on purchase for Holborn Island and 110 High Holborn represents the provisional amount recognised upon the acquisition of the investment properties in London by a joint venture company and a wholly owned subsidiary respectively. The transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations ("FRS103") and the gain resulted as the consideration for the acquisition was lower than the fair value of the net identifiable assets acquired. Business acquisition costs, comprising mainly stamp duty and professional fees incurred for the acquisition, were recognised in the income statement in accordance with FRS 103.

² The write-back of impairment charge was in respect of Pan Pacific Tianjin. The impairment charge was in respect of the hotel under development in Bishopsgate, London for an amount of \$26.7 million (2015: \$37.0 million). The impairment charge arose from difference between the valuation of the hotel upon completion (as appraised by professional valuers on the basis of value-in-use using the discounted cash flow approach) less the estimated total development cost of the hotel. In 2016, the total development cost estimate has increased as compared to that in 2015 because of market uncertainties following United Kingdom's decision to leave the European Union as well as delay in obtaining the regulatory approval for certain amendments to the planning permission including increasing the number of hotel rooms and residential units. These factors resulted in a further impairment charge of \$26.7 million for the current financial year.

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

	The Group		
	For the year ended 31 December		
	2016	2015	+ / (-)
	\$'000	\$'000	%
F <u>Profit before income tax</u>			
Profit before income tax is stated after charging:			
Depreciation and amortisation	66,604	67,231	(1)
Property, plant and equipment written off and net loss on disposals	1,152	2,163	(47)
G <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	36,901	31,364	18
- Foreign	8,125	7,045	15
- Withholding tax paid	582	623	(7)
Deferred income tax			
- fair value loss of investment properties	(128)	(778)	(84)
- others	4,234	12,194	(65)
	49,714	50,448	(1)
- Over/(under) provision in prior financial years:			
Current income tax			
- Singapore	(1,487)	(1,733)	(14)
- Foreign	9	(581)	(102)
Deferred income tax	80	(939)	(109)
	48,316	47,195	2
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	353,916	460,373	(23)
Share of profit of associated companies, net of tax	(130,849)	(136,553)	(4)
Share of profit of joint venture companies, net of tax	(1,087)	(29,117)	(96)
Profit before tax and share of profit of associated companies and joint venture companies	221,980	294,703	(25)
Tax calculated at a tax rate of 17%	37,737	50,100	(25)
Effects of:			
- Singapore statutory stepped income exemption	(538)	(592)	(9)
- Tax rebates	(397)	(429)	(7)
- Different tax rates in other countries	1,134	2,265	(50)
- Income not subject to tax (See footnote 3 below)	(10,735)	(26,671)	(60)
- Expenses not deductible for tax purposes (See footnote 3 below)	16,971	16,962	0
- Utilisation of previously unrecognised tax losses	(9)	(9)	-
- Deferred tax assets not recognised in the current financial year	5,551	8,822	(37)
- Over provision in prior financial years	(1,398)	(3,253)	(57)
Tax charge	48,316	47,195	2

³ 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, gain on purchase of 110 High Holborn, negative goodwill on acquisition of interests in an associated company and dividend income from available-for-sale financial assets. Expenses not deductible for tax purposes comprises mainly fair value losses on the Group's investment properties, impairment charge on property, plant and equipment, business acquisition costs for the purchase of 110 High Holborn and exchange losses.

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

	Note	The Group		
		For the year ended 31 December		
		2016	2015	+ / (-)
		\$'000	\$'000	%
Net profit		305,600	413,178	(26)
Other comprehensive income/(loss):				
Available-for-sale financial assets:				
- Fair value gains/(losses)	A	37,066	(191,333)	119
- Reversal of deferred tax liabilities	B	-	96,327	(100)
Cash flow hedges:				
- Fair value (losses)/gains		(2,050)	73	(2,908)
- Transfer to income statement		(1,891)	(283)	568
Currency translation differences arising from consolidation of foreign operations	C	(7,210)	3,946	(283)
Share of other comprehensive (loss)/income of an associated company		(4,569)	2,516	(282)
Other comprehensive income/(loss), net of tax		21,346	(88,754)	124
Total comprehensive income		326,946	324,424	1
<u>Attributable to:</u>				
Equity holders of the Company		308,216	302,838	2
Non-controlling interests		18,730	21,586	(13)
		326,946	324,424	1

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 financial year ended 31 December 2016 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous financial year.

B Reversal of deferred tax liabilities

In 2015, the deferred tax liability previously provided on the fair value gains of current available-for-sale financial assets were 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	
		31.12.16	31.12.15	31.12.16	31.12.15
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances		301,512	276,398	1,680	1,546
Trade and other receivables	A	99,597	197,106	1,579	2,551
Derivative financial instrument		-	1,338	-	-
Developed properties held for sale		31,878	40,251	-	-
Development properties	B	1,142,342	1,444,041	-	-
Inventories		651	734	-	-
Other assets		16,993	15,618	242	199
Current income tax assets		157	125	-	-
		1,593,130	1,975,611	3,501	4,296
Non-current assets					
Trade and other receivables	C	128,780	13,348	783,355	745,969
Derivative financial instrument		207	-	-	-
Available-for-sale financial assets	D	855,051	804,872	658,110	619,647
Investments in associated companies		3,409,827	3,279,632	163,725	162,737
Investments in joint venture companies		77,747	86,349	-	-
Investments in subsidiaries		-	-	1,779,176	1,800,714
Investment properties	E	4,299,597	4,134,897	421,500	421,500
Property, plant and equipment		1,165,536	1,178,534	1,009	1,113
Intangibles		24,361	23,336	-	14
Deferred income tax assets		3,904	4,702	-	-
		9,965,010	9,525,670	3,806,875	3,751,694
Total assets		11,558,140	11,501,281	3,810,376	3,755,990
LIABILITIES					
Current liabilities					
Trade and other payables		203,125	238,322	564,319	397,787
Current income tax liabilities		50,699	41,788	1,838	1,205
Bank loans	F	653,429	523,339	140,559	179,403
3.043% unsecured fixed rate notes due 2017		74,974	-	74,974	-
Finance lease liabilities		272	266	-	-
		982,499	803,715	781,690	578,395
Non-current liabilities					
Trade and other payables		157,013	156,027	4,491	4,279
Finance lease liabilities		3,634	3,553	-	-
Bank loans	F	1,200,202	1,730,325	176,417	207,434
2.5% unsecured fixed rate notes due 2020	G	239,120	-	-	-
2.5% unsecured fixed rate notes due 2018		174,803	174,646	-	-
3.043% unsecured fixed rate notes due 2017		-	74,899	-	74,899
Derivative financial instrument	H	4,272	978	3,596	978
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		4,927	3,854	-	-
Deferred income tax liabilities		93,297	89,159	2,960	3,490
		1,940,277	2,296,450	187,464	291,080
Total liabilities		2,922,776	3,100,165	969,154	869,475
NET ASSETS		8,635,364	8,401,116	2,841,222	2,886,515
Capital & reserves attributable to equity holders of the Company					
Share capital		1,269,853	1,216,099	1,269,853	1,216,099
Reserves		912,147	889,866	503,144	475,608
Retained earnings		5,945,154	5,788,210	1,068,225	1,194,808
		8,127,154	7,894,175	2,841,222	2,886,515
Non-controlling interests		508,210	506,941	-	-
TOTAL EQUITY		8,635,364	8,401,116	2,841,222	2,886,515

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

Current trade and other receivables have decreased from 2015 due mainly to the repayment of loans by joint venture companies, United Venture Development (Bedok) Pte. Ltd. and United Venture Development (Thomson) Pte. Ltd. following the completion of their development projects, Archipelago and Thomson Three.

B Development properties

The decrease in development properties was due mainly to the completion of Seventy Saint Patrick's in September 2016 and progressive billings for on-going development projects.

C Non-current trade and other receivables

Non-current trade and other receivables have increased with new shareholder's loans granted to joint venture companies, 1) United Venture Development (Clementi) Pte. Ltd. for the acquisition of a residential site at Clementi Avenue 1; 2) UVD (Projects) Pte. Ltd. for the en-bloc purchase of a leasehold property at Potong Pasir Avenue 1; and 3) United Venture Investments (HI) Pte. Ltd. for the acquisition of Holborn Island, an investment property in London, United Kingdom. The Group has a 50% interest in each of these joint venture companies. A loan of \$4.3 million was also made out to a 20% owned associated company, City Square Hotel Co Ltd for the construction of Pan Pacific Yangon in Myanmar.

D Available-for-sale financial assets

The increase in available-for-sale financial assets was made up of \$37.1 million in fair value gains and \$13.1 million from the election to receive scrip dividends from United Overseas Bank Limited.

E 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. The increase in investment properties was due mainly to the acquisition of an investment property at 110 High Holborn, London for a consideration of £97.1 million (\$181.7 million) in June 2016.

F Current and non-current bank loans

The increase in current bank loans was due mainly to \$428.0 million in bank loans reclassified from non-current to current as they mature in 2017. The net decrease in current and non-current bank loans of \$400.0 million was due mainly to repayments with proceeds from 1) a \$240 million unsecured fixed rate note issued in September 2016; 2) funds from operations; and 3) funds from the progressive billings of development projects such as Thomson Three and Seventy Saint Patrick's which were completed in May 2016 and September 2016 respectively.

G 2.5% unsecured fixed rate notes due 2020

Unsecured fixed rate notes with a coupon rate of 2.5% were issued by a wholly owned subsidiary, UOL Treasury Services Pte. Ltd. on 29 September 2016 and will mature on 29 September 2020.

H Derivative financial instrument

The \$4.3 million of derivative financial instrument under non-current liability resulted mainly from fair value losses on interest rate swaps entered into by the Group to hedge floating rate interest payments on bank loans where the Group pays fixed and receives floating rates on the swaps.

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

	As at 31.12.16		As at 31.12.15	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	112,167	616,659	91,989	431,535
Amount repayable after one year	568,702	1,113,791	1,027,767	1,022,129

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	
		2016 \$'000	2015 \$'000
Cash flows from operating activities			
Net profit		305,600	413,178
Adjustments for:			
Income tax expense		48,316	47,195
Non-cash items		(61,922)	(81,245)
Dividend and interest income		(35,587)	(48,328)
Interest expense		29,256	30,510
Fair value losses/(gains) on the Group's investment properties		9,700	(60,902)
Negative goodwill on acquisition of interests in an associated company		(7,400)	(5,755)
Write-back of impairment charge on property, plant and equipment		(2,741)	(11,757)
Impairment charge on property, plant and equipment		26,700	40,224
Gain on liquidation of an available-for-sale financial asset		-	(676)
Gain on purchase of a business		(3,518)	-
		<u>308,404</u>	<u>322,444</u>
Change in working capital			
Receivables	i	13,593	49,599
Development properties	ii	244,626	209,858
Inventories		83	68
Payables		1,738	(813)
		<u>260,040</u>	<u>258,712</u>
Cash generated from operations		568,444	581,156
Income tax paid		(33,475)	(66,704)
Retirement benefits paid		(16)	-
Release of bank deposits pledged as security		3,562	2,150
Net cash from operating activities		<u>538,515</u>	<u>516,602</u>
Cash flows from investing activities			
Proceeds from liquidation of an available-for-sale financial asset		-	676
Proceeds from liquidation of associated companies		1,100	3,150
Payments for intangibles		(2,286)	(570)
Payments for interests in associated companies	iii	(12,976)	(17,788)
Payments for interests in joint venture companies	iii	(23,311)	-
Loans to an associated company and joint venture companies	iv	(113,797)	(1,110)
Repayment of loan by a joint venture company	v	87,313	77,800
Net proceeds from disposal of property, plant and equipment		235	281
Acquisition of a business	vi	(181,749)	-
Purchase of property, plant and equipment and investment properties	vii	(66,337)	(47,262)
Interest received		5,406	6,039
Dividends received		57,391	42,015
Net cash (used in)/from investing activities		<u>(249,011)</u>	<u>63,231</u>
Cash flows from financing activities			
Proceeds from shares issued		1,095	7,926
Payment to a non-controlling shareholder for purchase of shares in a subsidiary	viii	(19,865)	-
Loans from non-controlling shareholder of a subsidiary		-	8,851
Proceeds from 2.5% unsecured fixed rate notes due 2020	ix	240,000	-
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	ix	1,459,712	441,812
Repayment of borrowings	ix	(1,804,891)	(916,390)
Expenditure relating to bank borrowings		(2,127)	(4,158)
Interest paid		(57,041)	(57,678)
Payment of finance lease liabilities		(269)	(270)
Dividends paid to equity holders of the Company		(64,278)	(61,515)
Dividends paid to non-controlling interests		(2,000)	(2,815)
Payments for share buy-back		(8,863)	-
Net cash used in financing activities		<u>(258,527)</u>	<u>(584,237)</u>
Net increase/(decrease) in cash and cash equivalents		<u>30,977</u>	<u>(4,404)</u>
Cash and cash equivalents at the beginning of the financial year		272,546	280,855
Effects of currency translation on cash and cash equivalents		(2,211)	(3,905)
Cash and cash equivalents at the end of the financial year	x	<u><u>301,312</u></u>	<u><u>272,546</u></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

The cashflow movement for receivables in 2016 were due mainly to the timing of progressive billings of development projects. The cash inflow for receivables in 2015 arose mainly from the repayment by an associated company for an advance of \$67 million in relation to a tender deposit made in end 2014.

ii. Development properties

The cash inflow for development properties in 2016 and 2015 arose mainly from progressive billings of development projects and in particular, from the receipt of temporary occupation permit for Seventy Saint Patrick's in 2016 and Katong Regency in 2015.

iii. Payments for interests in associated and joint venture companies

The payments for interests in associated companies relate to acquisition of shares in United Industrial Corporation Limited and capital injection into City Square Hotel Co Ltd ("CSHC") for the construction of Pan Pacific Yangon in Myanmar. The payments for interests in joint venture companies relate to capital contributions for United Venture Development (Clementi) Pte. Ltd. ("UVDC") for the acquisition of a residential site at Clementi Avenue 1 and United Venture Investments (HI) Pte Ltd ("UVIHI") for the acquisition of Holborn Island in London.

iv. Loans to an associated company and joint venture companies

New loans were made out to 1) CSHC and UVDC for their respective construction projects; 2) UVD (Projects) Pte. Ltd. for the en-bloc purchase of the leasehold property known as Raintree Gardens at Potong Pasir; and 3) UVIHI for the acquisition of Holborn Island.

v. Repayment of loan by a joint venture company

The repayment of loan was by United Venture Development (Thomson) Pte. Ltd., with proceeds from the completion of its development project, Thomson Three.

vi. Acquisition of a business

The acquisition of a business relates to the Group's purchase of 110 High Holborn in London, United Kingdom.

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

Purchase of property, plant and equipment and investment properties relates mainly to 1) expenditure for the hotel under development in Bishopsgate, London; 2) costs associated with the new 90-room extension and expanded meeting facilities at PARKROYAL Parramatta; and 3) refurbishments and other improvements at PARKROYAL Penang and Pan Pacific Suzhou.

viii. Payment to non-controlling shareholder for purchase of shares in a subsidiary

The payment was for the acquisition of the remaining 10% interest held by a non-controlling shareholder in Tianjin UOL Xiwang Real Estate Development Co., Ltd., ("TUX") for an aggregate cash consideration of RMB93.0 million (\$19.9 million). Following the acquisition, TUX became a wholly owned subsidiary.

ix. Proceeds from 2.5% unsecured fixed rate notes due 2020/Proceeds from borrowings/Repayment of borrowings

Net repayment of borrowings in 2016 were made with funds from the progressive billings of development projects and the proceeds from issue of unsecured fixed rate notes due 2020.

x. 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>2016</u>	<u>2015</u>
	\$'000	\$'000
Fixed deposits with financial institutions	190,371	187,783
Cash at bank and on hand	111,141	88,615
Cash and bank balances per Statement of Financial Position	301,512	276,398
Less: Bank deposits pledged as security	(200)	(3,852)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>301,312</u>	<u>272,546</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>
2016					
Beginning of financial year	1,216,099	889,866	5,788,210	506,941	8,401,116
Profit for the year	-	-	287,040	18,560	305,600
Other comprehensive income for the year	-	21,176	-	170	21,346
Total comprehensive income for the year	-	21,176	287,040	18,730	326,946
Employee share option scheme					
- value of employee services	-	1,103	-	-	1,103
- proceeds from shares issued	1,095	-	-	-	1,095
Dividends	-	-	(119,416)	(2,000)	(121,416)
Issue of shares under scrip dividend scheme	55,138	-	-	-	55,138
Shares cancelled upon buy-back	(2,479)	-	(6,384)	-	(8,863)
Acquisition of interests from non-controlling shareholder	-	-	(4,404)	(15,461)	(19,865)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	2	108	-	110
Total transactions with owners, recognised directly in equity	53,754	1,105	(130,096)	(17,461)	(92,698)
End of financial year	1,269,853	912,147	5,945,154	508,210	8,635,364
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

- 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>
2016				
Beginning of financial year	1,216,099	475,608	1,194,808	2,886,515
Loss for the year	-	-	(783)	(783)
Other comprehensive income for the year	-	26,433	-	26,433
Total comprehensive income/(loss) for the year	-	26,433	(783)	25,650
Employee share option scheme				
- value of employee services	-	1,103	-	1,103
- proceeds from shares issued	1,095	-	-	1,095
Dividends	-	-	(119,416)	(119,416)
Issue of shares under scrip dividend scheme	55,138	-	-	55,138
Shares cancelled upon buy-back	(2,479)	-	(6,384)	(8,863)
Total transactions with owners, recognised directly in equity	53,754	1,103	(125,800)	(70,943)
End of financial year	1,269,853	503,144	1,068,225	2,841,222
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

- 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 2016, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2016	796,219,003
Shares cancelled upon buy-back	(1,571,200)
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S\$4.91 per share	202,000
2011 Options at exercise price of S\$4.62 per share	6,000
2012 Options at exercise price of S\$5.40 per share	14,000
Ordinary shares issued upon exercise of options	222,000
Issue of shares under scrip dividend scheme	9,741,600
Issued share capital as at 31 December 2016	<u>804,611,403</u>

During the fourth quarter of 2016, 179,000 ordinary shares (fourth quarter 2015: 17,000) 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 2016, there were 5,181,000 (31.12.2015: 4,574,000) 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 2016 and 31 December 2015.

- 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	
	31.12.16	31.12.15
Total number of issued shares, excluding treasury shares	804,611,403	796,219,003

- 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 2015.

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 2016, 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:

- Improvements to Financial Reporting Standards (issued in November 2014)
- Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements
- Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 111 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interests in Other Entities, FRS 28 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

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	
	2016	2015
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	cents 35.82	cents 49.39
(ii) On a fully diluted basis	cents 35.81	cents 49.35

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	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary share	\$10.10	\$9.91	\$3.53	\$3.63
Net tangible asset backing per ordinary share	\$10.07	\$9.89	\$3.53	\$3.63

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.

Revenue

Group revenue in 2016 increased by \$162.0 million or 13% to \$1.44 billion from \$1.28 billion in 2015 with higher revenue from all segments except dividend income which was higher in 2015 due to special and 80th anniversary dividends from United Overseas Bank Limited.

Revenue for property development increased by 27% from 2015 as a result of higher progressive recognition of revenue from on-going development projects, Riverbank@Fernvale, Botanique at Bartley and Principal Garden. Revenue from hotel operations saw a 2% improvement mainly from better performance of all the Australian hotels due to stronger demand and the opening of the new 90-room extension and expanded meeting facilities at PARKROYAL Parramatta in August 2016. Pan Pacific Tianjin in China also saw improved revenue in its second full year of operations. The increase in revenue from property investments arose mainly from 110 High Holborn, London which was acquired in June 2016.

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)

Gross profit margin

Gross profit margin for 2016 was lower at 34% compared to 39% in 2015 due mainly to 1) higher revenue from property development which has higher cost ratio; 2) higher property development margin in 2015; and 3) higher dividend income in 2015 with minimal associated costs.

Expenses

Finance expenses have decreased by \$11.4 million due mainly to lower unrealised currency exchange losses by \$10.1 million mainly on the Group's borrowings in US Dollars to fund its investments in the People's Republic of China.

Joint venture companies

The decrease in contribution from joint venture companies was due mainly to the completion of joint venture development projects Archipelago and Thomson Three in September 2015 and May 2016 respectively.

Profit & Loss

The pre-tax profit before fair value and other (losses)/gains was \$391.2 million, a decrease of 5% from the profit of \$411.6 million for 2015. The decrease was attributed mainly to lower dividend income and lower share of profit from joint venture companies.

With attributable net fair value and other losses of \$37.2 million for 2016 in comparison with net fair value and other gains of \$41.0 million for 2015, profit after tax and non-controlling interest was \$287.0 million or a 27% decrease from the attributable profit of \$391.4 million in 2015.

Net tangible asset and gearing

The Group's increase in shareholders' funds from \$7.89 billion as at 31 December 2015 to \$8.13 billion as at 31 December 2016 arose mainly from profits recognised in 2016 and higher share capital from the issue of shares under the scrip dividend scheme. The profits in 2016 also resulted in an increase in the Group's net tangible asset per ordinary share from \$9.89 as at 31 December 2015 to \$10.07 as at 31 December 2016.

The Group's gearing ratio improved from 0.27 as at 31 December 2015 to 0.24 as at 31 December 2016 due mainly to repayments of Group borrowings with proceeds from the sales of development projects 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 Singapore economy is expected to grow at a modest pace of between 1.0 and 3.0% in 2017. Demand for new homes in the private residential market is expected to remain subdued as the cooling measures are still in place. Office rents remain under pressure with the influx of new supply coupled with soft demand. Likewise, new supply and competition from e-commerce will continue to impact retail rents.

The London property market is expected to face uncertainties following Brexit but the effects on the Group's properties in Midtown and Bishopsgate could be mitigated by limited supply.

Given the uncertain economic outlook, trading conditions in the hospitality sector in Asia Pacific is expected to remain competitive.

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/Scrip
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/Scrip
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					Hotel operations					Total
	Singapore	Malaysia	China	United Kingdom	Property investments	Singapore	Australia	Others	Investments	Others	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group											
2016											
Revenue											
Total segment sales	726,225	-	7,709	-	230,569	172,904	122,297	134,848	124,107	54,099	1,572,758
Inter-segment sales	-	-	-	-	(5,531)	(436)	-	-	(93,926)	(32,126)	(132,019)
Sales to external parties	726,225	-	7,709	-	225,038	172,468	122,297	134,848	30,181	21,973	1,440,739
Company and subsidiaries	52,797	(28)	(285)	(168)	154,791	55,321	29,192	26,994	30,152	11,862	360,628
Share of profit/(loss) of associated companies	149	-	(1,192)	-	125,922	4,839	-	1,195	-	(64)	130,849
Share of profit/(loss) of joint venture	3,365	-	-	-	(2,278)	-	-	-	-	-	1,087
Adjusted EBITDA*	56,311	(28)	(1,477)	(168)	278,435	60,160	29,192	28,189	30,152	11,798	492,564
Depreciation and amortisation	-	-	(60)	-	(3,549)	(21,638)	(13,485)	(25,976)	-	(1,896)	(66,604)
Other gains/(losses)	-	-	-	-	684	-	-	(23,959)	-	-	(23,275)
Fair value losses on investment properties	-	-	-	-	(9,700)	-	-	-	-	-	(9,700)
Unallocated costs											(14,183)
Finance income											5,406
Finance expense											(30,292)
Profit before income tax											353,916
Income tax expense											(48,316)
Net profit											305,600
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
Company and subsidiaries	53,610	(51)	1,287	(297)	149,047	58,424	25,891	27,419	42,254	15,420	373,004
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

* Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted to exclude unallocated costs, other (losses)/gains 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			
	31.12.16	31.12.15	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	693,668	580,496	19
(b) Profit after tax before deducting non-controlling interests reported for first half year	149,975	242,306	(38)
(a) Sales reported for second half year	747,071	698,253	7
(b) Profit after tax before deducting non-controlling interests reported for second half year	155,625	170,872	(9)

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	120,692	119,416

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	65	Daughter of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL"). Sister of Mr Wee Ee-chao, Mr Wee Ee Lim and Mr Wee Ee Cheong, substantial shareholders of UOL. Mr Wee Ee-chao and Mr Wee Ee Lim are also directors of UOL.	Executive Director (Asset and Lifestyle) of Pan Pacific Hotels Group Limited ("PPHG"). 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 coordinates PPHG's corporate social responsibility and charitable initiatives. Director of PPHG since 1994. PPHG is a wholly-owned subsidiary of UOL.	Nil

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
24 February 2017