Company Registration No. 196300438C

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		
		2017	2016	+ / (-)
		$'000	$'000	%
Revenue	A	2,103,152	1,440,739	46
Cost of sales		(1,403,111)	(955,729)	47
Gross profit		700,041	485,010	44
Other income				
- Finance income	B	11,666	5,406	116
- Miscellaneous income		19,255	17,175	12
Expenses				
- Marketing and distribution	C	(91,514)	(63,374)	44
- Administrative	D	(99,342)	(77,660)	28
- Finance	E	(37,942)	(30,292)	25
- Other operating	F	(110,986)	(81,310)	36
Share of profit of associated companies excluding fair value losses of associated companies' investment properties		109,030	131,993	(17)
Share of profit of joint venture companies excluding other losses and fair value gains on a joint venture company's investment property		9,683	4,256	128
Profit before fair value and other gains/(losses) and income tax		509,891	391,204	30
Other losses of a joint venture company	G	-	(3,169)	(100)
Other gains/(losses) of the Group	H	524,615	(23,275)	2,354
Fair value losses on associated and joint venture companies' investment properties		(1,094)	(1,144)	(4)
Fair value gains/(losses) on the Group's investment properties		15,593	(9,700)	261
Profit before income tax	I	1,049,005	353,916	196
Income tax expense	J	(62,015)	(48,316)	28
Net profit		986,990	305,600	223
Attributable to:				
Equity holders of the Company		891,009	287,040	210
Non-controlling interests		95,981	18,560	417
		986,990	305,600	223
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)		355,875	324,200	10
Other gains/(losses) including those of a joint venture company		524,615	(26,444)	2,084
Fair value gains/(losses) on investment properties including those of associated companies and joint venture companies		10,519	(10,716)	198
Net attributable profit		891,009	287,040	210

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

		The Group		
		For the year ended 31 December		
		2017	2016	+ / (-)
		$'000	$'000	%
A	Revenue			
	Revenue from property development	1,166,729	733,934	59
	Revenue from property investments	327,065	225,038	45
	Revenue from hotel ownership and operations	526,221	429,613	22
	Revenue from management services and technologies	53,369	21,973	143
	Dividend income from available-for-sale financial assets	29,768	30,181	(1)
		2,103,152	1,440,739	46
B	Finance income			
	Interest income	7,965	5,406	47
	Currency exchange gains (net)	3,701	-	n.m.
		11,666	5,406	116
C	Marketing and distribution expense			
	Advertising and promotion	28,819	25,152	15
	Marketing and distribution payroll and related expenses	24,250	18,912	28
	Sales commissions	31,672	12,283	158
	Showflat expenses	5,769	7,027	(18)
	Others	1,004	-	n.m.
		91,514	63,374	44
D	Administrative expenses			
	Administrative payroll and related expenses	65,105	52,387	24
	Corporate expenses	17,294	13,377	29
	Credit card commissions	6,692	6,176	8
	Information technology related expenses	6,655	4,365	52
	Property tax for corporate offices and other taxes	669	387	73
	Bank loan fees and other bank charges	633	544	16
	Others	2,294	424	441
		99,342	77,660	28
E	Finance expense			
	Bank facility fees	4,168	3,549	17
	Interest expense	61,076	55,575	10
	Less: borrowing costs capitalised	(27,302)	(29,868)	(9)
	Currency exchange losses (net)	-	1,036	(100)
		37,942	30,292	25
F	Other operating expense			
	Property taxes	33,697	26,395	28
	Repairs, maintenance and security	13,903	14,676	(5)
	Heat, light and power	19,093	18,876	1
	Others	44,293	21,363	107
		110,986	81,310	36
G	Other losses of a joint venture company			
	Acquisition of Holborn Island - share of:			
	- Gain on purchase	-	8,736	(100)
	- Business acquisition costs	-	(11,905)	(100)
		-	(3,169)	(100)
H	Other gains/(losses) of the Group			
	Negative goodwill on acquisition of subsidiaries, net of loss on derecognition of associated and joint venture companies (See footnote 1 on page 3 and 4)	542,076	-	n.m.
	Negative goodwill on acquisition of interests in an associated company	2,814	7,400	(62)
	Acquisition of 110 High Holborn			
	- Gain on purchase	-	3,518	(100)
	- Business acquisition costs	-	(10,234)	(100)
	Acquisition of Hilton Melbourne South Wharf			
	- Business acquisition costs (See footnote 2 on page 4)	(15,172)	-	n.m.
	Write-back of impairment charge on property, plant and equipment (See footnote 3 on page 4)	8,947	2,741	226
	Impairment charge on property, plant and equipment (See footnote 3 on page 4)	(14,050)	(26,700)	(47)
		524,615	(23,275)	(2,354)

n.m. : not meaningful

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

	The Group		
	For the year ended 31 December		
	2017	2016	+ / (-)
	$'000	$'000	%
I Profit before income tax			
Profit before income tax is stated after charging:			
Depreciation and amortisation (See footnote 4 on page 4)	131,277	66,604	97
Property, plant and equipment written off and net loss on disposals	1,611	1,152	40
J Income tax expense			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	58,589	36,901	59
- Foreign	7,154	8,125	(12)
- Withholding tax paid	456	582	(22)
Deferred income tax			
- fair value loss of investment properties	(663)	(128)	418
- others	(521)	4,234	(112)
	65,015	49,714	31
- (Over)/under provision in prior financial years:			
Current income tax			
- Singapore	(4,659)	(1,487)	213
- Foreign	1,565	9	n.m.
Deferred income tax	94	80	18
	62,015	48,316	28
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	1,049,005	353,916	196
Share of profit of associated companies, net of tax	(103,158)	(130,849)	(21)
Share of profit of joint venture companies, net of tax	(14,461)	(1,087)	1,230
Profit before tax and share of profit of associated companies and joint venture companies	931,386	221,980	320
Tax calculated at a tax rate of 17%	158,336	37,737	320
Effects of:			
- Singapore statutory stepped income exemption	(620)	(538)	15
- Tax rebates	(771)	(397)	94
- Different tax rates in other countries	2,613	1,134	130
- Income not subject to tax (See footnote 5 on page 4)	(112,307)	(10,735)	946
- Expenses not deductible for tax purposes (See footnote 5 on page 4)	19,086	16,971	12
- Utilisation of previously unrecognised tax losses	(1,219)	(9)	n.m.
- Deferred tax assets not recognised in the current financial year	(103)	5,551	(102)
- Over provision in prior financial years	(3,000)	(1,398)	115
Tax charge	62,015	48,316	28

n.m. : not meaningful

1 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 financial year ended 31 December 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

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

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 2017 includes the share of profits of UIC, MCH, AHPL, SJP, UVDB, UVDT, UVDC, UVDP and UVIHI from 1 January 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 and this resulted in increases in the income and expenses and a decrease in share of profit from associated companies in the income statement of the Group.

2 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.

3 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 $14.1 million (2016: $26.7 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.

4 Depreciation and amortisation has increased in 2017 mainly from 1) 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; and 2) consolidation of depreciation expenses of the new subsidiaries.

5 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, negative goodwill 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, loss on derecognition of associated and joint venture companies, impairment charge on property, plant and equipment and business acquisition costs for the acquisition of Pan Pacific Melbourne.

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

	Note	The Group		
		For the year ended 31 December		
		2017	2016	+ / (-)
		$'000	$'000	%
Net profit		986,990	305,600	223
Other comprehensive income/(loss):				
Fair value gains on available-for-sale financial assets	A	256,882	37,066	593
Cash flow hedges		2,997	(3,941)	176
Currency translation differences arising from consolidation of foreign operations	B	(16,691)	(7,210)	131
Share of other comprehensive loss of an associated company		(845)	(4,569)	(82)
Other comprehensive income, net of tax		242,343	21,346	1,035
Total comprehensive income		1,229,333	326,946	276
Attributable to:				
Equity holders of the Company		1,133,611	308,216	268
Non-controlling interests		95,722	18,730	411
		1,229,333	326,946	276

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

A Fair value gains on available-for-sale financial assets

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The increase in value for the financial year ended 31 December 2017 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous year.

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	
		31.12.17	31.12.16	31.12.17	31.12.16
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances		816,446	301,512	16,294	1,680
Trade and other receivables	A	395,299	99,597	3,566	1,579
Derivative financial instrument		14	-	-	-
Developed properties held for sale		399,786	31,878	-	-
Development properties		2,472,402	1,142,342	-	-
Inventories		4,991	651	-	-
Other assets		66,183	16,993	303	242
Current income tax assets		220	157	-	-
		4,155,341	1,593,130	20,163	3,501
Non-current assets					
Trade and other receivables	B	92,924	128,780	1,152,269	783,355
Derivative financial instrument		1,538	207	-	-
Available-for-sale financial assets	C	1,131,702	855,051	865,966	658,110
Investments in associated companies		285,511	3,409,827	-	163,725
Investments in joint venture companies		970	77,747	-	-
Investments in subsidiaries		-	-	1,943,625	1,779,176
Investment properties	D	10,917,340	4,299,597	431,100	421,500
Property, plant and equipment	E	2,856,164	1,165,536	1,570	1,009
Intangibles		180,951	24,361	284	-
Deferred income tax assets		1,005	3,904	-	-
		15,468,105	9,965,010	4,394,814	3,806,875
Total assets		19,623,446	11,558,140	4,414,977	3,810,376
LIABILITIES					
Current liabilities					
Trade and other payables		927,594	203,125	859,583	564,319
Current income tax liabilities		109,186	50,699	1,423	1,838
3.043% unsecured fixed rate notes due 2017	F	-	74,974	-	74,974
2.5% unsecured fixed rate notes due 2018		174,961	-	-	-
Bank loans	G	797,583	653,429	142,251	140,559
Finance lease liabilities		270	272	-	-
Derivative financial instrument		377	-	-	-
		2,009,971	982,499	1,003,257	781,690
Non-current liabilities					
Trade and other payables		214,879	157,013	2,310	4,491
Finance lease liabilities		3,614	3,634	-	-
Bank loans	G	2,568,187	1,200,202	179,040	176,417
2.5% unsecured fixed rate notes due 2020		239,360	239,120	-	-
2.5% unsecured fixed rate notes due 2018		-	174,803	-	-
Derivative financial instrument		1,708	4,272	1,708	3,596
Loan from non-controlling shareholder of a subsidiary		63,009	63,009	-	-
Provision for retirement benefits		5,621	4,927	-	-
Deferred income tax liabilities		370,806	93,297	3,381	2,960
		3,467,184	1,940,277	186,439	187,464
Total liabilities		5,477,155	2,922,776	1,189,696	969,154
NET ASSETS		14,146,291	8,635,364	3,225,281	2,841,222
Capital & reserves attributable to equity holders of the Company					
Share capital	H	1,549,744	1,269,853	1,549,744	1,269,853
Reserves		907,272	912,147	703,865	503,144
Retained earnings		6,988,104	5,945,154	971,672	1,068,225
		9,445,120	8,127,154	3,225,281	2,841,222
Non-controlling interests		4,701,171	508,210	-	-
TOTAL EQUITY		14,146,291	8,635,364	3,225,281	2,841,222

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, inventories, other assets, 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 pages 3 and 4). 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 Non-current trade and other receivables

The decrease in non-current trade and other receivables arising from the consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group due to the elimination of intercompany loans were offset in part by a 1) $52.5 million loan to a joint venture company, Secure Venture Development (No.1) Pte. Ltd. for the en-bloc acquisition of a freehold property at Meyer Road; and 2) $18.3 million in loan to an associated company, City Square Hotel Co Ltd, for the construction of the Pan Pacific Yangon in Myanmar.

C Available-for-sale financial assets

The increase in available-for-sale financial assets arose mainly from the (i) recognition of $256.9 million of fair value gains; and (ii) election to receive dividends from United Overseas Bank Limited in scrip amounting to $13.4 million.

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. The fair value gains totaling $15.6 million recognised in 2017 were mainly from United Square, Novena Square and Holborn Island, London.

E 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.

F 3.043% unsecured fixed rate notes due 2017

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

G 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; 3) funds provided to a joint venture company for the en-bloc acquisition of a freehold property at Meyer Road ; 4) the acquisition of Pan Pacific Melbourne in July 2017; and 5) the construction of the Bishopsgate project.

H 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 31.12.17		As at 31.12.16	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	255,540	717,699	112,167	616,659
Amount repayable after one year	846,784	2,034,388	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 financial year ended 31 December

	Note	The Group 2017 $'000	The Group 2016 $'000
Cash flows from operating activities			
Net profit		986,990	305,600
Adjustments for:			
Income tax expense		62,015	48,316
Non-cash items		23,896	(61,922)
Dividend and interest income		(37,733)	(35,587)
Interest expense		37,942	29,256
Fair value (gains)/losses on the Group's investment properties		(15,593)	9,700
Negative goodwill on acquisition of subsidiaries, net of loss on derecognition of associated and joint venture companies		(542,076)	-
Negative goodwill on acquisition of interests in an associated company		(2,814)	(7,400)
Write-back of impairment charge on property, plant and equipment		(8,947)	(2,741)
Impairment charge on property, plant and equipment		14,050	26,700
Gain on purchase of a business		-	(3,518)
		517,730	308,404
Change in working capital			
Receivables	i	(93,362)	13,593
Development properties	i	474,814	244,626
Inventories		(749)	83
Payables	ii	98,993	1,738
		479,696	260,040
Cash generated from operations		997,426	568,444
Income tax paid		(61,325)	(33,475)
Retirement benefits paid		(11)	(16)
Release of bank deposits pledged as security		200	3,562
Net cash from operating activities		936,290	538,515
Cash flows from investing activities			
Proceeds from liquidation of associated companies		263	1,100
Payments for intangibles		(1,180)	(2,286)
Payments for interests in associated and joint venture companies	iii	(22,651)	(36,287)
Payment to non-controlling shareholders for purchase of shares in subsidiaries	iv	(45,035)	(19,865)
Loans to an associated company and joint venture companies	v	(119,191)	(113,797)
Repayment of loan by a joint venture company		-	87,313
Net proceeds from disposal of property, plant and equipment		55	235
Acquisition of subsidiaries, net of cash acquired	vi	474,358	-
Acquisition of a business	vii	(264,437)	(181,749)
Purchase of property, plant and equipment and investment properties	viii	(123,861)	(66,337)
Interest received		7,965	5,406
Dividends received		48,545	57,391
Net cash used in investing activities		(45,169)	(268,876)
Cash flows from financing activities			
Proceeds from shares issued		12,122	1,095
Net proceeds from issue of shares to non-controlling shareholders of a subsidiary		712	-
Proceeds from 2.5% unsecured fixed rate notes due 2020		-	240,000
Repayment of 3.043% unsecured fixed rate notes due 2017		(75,000)	-
Proceeds from borrowings	ix	2,178,036	1,459,712
Repayment of borrowings	ix	(2,352,558)	(1,804,891)
Expenditure relating to bank borrowings		(5,540)	(2,127)
Interest paid		(57,634)	(57,041)
Payment of finance lease liabilities		(277)	(269)
Dividends paid to equity holders of the Company		(71,947)	(64,278)
Dividends paid to non-controlling interests		(3,775)	(2,000)
Payments for share buy-back		-	(8,863)
Net cash used in financing activities		(375,861)	(238,662)
Net increase in cash and cash equivalents		515,260	30,977
Cash and cash equivalents at the beginning of the financial year		301,312	272,546
Effects of currency translation on cash and cash equivalents		(126)	(2,211)
Cash and cash equivalents at the end of the financial year	x	816,446	301,312

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 in 2017 arose mainly from progressive billings of development projects and in particular, from the receipt of temporary occupation permit for Riverbank@Fernvale during the year.

ii. Payables

The movement in 2017 was due to higher payables as at the end of 2017 compared to 2016 as a result of higher outstanding payables for development expenditure and accruals for completed projects.

iii. Payments for interests in associated and joint venture companies

The payments for interests in associated companies relate mainly to 1) the acquisition of shareholding interests in City Square Hotel Co. Ltd ("CSHC") and United Industrial Corporation Limited; and 2) capital injections into joint venture companies, UVD (Projects) Pte Ltd. and Secure Venture Development (No.1) Pte. Ltd. ("SVD(No.1)"), for the en-bloc aquisitions of properties at Potong Pasir and Meyer Rd respectively.

iv. Payment to non-controlling shareholders for purchase of shares in subsidiaries

The payment was for the acquisition of additional UIC and Singapore Land Limited shares subsequent to 31 August 2017 when these entties were consolidated as subsidiaries of the Group.

v. Loans to an associated company and joint venture companies

Additional loans were made out mainly to 1) CSHC for the development of Pan Pacific Yangon; and 2) SVD(No.1) for the en-bloc purchase of the freehold property at Meyer Road.

vi. Acquisition of subsidiaries, 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 pages 3 and 4). 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.

vii. 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.

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

Purchases of property, plant and equipment and investment properties relates mainly to expenditure for the construction of hotel at Bishopsgate, London and redevelopment of Pan Pacific Orchard.

ix. Proceeds from borrowings/Repayment of borrowings

The net repayment of borrowings in 2017 arose mainly from funds received from the progress billings of development projects, in particular Riverbank@Fernvale and V on Shenton which were completed in 2017.

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	
	2017	2016
	$'000	$'000
Fixed deposits with financial institutions	356,264	190,371
Cash at bank and on hand	460,182	111,141
Cash and bank balances per Statement of Financial Position	816,446	301,512
Less: Bank deposits pledged as security	-	(200)
Cash and cash equivalents per Consolidated Statement of Cash Flows	816,446	301,312

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 financial year ended 31 December

	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
The Group					
2017					
Beginning of financial year	1,269,853	912,147	5,945,154	508,210	8,635,364
Profit for the year	-	-	891,009	95,981	986,990
Other comprehensive income/(loss) for the year	-	242,602	-	(259)	242,343
Total comprehensive income for the year	-	242,602	891,009	95,722	1,229,333
Employee share option scheme					
- value of employee services	-	1,407	-	35	1,442
- proceeds from shares issued	12,122	-	-	-	12,122
Dividends	-	-	(120,716)	(3,775)	(124,491)
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	-	219,000
Issue of shares under scrip dividend scheme	48,769	-	-	-	48,769
Acquisition of interests from non-controlling shareholders	-	-	27,092	(72,127)	(45,035)
Issue of shares to non-controlling shareholders	-	-	-	712	712
Acquisition of subsidiaries and derecognition of associated and joint venture companies	-	(248,884)	245,565	4,172,394	4,169,075
Total transactions with owners, recognised directly in equity	279,891	(247,477)	151,941	4,097,239	4,281,594
End of financial year	1,549,744	907,272	6,988,104	4,701,171	14,146,291
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

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 financial year ended 31 December

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
The Company				
2017				
Beginning of financial year	1,269,853	503,144	1,068,225	2,841,222
Profit for the year	-	-	24,163	24,163
Other comprehensive income for the year	-	199,347	-	199,347
Total comprehensive income for the year	-	199,347	24,163	223,510
Employee share option scheme				
- value of employee services	-	1,374	-	1,374
- proceeds from shares issued	12,122	-	-	12,122
Dividends	-	-	(120,716)	(120,716)
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	219,000
Issue of shares under scrip dividend scheme	48,769	-	-	48,769
Total transactions with owners, recognised directly in equity	279,891	1,374	(120,716)	160,549
End of financial year	1,549,744	703,865	971,672	3,225,281
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

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 financial year ended 31 December 2017, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2017	804,611,403
Issue of ordinary shares arising from the exercise of:	
2007 Options at exercise price of S$4.91 per share	2,000
2008 Options at exercise price of S$3.68 per share	112,000
2009 Options at exercise price of S$1.65 per share	52,000
2010 Options at exercise price of S$3.95 per share	280,000
2011 Options at exercise price of S$4.62 per share	219,000
2012 Options at exercise price of S$5.40 per share	403,000
2013 Options at exercise price of S$6.55 per share	218,000
2014 Options at exercise price of S$6.10 per share	215,000
2015 Options at exercise price of S$7.67 per share	158,000
2016 Options at exercise price of S$5.87 per share	574,000
Ordinary shares issued upon exercise of options	2,233,000
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
Issue of shares under scrip dividend scheme	7,526,102
Issued share capital as at 31 December 2017	841,643,232

During the fourth quarter of 2017, 765,000 ordinary shares (fourth quarter 2016: 179,000) 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 2017, there were 4,124,000 (31.12.2016: 5,181,000) 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 31 December 2017 and 31 December 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	
	31.12.17	31.12.16
Total number of issued shares, excluding treasury shares	841,643,232	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 financial year ended 31 December 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 year 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	
	2017	2016
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	cents 108.82	cents 35.82
(ii) On a fully diluted basis	cents 108.75	cents 35.81

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 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	
	31.12.17	31.12.16	31.12.17	31.12.16
Net asset value per ordinary share	$11.22	$10.10	$3.83	$3.53
Net tangible asset backing per ordinary share	$11.01	$10.07	$3.83	$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) 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 2017 increased by $662.4 million or 46% to $2.10 billion from $1.44 billion in 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 $544.7 million in revenue. Excluding the effects of this consolidation, revenue from property development was higher by $103.0 million or 14% with higher progressive revenue recognition mainly from Principal Garden. Revenue from hotel operations improved by 3% or $13.1 million with new revenue from Pan Pacific Melbourne which was acquired in end July 2017.

Gross profit margin

Gross profit margin for 2017 was marginally lower at 33% compared to 34% for 2016 due mainly to higher revenue from property development which has a higher cost ratio and accelerated depreciation expenses of $21.9 million for Pan Pacific Orchard which is scheduled for redevelopment in second quarter 2018.

Finance income

Finance income has increased in 2017 due mainly to 1) exchange gains mainly from the Group's borrowings in United States Dollars; and 2) the effects of consolidation of UIC Group.

Expenses

The increase in total expenses was mainly from the consolidation of UIC Group.

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)

Associated companies

There is a lower share of profit of associated companies in 2017 as the results of UIC, MCH and AHPL are no longer equity accounted but are consolidated with those of the Group from 1 September 2017 onwards (see footnote 1 on pages 3 and 4).

Joint venture companies

The increase in share of profit from joint venture companies was due mainly to contributions for the first eight months of 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

The pre-tax profit before fair value and other gains/(losses) was $509.9 million, an increase of 30% from the profit of $391.2 million in 2016. The increase was due mainly to higher profit from property development and property investments, including those owned by UIC Group.

With higher attributable fair value and other gains of $535.1 million recognised in 2017 compared to fair value and other losses of $37.2 million in 2016, profit after tax and non-controlling interest was $891.0 million or a 210% increase from the profit of $287.0 million in 2016.

Net tangible asset and gearing

The Group's shareholders' funds increased from $8.13 billion as at 31 December 2016 to $9.45 billion as at 31 December 2017 due mainly to 1) profits recognised in 2017 which include the effects of consolidation of UIC Group; and 2) the issuance of new shares during the year. Consequently the net tangible asset per ordinary share of the Group increased to $11.01 as at 31 December 2017 from $10.07 as at 31 December 2016.

The Group's gearing ratio decreased to 0.21 as at 31 December 2017 compared to 0.24 as at 31 December 2016 due mainly to the consolidation of UIC Group which has low gearing.

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.

The Singapore economy is expected to grow by 1.5 to 3.5 per cent in 2018. The strong momentum of sales of new private homes is expected to continue in 2018. However, pipeline supply of private residential units is expected to increase as more properties are being sold en-bloc. Similarly, the upward momentum in the office rental market is expected to continue in 2018 on expectations of healthy demand and lower quantum of new supply. On the other hand, retail rents are expected to remain under pressure in the face of competition from e-commerce.

In London, uncertainties over Brexit will continue to affect the property market. The performance of the Group's commercial properties in Midtown London is expected to hold up due to limited supply in the area.

The Group's hotels in the Asia Pacific region should benefit from the improving global economic outlook. However, trading conditions for the hotels in The People's Republic of China and Myanmar are expected to remain competitive. The 206-room Pan Pacific Orchard is scheduled to cease operations as from 1 April 2018 and will be re-developed into a new 340 -room hotel.

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
Dividend Rate	:	17.5 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

(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					
	Singapore	Malaysia	China	United Kingdom	Property investments	Singapore	Australia	Others	Investments	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
2017											
Revenue											
Total segment sales	1,166,687	-	42	-	331,749	253,546	145,487	127,617	127,204	80,932	2,233,264
Inter-segment sales	-	-	-	-	(4,684)	(429)	-	-	(97,436)	(27,563)	(130,112)
Sales to external parties	1,166,687	-	42	-	327,065	253,117	145,487	127,617	29,768	53,369	2,103,152
Company and subsidiaries	159,367	(27)	(840)	(512)	221,759	81,974	35,466	24,514	29,564	15,552	566,817
Share of (loss)/ profit of associated companies	(3)	-	(70)	-	97,778	3,093	-	2,362	-	(2)	103,158
Share of profit/ (loss) of joint venture companies	5,134	-	-	-	9,327	-	-	-	-	-	14,461
Adjusted EBITDA*	164,498	(27)	(910)	(512)	328,864	85,067	35,466	26,876	29,564	15,550	684,436
Depreciation and amortisation	(24,006)	-	(37)	-	(3,758)	(55,511)	(18,245)	(27,658)	(22)	(2,040)	(131,277)
Other gains/(losses)	-	-	-	-	544,889	-	(15,171)	(5,103)	-	-	524,615
Fair value gains on investment properties	-	-	-	-	15,593	-	-	-	-	-	15,593
Unallocated costs											(18,086)
Finance income											11,666
Finance expense											(37,942)
Profit before income tax											1,049,005
Income tax expense											(62,015)
Net profit											986,990
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	11,861	360,628
Share of profit/ (loss) of associated companies	149	-	(1,192)	-	125,922	4,839	-	1,195	-	(64)	130,849.0
Share of profit/ (loss) of joint venture companies	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

* Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted to exclude unallocated costs, other gains/(losses) and fair value gains/(losses) 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		
	31.12.17	31.12.16	Increase/ (decrease)
	$'000	$'000	%
(a) Sales reported for first half year	749,775	693,668	8
(b) Profit after tax before deducting non-controlling interests reported for first half year	208,154	149,975	39
(a) Sales reported for second half year	1,353,377	747,071	81
(b) Profit after tax before deducting non-controlling interests reported for second half year	778,836	155,625	400

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	147,288	120,716

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	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	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 co-ordinates 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
27 February 2018