IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us that (1) you are not resident in the United States ("**U.S.**") nor a U.S. Person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. Person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) under Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1), or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made, and (B) agree to be bound by the limitations and restrictions described herein. A reference to any term as defined in the SFA or provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of UOL Treasury Services Pte. Ltd., UOL Group Limited, United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of UOL Treasury Services Pte. Ltd., UOL Group Limited or United Overseas Bank Limited to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of UOL Treasury Services Pte. Ltd. or, as the case may be, UOL Group Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the notes described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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UOL TREASURY SERVICES PTE. LTD.

(Incorporated in the Republic of Singapore on 24 November 2011)
(UEN/Company Registration No. 201134049R)

S$2,000,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

Unconditionally and irrevocably guaranteed by

UOL GROUP LIMITED

(Incorporated in the Republic of Singapore on 12 December 1963)
(UEN/Company Registration No. 196300438C)

This Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by UOL Treasury Services Pte. Ltd. (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

All sums payable in respect of the Notes issued from time to time by the Issuer are unconditionally and irrevocably guaranteed by UOL Group Limited (the "**Guarantor**").

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or such Notes.

THE NOTES AND THE GUARANTEE (AS DEFINED HEREIN) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER).

Arranger

UNITED OVERSEAS BANK LIMITED

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NOTICE

United Overseas Bank Limited (the "**Arranger**") has been authorised by UOL Treasury Services Pte. Ltd. (the "**Issuer**") to arrange the S$2,000,000,000 Multicurrency Medium Term Note Programme (the "**Programme**") described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "**Notes**") denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes will be unconditionally and irrevocably guaranteed by UOL Group Limited (the "**Guarantor**").

This Information Memorandum contains information with regard to the Issuer, the Guarantor, the Group (as defined herein), the Programme, the Notes and the Guarantee (as defined herein). The Issuer and the Guarantor, having made all reasonable enquiries, confirm that this Information Memorandum contains all information which is material in the context of the Programme, the issue and offering of the Notes and the giving of the Guarantee, that the information contained herein is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the Programme, the issue and offering of the Notes and the giving of the Guarantee would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a temporary global note or a permanent global note which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$2,000,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of the Programme Agreement (as defined herein). On 22 November 2018, the maximum aggregate principal amount of all Notes which may be issued from time to time pursuant to the Programme and which remain outstanding was increased from S$1,000,000,000 to S$2,000,000,000.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the Guarantor or any of their respective subsidiaries (if any) or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Guarantor, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information

Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, the Guarantor or any of their respective subsidiaries (if any) or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger and the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, the Guarantor or their respective subsidiaries (if any) or associated companies (if any). Further, none of the Arranger and the Dealers makes any representation or warranty as to the Issuer, the Guarantor, their respective subsidiaries (if any) or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

To the fullest extent permitted by law, neither the Arranger nor any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Guarantor, the Group, the Programme or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, the Guarantor and their respective subsidiaries (if any) and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

In connection with the issue of any tranche or series of Notes, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Notes and 60 days after the date of the allotment of the relevant series of Notes. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer, the Guarantor and their respective subsidiaries (if any) and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Guarantor, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 105 to 107 of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

Prospective purchasers of Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Markets in Financial Instruments Directive II

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Packaged Retail Investment and Insurance Products – Prohibition of Sales to Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer, the Guarantor and/or the Group (including statements as to the Issuer's, the Guarantor's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including any financial forecasts, profit projections, statements as to the expansion plans of the Issuer, the Guarantor and/or the Group, expected growth in the Issuer, the Guarantor and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, the Guarantor and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer, the Guarantor and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, the Guarantor or the Group to be materially different from the results, performance or achievements expected, expressed or implied by any financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Guarantor, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer, the Guarantor or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Guarantor, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Guarantor, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**9M2017**"	:	The nine month financial period ended 30 September 2017.
"**9M2018**"	:	The nine month financial period ended 30 September 2018.
"**Agency Agreement**"	:	The Agency Agreement dated 3 November 2014 between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) the Principal Paying Agent, as principal paying agent, (4) the Non-CDP Paying Agent, as non-CDP paying agent, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"Agent Bank"	:	In relation to a Series of Notes, the person appointed as agent bank for that Series and as specified in the applicable Pricing Supplement as agent bank (or such other agent bank as may be appointed from time to time).
"**Agent Bank Agreement**"	:	An agent bank agreement between the Issuer, the Guarantor, the Trustee and the relevant Agent Bank made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 6 of the Programme Agreement.
"**Arranger**"	:	United Overseas Bank Limited.
"**Business Day**"	:	A day (other than a Saturday or Sunday or gazetted public holiday) on which CDP and commercial banks are open for business in Singapore.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.

"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer or, as the case may be, the Guarantor as at the date of this Information Memorandum.
"**FY**"	:	Financial year ended 31 December.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Group**"	:	The Guarantor and its subsidiaries.
"Guarantee"	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed.
"Guarantor"	:	UOL Group Limited.
"**Issuer**"	:	UOL Treasury Services Pte. Ltd.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	8 November 2018.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Non-CDP Paying Agent**"	:	Deutsche Bank AG, Hong Kong Branch.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The notes issued or to be issued by the Issuer under the Programme.
"**Paying Agents**"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer and the Guarantor as paying agent for the Notes and Coupons.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"**Pricing Supplement**"	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
"**Principal Paying Agent**"	:	Deutsche Bank AG, Singapore Branch.
"**Programme**"	:	The S$2,000,000,000 Multicurrency Medium Term Note Programme of the Issuer.
"**Programme Agreement**"	:	The Programme Agreement dated 3 November 2014 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) the Arranger, as arranger, and (4) United Overseas Bank Limited, as dealer, as amended, varied or supplemented from time to time.

"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (In relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**TOP**"	:	Temporary occupation permit.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The Trust Deed dated 3 November 2014 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Trustee**"	:	DB International Trust (Singapore) Limited.
"**UIC**"	:	United Industrial Corporation Limited.
"**UIC Group**"	:	UIC and its subsidiaries.
"**United States**" or "**U.S.**"	:	United States of America.
"**UOB**"	:	United Overseas Bank Limited.
"**A$**"	:	Australian dollars.
"**GBP**"	:	Pound Sterling, the lawful currency of the United Kingdom.
"**RM**"	:	Malaysian ringgit.
"**RMB**"	:	Renminbi.
"**S$**" or "**$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**US$**" or "**US dollars**"	:	United States dollars.
"**%**"	:	Per cent.

“**sq ft**” : Square feet.

“**sqm**” : Square metres.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

UOL Treasury Services Pte. Ltd.

Board of Directors	:	Mr Gwee Lian Kheng Mr Liam Wee Sin Mr Foo Thiam Fong Wellington
Company Secretaries	:	Mr Foo Thiam Fong Wellington Mr Yeong Sien Seu
Registered Office	:	101 Thomson Road #33-00 United Square Singapore 307591
Auditor to the Issuer	:	PricewaterhouseCoopers LLP 7 Straits View, #12-00 Marina One East Tower, Singapore 018936

UOL Group Limited

Board of Directors	:	Dr Wee Cho Yaw Mr Wee Ee Lim Mr Gwee Lian Kheng Mr Low Weng Keong Mr Wee Sin Tho Mr Tan Tiong Cheng Mr Wee Ee-chao Dr Pongsak Hoontrakul Mr Poon Hon Thang Samuel
Company Secretaries	:	Mr Foo Thiam Fong Wellington Mr Yeong Sien Seu
Registered Office	:	101 Thomson Road #33-00 United Square Singapore 307591
Auditor to the Guarantor	:	PricewaterhouseCoopers LLP 7 Straits View, #12-00 Marina One East Tower, Singapore 018936
Arranger of the Programme	:	United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Arranger and the Trustee (as at the date of establishment of the Programme)	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

Legal Advisers to the Issuer and the Guarantor (as at the date of establishment of the Programme)	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay Level 17 South Tower Singapore 048583
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay Level 17 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	UOL Treasury Services Pte. Ltd.
Guarantor	:	UOL Group Limited.
Arranger	:	United Overseas Bank Limited
Dealers	:	United Overseas Bank Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Trustee	:	DB International Trust (Singapore) Limited
Description	:	S$2,000,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$2,000,000,000 (or its equivalent in other currencies) or such increased amount in accordance with the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer.
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.

Floating Rate Notes	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein.
Custody of the Notes	Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Status of the Notes and the Guarantee	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.
Redemption and Purchase	:	If so provided on the face of the Notes and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Notes and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption at the option of the Noteholders upon Cessation or Suspension of Trading of Shares	:	In the event that (i) the shares of the Guarantor cease to be listed or admitted to trading on the SGX-ST or (ii) trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than 10 consecutive trading days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its redemption amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days after (in the case of (i)) the date of cessation of listing or admission to trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of 10 consecutive trading days. For the purposes of the above, "**trading day**" means a day on which the SGX-ST is open for securities trading.
Negative Pledge of Issuer	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not create or have outstanding any Encumbrance (as defined in the Trust Deed) over the whole or any part of its assets, present or future, save for: (i) liens or rights of set-off arising solely by operation of law and in the ordinary course of its business; (ii) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements (including any interest rate or currency swap or derivatives or other hedging transactions to hedge the actual or potential interest rate, currency or other exposures of the Issuer in the ordinary course of business but excluding, for the avoidance of doubt, any credit support arrangements pursuant to such transactions) for the purpose of netting debit and credit balances;

(iii) any security existing as at the date of the Trust Deed to secure any indebtedness and disclosed in writing to the Trustee on or prior to the date of the Trust Deed; and

(iv) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

Negative Pledge of Guarantor	:	The Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will procure that none of the Principal Subsidiaries (as defined in the Conditions) will, create, permit to subsist or have outstanding any Encumbrance upon any of the Relevant Property unless, at the same time or prior thereto, (i) such Encumbrance is extended equally and ratably to the indebtedness of the Issuer in respect of the Notes to the satisfaction of the Trustee or (ii) the Guarantor's obligations under the Trust Deed and the Notes have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Noteholders, save for any security created with the approval of Noteholders by way of Extraordinary Resolution. For the purposes of the above, "**Relevant Property**" means initially United Square and, in the event that United Square is replaced pursuant to the terms of Clause 15.28 of the Trust Deed, from time to time all the Replacement Property (as defined in the Trust Deed) that has been provided as a replacement by the Guarantor pursuant to the terms of Clause 15.28 of the Trust Deed and which has not since been replaced by other Replacement Property pursuant to the terms of Clause 15.28 of the Trust Deed;
Financial Covenants	:	The Issuer and the Guarantor have jointly and severally covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, each of them will ensure that: (i) the ratio of Consolidated Total Borrowings (as defined in the Conditions) to Consolidated Tangible Net Worth (as defined in the Conditions) will not at any time be more than 2.0:1.0; and (ii) the Consolidated Tangible Net Worth will not at any time be less than S$1,800,000,000.
Shareholding Covenant	:	The Issuer and the Guarantor have jointly and severally covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Guarantor will at all times own beneficially (directly or indirectly) the whole of the issued share capital for the time being of the Issuer.
Events of Default	:	See Condition 9.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any

		authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes as set out in the relevant Pricing Supplement.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended and supplemented, the "**Trust Deed**") dated 3 November 2014 made between (1) UOL Treasury Services Pte. Ltd. (the "**Issuer**"), (2) UOL Group Limited (the "**Guarantor**") and (3) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 3 November 2014, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which include the form of the Notes and Coupons referred to below. The Issuer and the Guarantor have entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 3 November 2014 made between (1) the Issuer, (2) the Guarantor, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), (4) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**"), and (5) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, references to the Principal Paying Agent shall, with respect to a Series of Notes cleared through a clearing system other than the CDP System (as defined in the Trust Deed), be deemed to be references to the Non-CDP Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement, the relevant Agent Bank Agreement (as defined in the Trust Deed) and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note, and held by Euroclear, Clearstream, Luxembourg and/or the Depository, will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository, as the case may be.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "Series" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status and Guarantee

(a) Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

3. Negative Pledge and Financial Covenants

(a) The Issuer has covenanted with the Trustee in Clause 8.1 of the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not create or have outstanding any Encumbrance (as defined in the Trust Deed) over the whole or any part of its assets present or future, save for:

(i) liens or rights of set-off arising solely by operation of law and in the ordinary course of its business;

(ii) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements (including any interest rate or currency swap or derivatives or other hedging transactions to hedge the actual or potential interest rate, currency or other exposures of the Issuer in the ordinary course of business but excluding, for the avoidance of doubt, any credit support arrangements pursuant to such transactions) for the purpose of netting debit and credit balances;

(iii) any security existing as at the date of the Trust Deed to secure any indebtedness and disclosed in writing to the Trustee on or prior to the date of the Trust Deed; and

(iv) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

(b) The Guarantor has covenanted with the Trustee in Clause 8.2 of the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will procure that none of the Principal Subsidiaries (as defined in Condition 9) will, create, permit to subsist or have outstanding any Encumbrance upon any of the Relevant Property (as defined in the Trust Deed) unless, at the same time or prior thereto, (i) such Encumbrance is extended equally and ratably to the indebtedness of the Issuer in respect of the Notes to the satisfaction of the Trustee or (ii) the Guarantor's obligations under the Trust Deed and the Notes have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Noteholders, save for any security created with the approval of Noteholders by way of Extraordinary Resolution.

(c) The Issuer and the Guarantor have further jointly and severally covenanted with the Trustee in Clause 8.3 of the Trust Deed that so long as any of the Notes remains outstanding, each of them will ensure that:

(i) the ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth will not at any time be more than 2.0:1.0; and

(ii) the Consolidated Tangible Net Worth will not at any time be less than S$1,800,000,000.

For the purposes of this Condition 3(c):

(A) "**Consolidated Total Borrowings**" means in relation to the Group (as defined in the Trust Deed), an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(1) bank overdrafts, loans and all other indebtedness in respect of any borrowings, whether secured or unsecured;

(2) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(3) the liabilities of the Issuer under the Trust Deed or the Notes;

(4) guarantees, bonds, standby letters of credit, indemnities or other instruments issued in connection with the performance of contracts or the discharge of liabilities or indebtedness but excluding those issued at the requests of customers in the ordinary course of business; and

(5) rental payments in respect of any lease (whether in respect of land, machinery, equipment or otherwise) entered into primarily as a method of financing the acquisition of the asset leased or raising finance except those on account of customers in the ordinary course of business,

and, in each case, for the time being outstanding but excluding (aa) all deposits accepted in the ordinary course of financing business and (bb) liabilities incurred by the Guarantor or any of its subsidiaries in respect of any guarantees or indemnities given to secure the Borrowings of the Guarantor or any such subsidiary (as the case may be) if the Borrowings guaranteed or indemnified as aforesaid are already included in such computation.

Provided that no Borrowings shall be included in the calculation of Consolidated Total Borrowings more than once and nothing in this Condition 3(c) and/or Clause 8.3 of the Trust Deed whether express or implied shall prevent the Guarantor or any of its subsidiaries from borrowing any sum or sums where such borrowing is for the express purpose of and is limited to repaying the liabilities set out in Conditions 3(c)(A)(1), 3(c)(A)(2), 3(c)(A)(3), 3(c)(A)(4) and 3(c)(A)(5) or any part thereof and is in fact applied for that purpose within one month of the drawdown of such borrowing (or such longer period as may be agreed between the Issuer, the Guarantor and the Trustee).

For the avoidance of doubt, "**Borrowings**" shall exclude all inter-company transactions between the Guarantor and its subsidiaries or between its subsidiaries; and

(B) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(1) the capital of the Guarantor for the time being issued and paid up; and

(2) the amounts standing to the credit of the capital and revenue reserves of the Group on a consolidated basis,

all as shown in the then latest audited or unaudited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the share capital and revenue reserves set out above of the Group since the date of the latest audited or unaudited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation;

(cc) excluding the minority interests in the subsidiaries of the Guarantor; and

(dd) deducting:

(x) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or unaudited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(y) all goodwill and other intangible assets; and

(z) any debit balances on consolidated profit and loss account.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest

Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Interest Determination Date the Agent Bank is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Principal Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Agent Bank**" means, in relation to a Series of Notes, the person appointed as agent bank for that Series and as specified in the applicable Pricing Supplement as agent bank (or such other agent bank as may be appointed from time to time);

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent's and (in the case of Non-CDP Notes) the Non-CDP Paying Agent's specified office(s) and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("Interest Payment Date"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "Specified Number of Months") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant

Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof.

Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

The Issuer shall notify the Principal Paying Agent or the Non-CDP Paying Agent (as the case may be) and the Trustee of any early redemption at least five business days prior to the latest date on which the Issuer is to give notice to the Noteholders in accordance with the Conditions.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) In the event that (1) the shares of the Guarantor cease to be listed or admitted to trading on the SGX-ST or (2) trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than 10 consecutive trading days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days after (in the case of (1)) the date of cessation of listing or admission to trading or (in the case of (2)) the business day immediately following the expiry of such continuous period of 10 consecutive trading days (in either case, the "**Effective Date**"). The Issuer and the Guarantor shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 5(e)(ii) (provided that there is no prejudice to any Noteholder of such option in the event of any failure of the Issuer to give such notice). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), not later than 45 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of these Conditions, "**trading day**" means a day on which the SGX-ST is open for securities trading.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent and the Trustee a certificate signed by a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer, the Guarantor or any of the respective related corporations of the Issuer and the Guarantor may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by or on behalf of the Issuer, the Guarantor or any of the respective related corporations of the Issuer and the Guarantor may be surrendered by the purchaser through the Issuer to the Principal Paying Agent for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of the respective related corporations of the Issuer and the Guarantor may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Principal Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Paying Agents initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent or the Agent Bank and to appoint additional or other Paying Agents, provided that they will at all times maintain a Principal Paying Agent having a specified office in Singapore and (in the case of Notes which are not cleared through the Depository) a non-CDP Paying Agent.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Guarantor, the Paying Agents and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor, the Paying Agents and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Guarantor, the Paying Agents and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to (in the case of Notes which are denominated in Singapore dollars) one per cent. per annum above the prime lending rate for Singapore dollars quoted by United Overseas Bank Limited for the time being and (in the case of Notes which are denominated in a currency other than Singapore dollars) one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select (provided that such duration shall not be less than a one-month period), save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption

Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer and the Guarantor that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer or the Guarantor fails to pay the principal of the Notes (whether becoming due upon redemption or otherwise) or any interest on any of the Notes when due, and such default continues for a period of seven business days;

(b) the Issuer or the Guarantor defaults in the performance or observance of or compliance with any one or more of its obligations (other than the payment obligation of the Issuer or the Guarantor referred to in paragraph (a) above) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and (except where such default is incapable of remedy, in which case no such written notice shall be required) such failure is continuing for a period of 21 business days (or such longer period as the Trustee may in writing permit) after notice of such default has been given to the Issuer or, as the case may be, the Guarantor by the Trustee;

(c) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

(d) (i) any other present indebtedness or future indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries for or in respect of moneys borrowed or raised becomes or is declared to be due and payable prior to its stated maturity otherwise than at the option of the Issuer or, as the case may be, the Guarantor or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or

(ii) the Issuer, the Guarantor or any of the Principal Subsidiaries fails to pay when properly called upon to do so any amount payable by it under any present or future guarantee for any moneys borrowed or raised.

However, no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness of the Issuer, the Guarantor and the Principal Subsidiaries in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds in aggregate S$50,000,000 or its equivalent in any other currency or currencies; or

(e) the Issuer, the Guarantor or any of the Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all of its indebtedness (or of any material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer, the Guarantor or any of the

Principal Subsidiaries or the Government of Singapore or any court or other authority in Singapore takes any action for the distribution of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries or any material part thereof among any creditors of the Issuer, the Guarantor or any of the Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a substantial part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not removed, dismissed, discharged or stayed within 30 business days;

(g) any security on or over the material assets of the Issuer, the Guarantor or any of the Principal Subsidiaries becomes enforceable;

(h) any order is made, resolution is passed or meeting is convened for (i) the winding-up of the Issuer, the Guarantor or any of the Principal Subsidiaries (except (1) (in the case of the Issuer or the Guarantor only) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders before that event occurs or (2) (in the case of a Principal Subsidiary (excluding the Issuer) only) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation and not involving insolvency) or (ii) the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, the Guarantor or any of the Principal Subsidiaries or over any material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries;

(i) the Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business (and (1) (in the case of the Issuer or the Guarantor only), otherwise than for the purposes of such a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders before that event occurs or (2) (in the case of a Principal Subsidiary (excluding the Issuer) only), otherwise than for the purposes of such a reconstruction, amalgamation, reorganisation, merger or consolidation and not involving insolvency as is referred to in paragraph (h) above);

(j) any step is taken by any governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries and such event is likely to materially and adversely affect the ability of the Issuer or the Guarantor to perform its obligations under any of the Notes or the Trust Deed;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Coupons and/or the Issue Documents, (ii) to ensure that those obligations are legally binding and enforceable and to ensure that those obligations rank and will at all times rank in accordance with Clause 2.2 of the Trust Deed or (iii) to make the Notes, the Coupons and the Issue Documents admissible in evidence in the courts of Singapore is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with and if that failure is capable of remedy, such failure continues unremedied for a period of 30 days after notice of that default has been given to the Issuer or, as the case may be, the Guarantor by the Trustee requiring that failure to be remedied (unless that consent or condition is no longer required or applicable), provided that this 30 day period shall not apply if such failure is not capable of remedy;

(l) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Issue Documents, any of the Notes or any of the Coupons;

(m) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms;

(n) any court, arbitral or other order having the force of law is made to restrain the performance or enforcement of or compliance with any of the payment or other material obligations of the Issuer or the Guarantor under any of the Notes or the Trust Deed and such order is not discharged or stayed within 30 business days;

(o) any of the Relevant Property is wholly damaged or destroyed, or damaged or destroyed to such an extent which (after taking into account the insurance proceeds received or to be received in respect of such damage or destruction and the other assets of the Issuer), could have a material adverse effect on the Issuer or the Guarantor;

(p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraphs (e), (f), (g), (h) or (j);

(q) the Issuer or the Guarantor is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; or

(r) for any reason the Guarantor ceases to own beneficially (directly or indirectly) the whole of the issued share capital for the time being of the Issuer.

In these Conditions:

(1) "**Principal Subsidiaries**" means any subsidiary of the Guarantor whose total assets as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries) based upon which the latest audited consolidated accounts of the Guarantor have been prepared, are at least 10 per cent. of the consolidated total assets of the Guarantor, as shown by such audited consolidated accounts of the Guarantor, provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Guarantor (the "**transferee**") then:

   (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Guarantor) shall thereupon become a Principal Subsidiary; and

   (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Guarantor) shall thereupon become a Principal Subsidiary.

   Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of (A) the date of issue of the first audited consolidated accounts of the Guarantor prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (consolidated (if any) in the case of a corporation which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated total assets of the Guarantor, as shown by such audited consolidated accounts and (B) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary as at such date to be less than 10 per cent. of the consolidated total assets of the Guarantor. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Principal Paying Agent, or at the specified office of such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, the Guarantor or any of the respective related corporations of the Issuer and the Guarantor without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or Non-CDP Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Noteholders.

16. Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

UOL TREASURY SERVICES PTE. LTD.

1. HISTORY AND BUSINESS

The Issuer was incorporated as a private limited company under the laws of the Republic of Singapore on 24 November 2011.

The principal activities of the Issuer include the provision of financial and treasury services to the Group. Apart from the issue of Notes under the Programme, it is also intended that the Issuer may enter into other transactions for the purpose of raising funds to meet the financial requirements of the Group.

2. SHAREHOLDING AND CAPITAL

As at the date of this Information Memorandum, the issued share capital of the Issuer is S$1,000,000. The 1,000,000 issued ordinary shares in the capital of the Issuer are held by the Guarantor.

3. DIRECTORS OF THE ISSUER

The Directors of the Issuer as at the date of this Information Memorandum are:

Name	Position
Mr Gwee Lian Kheng	Director
Mr Liam Wee Sin	Director
Mr Foo Thiam Fong Wellington	Director

Mr Gwee Lian Kheng
Director

Mr Gwee was appointed to the Board of Directors of the Issuer in 2011. Mr Gwee's profile can be found on page 68 of this Information Memorandum.

Mr Liam Wee Sin
Director

Mr Liam was appointed to the Board of Directors of the Issuer in 2011. He joined the Group in 1993 and is the Deputy Group Chief Executive Officer. He is also a Board Member of several of the Guarantor's subsidiaries. Prior to joining the Group, Mr Liam was in the public sector for eight years, overseeing architectural works and facilities management. He also worked with Jones Lang Wootton for project management and consultancy work. Mr Liam will be appointed as the Group Chief Executive with effect from 2 January 2019.

Mr Liam is a member of the URA Architecture and Urban Design Excellence Committee. He had previously served as a member of the URA Design Advisory Committee, Preservation of Monuments Board and National Crime Prevention Council. In January 2017, Mr Liam was appointed as first vice-president of the Real Estate Developers' Association of Singapore.

Mr Foo Thiam Fong Wellington
Director

Mr Foo was appointed to the Board of Directors of the Issuer in 2011. He joined the Group in 1977 and is the Chief Financial Officer/Group Company Secretary of the Group. He leads the Group's finance, tax, legal and secretariat, information technology, and corporate communications and investor relations departments. He is a Director of several of the Guarantor's subsidiaries.

Mr Foo graduated from the University of Singapore with a Bachelor of Accountancy (Honours) degree. He is a fellow of the Institute of Singapore Chartered Accountants and CPA Australia, and an associate of both the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators.

4. FINANCIAL SUMMARY OF THE ISSUER

(i) A summary of the audited statements of comprehensive income of the Issuer for FY2017, FY2016 and FY2015 is set out as follows:

	For the financial year ended 31 December 2017 S$'000	**For the financial year ended 31 December 2016 S$'000**	**For the financial year ended 31 December 2015 S$'000**
Revenue	30,909	27,234	23,349
Other (losses)/gains - net	(1)	–	2
Other operating income	276	92	83
Expenses			
- Administrative	(561)	(509)	(476)
- Finance	(28,710)	(24,041)	(20,025)
Profit before income tax	1,913	2,776	2,933
Income tax expense	(356)	(488)	(508)
Profit after income tax	1,557	2,288	2,425
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value (losses)/gains, net of tax	(862)	(1,854)	865
- Transfer to/(from) income statement	1,172	354	(263)
Other comprehensive income/(loss), net of tax	310	(1,500)	602
Total comprehensive income	1,867	788	3,027

(ii) A summary of the audited statements of financial position of the Issuer as at 31 December 2017, 31 December 2016 and 31 December 2015 is set out as follows:

	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2015 S$'000
Non-current assets			
Loans to related companies and holding company	1,318,424	918,878	826,996
Loan to a joint venture company	–	27,935	–
Trade and other receivables	17,390	11,401	12,839
Derivative financial instruments	587	207	–
	1,336,401	958,421	839,835
Current assets			
Loans to related companies	15,250	153,457	180,970
Trade receivables	2,804	10,895	10,418
Derivative financial instruments	14	–	1,338
Cash and cash equivalents	51,673	330	5,261
	69,741	164,682	197,987
Current liabilities			
Trade and other payables	4,678	4,133	3,097
Bank loans	332,556	375,436	131,950
Medium term notes	174,961	–	–
Derivative financial instruments	377	–	–
Current income tax liabilities	666	938	654
	513,238	380,507	135,701
Net current (liabilities)/assets	(443,497)	(215,825)	62,286
Non-current liabilities			
Bank loans	595,818	284,241	498,450
Medium term notes	239,360	413,923	174,646
Derivative financial instruments	319	676	–
Advances from a related company	48,222	36,685	222,263
Deferred income tax liabilities	314	66	546
	884,033	735,591	895,905
Net assets	8,871	7,005	6,216
Equity			
Share capital	1,000	1,000	1,000
Hedging reserve	(348)	(657)	842
Retained earnings	8,219	6,662	4,374
Total equity	8,871	7,005	6,216

UOL GROUP LIMITED

OVERVIEW

The Guarantor is one of Singapore's leading public-listed property companies with total assets of close to S$20 billion. The Guarantor has a diversified portfolio of development and investment properties, hotels and serviced suites. With a track record of over 50 years, the Guarantor strongly believes in delivering product excellence and quality service in all its business ventures. The Guarantor, through its hotel subsidiary Pan Pacific Hotels Group Limited, owns two acclaimed brands namely "Pan Pacific" and PARKROYAL which have presences in Asia, Oceania and North America. The Guarantor's Singapore-listed property subsidiary, UIC, owns an extensive portfolio of prime commercial assets in Singapore.

HISTORY

The Guarantor was incorporated with limited liability under the laws of Singapore on 12 December 1963. The Guarantor is a public limited company and has been listed on the Main Board of the SGX-ST since September 1964. The Guarantor, which was originally incorporated under the name Faber Union Limited, changed its name to United Overseas Land Limited on 8 March 1975 and thereafter to UOL Group Limited on 2 May 2006. As at the Latest Practicable Date, the Guarantor had a market capitalisation of S$5,131,660,743.

BUSINESS

Overview of the Group's Properties

The Group's properties consist mainly of investment properties, development properties and hotel properties.

(i) *Investment Properties*

The Group's key investment properties consist primarily of various commercial and residential buildings mainly located in Singapore, including United Square, Odeon Towers, Faber House, Novena Square, KINEX (formerly known as OneKM), One Upper Pickering, Pan Pacific Serviced Suites Orchard, Pan Pacific Serviced Suites Beach Road, PARKROYAL Serviced Suites and retained interests in The Plaza. The Group's overseas investment properties include PARKROYAL Serviced Suites Kuala Lumpur in Malaysia, The Esplanade (Hai He Hua Ding) in Tianjin, China and 110 High Holborn and 120 Holborn Island in London.

Through the Group's 50.09% interest (as at the Latest Practicable Date) in UIC, the Group also has access to UIC's commercial property portfolio which includes Singapore Land Tower, Clifford Centre, The Gateway, SGX Centre 2, Abacus Plaza, Tampines Plaza, Stamford Court, UIC Building, Marina Square shopping mall and West Mall, all of which are located in Singapore.

(ii) *Development Properties*

The on-going development properties of the Group are Principal Garden, Botanique at Bartley, The Clement Canopy, Amber 45 and The Tre Ver. The Group also has two residential project sites in the pipeline at 92-128 Meyer Road and Silat Avenue.

The Group's overseas residential projects include Park Eleven, Shanghai, a mixed development with residential units and retail space and One Bishopsgate Plaza, a mixed-use freehold development in the central financial district of London.

(iii) *Hotel Properties*

The Group owns various hotels in Singapore, Malaysia, Australia, China, Myanmar, Vietnam and the United Kingdom, most of which are under the "Pan Pacific" and PARKROYAL brands. The key hotel properties owned by the Group include:

In Singapore:

- Pan Pacific Singapore (49.19% interest) (as at the Latest Practicable Date)
- Pan Pacific Orchard*
- PARKROYAL on Beach Road
- PARKROYAL on Kitchener Road
- PARKROYAL on Pickering
- Marina Mandarin (49.59% interest) (as at the Latest Practicable Date)
- Mandarin Oriental (24.59% interest) (as at the Latest Practicable Date)

In Myanmar:

- Pan Pacific Yangon (40% interest) (as at the Latest Practicable Date)
- PARKROYAL Yangon

In Australia:

- Pan Pacific Melbourne
- Pan Pacific Perth
- PARKROYAL Melbourne Airport
- PARKROYAL Darling Harbour, Sydney
- PARKROYAL Parramatta

In Malaysia:

- PARKROYAL Kuala Lumpur and President House
- PARKROYAL Penang Resort

In Vietnam:

- Pan Pacific Hanoi (75% interest) (as at the Latest Practicable Date)
- PARKROYAL Saigon
- Sofitel Saigon Plaza (25.58% interest) (as at the Latest Practicable Date)

In China:

- Pan Pacific Xiamen
- Pan Pacific Suzhou
- Pan Pacific Tianjin
- The Westin Tianjin (25.55% interest) (as at the Latest Practicable Date)
- Sheraton Tianjin Hotel (18.03% interest) (as at the Latest Practicable Date)

In the United Kingdom:

- Pan Pacific London (presently under development)

Except as stated, all the hotels listed above are wholly-owned by the Group.

* Pan Pacific Orchard ceased operations from 1 April 2018 and is being redeveloped into a 340-room hotel.

PRINCIPAL ACTIVITIES

Details of the Group's principal activities are set out below:

1. Property Investments

(i) Singapore

The Group's percentage of interest in its major commercial properties in Singapore, the average occupancies of these major commercial properties in 2017 compared to those in 2016 and the valuation of these major commercial properties as at 31 December 2017 are as follows:

Building	Description	Percentage of Interest (as at the Latest Practicable Date)	2017 Average Occupancy (%)	2016 Average Occupancy (%)	Independent Valuation as at 31 December 2017 (S$'million)
Faber House	12-storey office building (excluding first storey which was sold) at Orchard Road	100	98	94	93.8
Odeon Towers	23-storey commercial building with three basement levels and a 2-storey podium block at North Bridge Road	100	98	98	429.9
United Square	Retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and seven carpark decks at Thomson Road	100	94	92	1,075.8

Building	Description	Percentage of Interest (as at the Latest Practicable Date)	2017 Average Occupancy (%)	2016 Average Occupancy (%)	Independent Valuation as at 31 December 2017 (S$'million)
Novena Square	A commercial building above the Novena MRT station, comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks (excluding #01-38 which was sold) at Thomson Road	69.70	96	95	1,365.6
KINEX (formerly known as OneKM)	3-storey commercial podium with a basement located within a commercial/ residential development at Tanjong Katong Road	100	95	96	423.2
Stamford Court	4-storey commercial building of shops and offices	50.09	97	@	93.5
West Mall	5-storey retail and entertainment complex with three basements of car parking space	49.98	99	@	401.0
Singapore Land Tower	47-storey complex of banks and offices and three basements of car parking space	49.98	96	@	1,550.0
SGX Centre 2	29-storey office building with two basements of car parking space	49.98	98	@	519.5 (UIC Group's interest in SGX Centre 1&2)
Clifford Centre	29-storey complex of shops and offices	49.98	95	@	559.0
The Gateway	A pair of 37-storey towers with two basements of car parking space	49.98	89	@	1,110.0
Abacus Plaza and Tampines Plaza	A pair of 8-storey office buildings with two basements of car parking space	49.98 49.98	100 100	@	93.7 93.2
Marina Square Shopping Mall	5-storey retail mall (including basement) is part of a mixed development that includes 3 hotels	49.19	84	@	1,087.0
UIC Building	Part of a mixed development (residential and commercial) with the residential component, V on Shenton	50.09	91*	@	654.0

Building	Description	Percentage of Interest (as at the Latest Practicable Date)	2017 Average Occupancy (%)	2016 Average Occupancy (%)	Independent Valuation as at 31 December 2017 (S$'million)
The Plaza	Retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites, and a 15-storey Pan Pacific Serviced Suites, Beach Road, above the existing carpark block at Beach Road	100	89	91	63.3
PARKROYAL Serviced Suites Beach Road	90 serviced suites and one owner-occupied apartment at Beach Road	100	76	83	79.0
One Upper Pickering	15-storey office building with a roof terrace within a hotel and office development at Upper Pickering Street	100	100	100	195.3
Pan Pacific Serviced Suites Orchard	16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road	100	83	85	150.0

* UIC Building attained TOP in April 2017 and the figure refers to committed occupancy as at 31 December 2017.

@ These are investment properties held under UIC Group which were consolidated from 1 September 2017 onwards.

(a) ***Faber House***

Faber House is a 12-storey office building with a 48-lot carpark at Orchard Road, Singapore, held in freehold. The first storey was sold to UOB. As at 30 September 2018, Faber House consists of approximately 3,956 sqm of net lettable area.

(b) ***Odeon Towers***

Odeon Towers is a 23-storey commercial building and a 2-storey podium block with three basement levels located at North Bridge Road, Singapore, held pursuant to a 999-year leasehold commencing 1827. Odeon Towers was completed in 1992 and extended in 2003 with the construction of a retail podium. As at 30 September 2018, Odeon Towers consists of approximately 18,357 sqm of net lettable area.

(c) ***United Square***

United Square is a retail-cum-office building comprising a 30-storey office tower and a 4-storey retail podium with a basement at Thomson Road, Singapore, held in freehold. Additions and alterations to the basement were carried out in 2008 to create a new food and beverage ("**F&B**") cluster and convert some parts of the circulation area to additional shop space. In 2013, the first level of the mall was revamped to create more shop space and improve connectivity. Positioned as "The Kids Learning Mall", United Square continues to attract young families with a line-up of learn through play character-licensed events and activities. As at 30 September 2018, United Square has approximately 26,971 sqm of lettable office space and 19,492 sqm of retail space.

(d) ***Novena Square***

Novena Square is a commercial building comprising two office towers of 18 and 25-storeys and a 3-storey retail podium conveniently located above Novena MRT station, at Thomson Road, Singapore, held pursuant to a 99-year lease commencing 1997. In 2006, the Group added a new 3-storey wing to Novena Square and rebranded it as Velocity@Novena Square, a sports and lifestyle mall. Unit #01-38 at the first storey of the retail mall was sold to UOB.

In 2017, Velocity@Novena Square introduced new concepts to the mall while keeping signature activities such as the all-time favourite Urban Attack. Despite strong competition from other locations, Velocity@Novena Square remained a preferred venue for race kit collections for major runs including Spartan Race and Mizuno Run. As at 30 September 2018, the total lettable office space is 41,611 sqm and the retail space is 15,899 sqm.

(e) ***KINEX (formerly known as OneKM)***

KINEX, completed in 2014, is a 3-storey commercial podium with a basement located within a commercial/residential development along Tanjong Katong Road. The property is held in freehold. As at 30 September 2018, KINEX consists of approximately 19,160 sqm of net lettable area.

(f) ***Stamford Court***

Stamford Court is a 4-storey a neo-classical office cum retail building located at the junction of Stamford Road and Hill Street, directly opposite the Singapore Management University. The property is held pursuant to a 99-year lease commencing 1994. As at 30 September 2018, Stamford Court consists of approximately 5,990 sqm of net floor area.

(g) **West Mall**

West Mall is a 5 storey retail cum entertainment building. Located adjacent to Bukit Batok MRT station, the mall remains a popular retail destination for residents in the Bukit Batok, Jurong East, Hillview and Upper Bukit Timah precincts. The property is held pursuant to a 99-year lease commencing 1995. As at 30 September 2018, West Mall consists of approximately 17,042 sqm of net floor area.

(h) **Singapore Land Tower**

Singapore Land Tower is a 47-storey banks cum office building located above Raffles Place MRT station. The property is held pursuant to a 999-year lease commencing 1826. As at 30 September 2018, Singapore Land Tower consists of approximately 57,500 sqm of net floor area.

(i) **SGX Centre 2**

SGX Centre 2 is a 29-storey office building located along Shenton Way. The property is held pursuant to a 99-year lease commencing 1995. As at 30 September 2018, the Group's interest in SGX Centre consists of approximately 25,800 sqm (3,336 sqm in SGX Centre 1 and 22,464 sqm in SGX Centre 2) of net floor area.

(j) **Clifford Centre**

Clifford Centre is a 29-storey shops cum office building located above Raffles Place MRT station. The property is held pursuant to a 999-year lease commencing 1826. In 2017, various enhancement works were undertaken to upgrade the building. These included the upgrading of lift lobbies as well as the installation of turnstile and card access systems to enhance the security of the building. As at 30 September 2018, Clifford Centre consists of approximately 25,470 sqm of net floor area.

(k) **The Gateway**

The Gateway is a pair of 37-storey office towers located along Beach Road, just outside the Central Business District. The property is held pursuant to a 99-year lease commencing 1982. The replacement of cooling coils in the air-conditioning system and upgrading of toilets were carried out in 2017. As at 30 September 2018, The Gateway consists of approximately 69,803 sqm of net floor area.

(l) **Abacus Plaza and Tampines Plaza**

The twin office towers, Abacus Plaza and Tampines Plaza, are located in the Tampines Regional Centre and are within walking distance of the Tampines MRT station and several shopping malls. The properties are held pursuant to a 99-year lease commencing 1996. To improve energy efficiency, the chiller and air-conditioning systems of both buildings were replaced with more efficient water-cooled systems in 2017. As at 30 September 2018, The Abacus Plaza and Tampines Plaza consist of approximately 16,794 sqm of net floor area.

(m) **Marina Square Shopping Mall**

Marina Square Shopping Mall is a 5-storey retail mall located in the prime Marina Bay precinct. The property is held pursuant to a 99-year lease commencing 1980.

Surrounded by top tier international luxury hotels, the mall has a wide range of retail and dining options catering to locals and tourists alike. With a mix of luxury lifestyle stores such as Rolex and Tag Heuer, and high street brands like Zara and Massimo Dutti, the mall continues to attract a diverse profile of shoppers.

In 2017, Marina Square welcomed the arrival of additional renowned new tenants such as SOMA – School of Music & the Arts, Dal.komm Coffee, Wandewoo, Island Shop, 4Fingers Crispy Chicken, Nomi Japan and the North Face flagship store. With the introduction of these tenants alongside existing international brands, from IT to fashion, the mall strengthened its position as a premier shopping mall within the Marina Bay area. Marina Square has also recently secured an established co-working space operator as a major tenant at Level 3 (approximately 57,000 sq ft). Slated to open in the second half of 2018, this will be the first co-working space within a shopping mall. As at 30 September 2018, Marina Square Shopping Mall consists of approximately 72,846 sqm of net floor area.

(n) **UIC Building**

UIC Building is a part of a mixed use development (residential and commercial) located at 5 Shenton Way which obtained TOP in April 2017. Designed by world renowned Dutch architect, Ben van Berkel of UN Studio, the building boasts a unique 3-D hexagonal façade. The building achieved 91% committed occupancy as at the end of 2017. The property is held pursuant to a 99-year lease commencing 2011. As at 30 September 2018, UIC Building consists of approximately 26,394 sqm of net floor area.

(o) ***The Plaza***

The Plaza is a 32-storey tower block comprising restaurants, function rooms, shops, offices, 5 storeys of serviced suites known as PARKROYAL Serviced Suites, as well as the 15-storey Pan Pacific Serviced Suites Beach Road and a multi-storey carpark block at Beach Road, Singapore. The property is held pursuant to a 99-year lease commencing 1968.

(i) Shops and offices

The Group's retained interests in The Plaza shops consisting of total lettable space of 4,311 sqm as at 30 September 2018.

(ii) *PARKROYAL Serviced Suites Beach Road*

PARKROYAL Serviced Suites Beach Road comprises 90 units of serviced apartments located on the 18th to 22nd storeys and one owner occupied apartment located on the 17th storey of The Plaza. The occupancy rate of the property dropped by 8% in 2017 from 2016 due to refurbishment works while its average daily rate rose by 4%. Refurbishment works to the serviced apartments which commenced in the later part of 2016 were completed in February 2017.

(iii) *Pan Pacific Serviced Suites Beach Road*

Pan Pacific Serviced Suites Beach Road is a 15-storey building above the existing carpark block at The Plaza. Situated in the rich cultural enclave of Haji Lane and Arab Street, the 180-suite Pan Pacific Serviced Suites Beach Road is in close proximity to the Central Business District as well as tourist attractions. Offering hotel-style hospitality in an extended-stay experience, the property caters to both business and leisure travellers. The property's occupancy rate declined marginally by 1% in 2017 while its average daily rate remained unchanged from 2016.

(p) ***One Upper Pickering***

One Upper Pickering is a 15-storey office building with a roof terrace at Upper Pickering Street, completed in 2012 and held pursuant to a 99-year lease commencing 2008. On 22 October 2012, the Attorney-General's Chambers took possession of the 8,089 sqm office building for a 30-year lease with upfront receipt of lease payments.

(q) ***Pan Pacific Serviced Suites Orchard***

Pan Pacific Serviced Suites Orchard is a 16-storey building comprising 126 suites strategically located in the heart of Singapore's prime shopping belt of Orchard Road and next to the Somerset MRT station. The serviced suites offer a premium extended-stay experience and easy access to a variety of shopping and dining options. Due to increased supply of serviced apartment offerings in the vicinity, both the property's occupancy rate and average daily rate declined by 3% in 2017 from 2016.

(ii) **Kuala Lumpur, Malaysia**

PARKROYAL Serviced Suites Kuala Lumpur

PARKROYAL Serviced Suites Kuala Lumpur, completed in 2010, is a 31-storey building comprising 287 suites and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia. The freehold property is located in the heart of Kuala Lumpur's Golden Triangle, near the famous food street Jalan Alor, Bintang Walk, and mega malls such as Suria KLCC, Starhill Gallery, Pavilion and Lot 10. In 2017, the property's occupancy rate improved by 3% while its average daily rate improved by 1% from 2016. Valuation as at 31 December 2017 was RM225.5 million.

(iii) **Tianjin, China**

The Esplanade (Hai He Hua Ding)

The Esplanade is a three-storey retail mall in Tianjin and has a total lettable retail area of 6,164 sqm. It had an average occupancy of 58%. Valuation as at 31 December 2017 for the retail component and 513 car park lots was RMB326.0 million.

(iv) **Shanghai, China**

Park Eleven

Park Eleven is a mixed-use development located within Shanghai's Changfeng Ecological Park and comprises Park Eleven, a 398-unit residential development and Park Eleven Mall, a retail mall with an estimated 4,103 sqm of net lettable area. The project is a 40:30:30 joint venture between the Guarantor, UIC and Kheng Leong Company (Private) Limited and is close to Hongqiao Transportation Hub and The Bund. The whole project is expected to obtain TOP by the fourth quarter of 2018. As at 31 December 2017, the Group had sold 37% of the units of Park Eleven during the first phase.

(v) **London, United Kingdom**

One Bishopsgate Plaza

One Bishopsgate Plaza, a freehold development of 3,200 sqm, was acquired in 2014 and is the Group's first venture into the United Kingdom. Located in London's Central Business District, the mixed-use development comprises the 237-room hotel Pan Pacific London, a 160-unit residential development and a commercial component with 1,631 sqm of net lettable area. The marketing launch for the residential component is expected for 2018, while the hotel is expected to open in 2020.

110 High Holborn

110 High Holborn, acquired in June 2016, is located in the heart of London's Midtown near the Holborn Underground Station. The part freehold/part 999-year leasehold property is an office cum retail complex. As at 30 September 2018, 110 High Holborn consists of approximately 10,746 sqm of net lettable area. Valuation as at 31 December 2017 was GBP99.5 million.

120 Holborn Island

120 Holborn Island, acquired in December 2016, is located in Farringdon, London, within walking distance to two underground stations – 100 metres to Chancery Lane Underground Station and 300 metres to Farringdon Underground Station interchange – and the upcoming Crossrail. The Group has an effective 75.04 per cent. stake (as at the Latest Practicable Date) in this freehold property. As at 30 September 2018, 120 Holborn Island consists of approximately 32,125 sqm of net lettable area comprising a mix of office and retail spaces. Valuation as at 31 December 2017 was GBP244.3 million.

(vi) **Jakarta, Indonesia**

Tower 2 of Thamrin Nine

In July 2018, the Group acquired 180 apartments and ancillary facilities at Thamrin Nine's Tower 2 for a purchase price of US$56.3 million (or approximately S$76.3 million) from PT Putragaya Wahana. The apartments will be developed into a 180 key PARKROYAL Serviced Suites. Located in central Jakarta, Thamrin Nine is a 5.4 hectare mixed-use development situated along Jalan MH Thamrin Jakarta Pusat, a prestigious district in Indonesia's golden triangle. It will be directly connected to the upcoming Dukuh Atas train station via an underground link. The Sudirman Baru train station along the Soekarno - Hatta Airport Rail Link service line is also within walking distance. Constructed in phases, Thamrin Nine Tower 2 is expected to be completed in 2022. Thamrin Nine is designed by the internationally acclaimed Kohn Pedersen Fox Associates.

2. **Property Development**

The Group has developed many residential projects in both Singapore and overseas. The projects which are under development in Singapore include Principal Garden, Botanique at Bartley, The Clement Canopy, Amber 45 and The Tre Ver. The Group also has two residential project sites in the pipeline at 92-128 Meyer Road and Silat Avenue.

The Group's overseas residential projects include Park Eleven, Shanghai, a mixed development with residential units and retail space and One Bishopsgate Plaza, a mixed-use freehold development in the central financial district of London.

(i) **Singapore**

Name of Project	**No. of Units**	**Expected Year of Completion**	**Tenure of Land**	**Sale Status (as at 30 September 2018)**	**Percentage of Interest (as at the Latest Practicable Date)**
Principal Garden	663	2018	99-Year Leasehold	100	70
Botanique at Bartley	797	2019	99-Year Leasehold	100	100
The Clement Canopy	505	2019	99-Year Leasehold	96.0	74.99
Park Eleven	398	2018	70-Year Leasehold	36.7	54.99
One Bishopsgate Plaza	160	2020	Freehold	–	100
Amber 45	139	2020	Freehold	63.3	100
The Tre Ver	729	–	99-Year Leasehold	15.6	74.99
Site at Silat Avenue	1,090 (estimated)	–	99-Year Leasehold	–	64.99

(a) ***Principal Garden***

In April 2014, the Group's wholly-owned subsidiary UOL Venture Investments Pte. Ltd. ("**UVI**") and Kheng Leong Company (Private) Limited successfully tendered for the land parcel at Prince Charles Crescent for a sum of S$463.1 million. The 99-year leasehold property has a site area of 24,964.3 sqm and is a short walk to Redhill MRT station. A subsidiary, Secure Venture Development (Alexandra) Pte. Ltd., in which the Guarantor has a 70% equity interest, was incorporated to undertake the proposed development.

(b) ***Botanique at Bartley***

In January 2014, the Group's wholly-owned subsidiary, UOL Development (Bartley) Pte. Ltd., successfully tendered for the land parcel at Upper Paya Lebar Road, a 3 minutes' walk to Bartley MRT station, for a sum of S$392.3 million. The 99-year leasehold site with an area of 20,077.6 sqm is being developed into 797 units of apartments.

(c) ***The Clement Canopy***

In December 2015, UVI and Singland Homes Pte. Ltd. ("**SLH**"), a subsidiary of UIC, successfully tendered for the residential site at Clementi Avenue 1 for a sum of S$302.1 million. The 99-year leasehold site is located close to NUS High School of Mathematics and Science and Nan Hua High School. It has an area of 13,037.8 sqm and is being developed into 505 units of apartments. United Venture Development (Clementi) Pte. Ltd., a 50:50 joint venture between UVI and SLH, was incorporated to undertake the proposed development.

(d) ***Amber 45***

In April 2017, the Group's wholly-owned subsidiary UOL Development (Amber) Pte Ltd completed the acquisition of the property at 45 Amber Road for a consideration of S$156.0 million. The freehold property with 139 units of residential apartments and a site area of 6,490 sqm is located close to the upcoming Marine Parade and Tanjong Katong MRT stations. Amber 45 was launched in May 2018.

(e) ***The Tre Ver***

In October 2016, UVD (Projects) Pte Ltd ("**UVDP**"), a 50:50 joint venture between UVI and SLH, entered into a conditional sale and purchase agreement for the collective purchase of the leasehold property at 110-112 Potong Pasir Avenue 1 known as Raintree Gardens for a consideration of S$334.2 million. On 8 February 2017, the Strata Titles Board issued an order that all units in the development be sold collectively to UVDP. The acquisition was completed in May 2017. The 729-unit development was launched in August 2018.

(f) ***Site at Silat Avenue***

In May 2018, UVI and UIC Homes Pte. Ltd., a subsidiary of UIC and Kheng Leong Company (Private) Limited, successfully tendered for a residential site at Silat Avenue (with commercial use) at a tender price of S$1,035.3 million. The 99-year leasehold site which has an allowable development of residential with commercial use and a conservation of 5 existing buildings has an area of 22,851.4 sqm and is expected to yield approximately 1,090 units of residential apartments.

(g) ***Site at 92-128 Meyer Road***

In December 2017, a 50:50 joint venture between UVI and Kheng Leong Company (Private) Limited successfully completed the acquisition of a residential site at 92-128 Meyer Road for a purchase consideration of S$201.1 million. This freehold site has an area of 10,185 sqm. This project will have 57 residential units and is expected to be launched in 2019.

(ii) **London, United Kingdom**

One Bishopsgate Plaza

Please refer to the write-up above on page 53 of the Information Memorandum.

(iii) **Shanghai, China**

Park Eleven

Please refer to the write-up above on page 53 of the Information Memorandum.

3. Hotel and Related Operations

3.1 Hotel Ownership

(i) **Singapore**

(a) ***PARKROYAL on Beach Road***

PARKROYAL on Beach Road is a 346-room hotel located at the fringe of the Central Business District and is easily accessible to Singapore's downtown attractions, business hubs and convention facilities. In 2017, the hotel renovated its restaurants and commenced renovations of its guestrooms on levels four and five. In 2017, the hotel's revenue per available room was 2% below 2016 due to a 2% decline in occupancy rate.

(b) ***PARKROYAL on Kitchener Road***

PARKROYAL on Kitchener Road is a 532-room hotel located in the heart of Little India that offers guests the experience of living in a vibrant ethnic enclave as well as the convenience of a wide variety of food and shopping options within walking distance. Compared with 2016, the hotel's revenue per available room in 2017 dropped 2% due to a 4% decline in average room rate. However, its decline was offset by a 3% gain in occupancy.

(c) ***PARKROYAL on Pickering***

PARKROYAL on Pickering is a 367-room, award-winning hotel recognised for its hotel-in-a-garden concept. The hotel is located in the traditional enclave of Chinatown and close to Singapore's Central Business District. In 2017, the hotel's revenue per available room fell by 1% from 2016 due to a 1% decline in occupancy rate.

(d) ***Pan Pacific Orchard***

Pan Pacific Orchard closed from 1 April 2018 for redevelopment into a new iconic and green 340-key hotel. Expected to reopen in 2021, the hotel will feature three unique levels of experiential sky gardens which will redefine the vertical sky-rise typology.

(e) ***Pan Pacific Singapore***

The Group has an effective 49.19 per cent interest (as at the Latest Practicable Date) in Pan Pacific Singapore, a 790-room five-star hotel located in the Marina Bay area. It is located in close proximity to the Central Business District and provides easy access to a wide array of retail and entertainment options. Compared with 2016, the hotel's revenue per available room was 4% higher due to a 2% increase in average room rate as well as a 2% increase in occupancy. In 2017, the hotel completed the renovation of its Pacific ballrooms and foyer areas.

(g) ***Marina Mandarin Singapore***

The Group has an effective 49.59 per cent. interest (as at the Latest Practicable Date) in Marina Mandarin Singapore, a 575-room luxury hotel in the Marina Bay area connected directly to retail mall Marina Square. In 2017, the property's revenue per available room increased by 2% over the previous year due to a 2% increase in occupancy.

(g) ***Mandarin Oriental Singapore***

The Group has an effective 24.59 per cent. interest (as at the Latest Practicable Date) in Mandarin Oriental Singapore, which offers 468 hotel rooms with 59 serviced suites and is situated in the Marina Bay area. In 2017, the property's revenue per available room increased by 5% over the previous year, contributed by a 5% increase in average room rate.

(ii) **Australia**

(a) ***PARKROYAL Melbourne Airport***

The 276-room PARKROYAL Melbourne Airport is directly connected to Melbourne Tullamarine Airport and is an ideal location for meetings, conferences as well as airport layovers. In 2017, the hotel's revenue per available room rose by 5% against the previous year due to a 5% higher average room rate while occupancy remained unchanged.

(b) ***Pan Pacific Melbourne***

In July 2017, the Group's wholly-owned subsidiary Success Venture Pty Limited (acting in its capacity as trustee for Success Venture (Melbourne) Unit Trust) completed the acquisition of the Hilton Melbourne South Wharf for A$230.0 million (or approximately S$247.7 million). The 99-year leasehold property is located on the South Wharf, Melbourne, along the scenic Yarra River within a precinct that includes the Melbourne Convention and Exhibition Centre. The property has been renamed "Pan Pacific Melbourne" and features 396 rooms and two dining outlets. Renovation works to refresh the hotel's main lobby, guestrooms, guestroom corridors and club lounge began in October 2017 and were completed by end March 2018.

(d) ***PARKROYAL Darling Harbour***

The 340-room PARKROYAL Darling Harbour is located on Day Street near the scenic Darling Harbour waterfront, offering easy access to popular historical and cultural sites in Sydney. In 2017, the hotel's revenue per available room rose 9% due to a 9% improvement in the average room rate while occupancy remained unchanged from 2016.

(d) ***PARKROYAL Parramatta***

The 286-room PARKROYAL Parramatta is located near the bank of the Parramatta River and within the Central Business District. The riverside hotel is a short drive away from signature landmarks such as the Sydney Olympic Park and the Rosehill Gardens Racecourse. In 2017, revenue per available room dropped by 2% due to a 1% decline in both average room rate and occupancy rate.

(e) ***Pan Pacific Perth***

The 486-room Pan Pacific Perth, located at Adelaide Terrace in Perth, Western Australia, overlooks the Swan River and is surrounded by historic gardens. It is a short walk from the city centre and offers easy access to a host of dining and entertainment options. In 2017, the hospitality market in Western Australia continued to be impacted by the slowdown in the mining industry during the year. Revenue per available room dropped by 13% in 2017 due to a 11% decline in average room rate and a decline of 2% in occupancy compared with the year before.

(iii) **China**

(a) ***Pan Pacific Suzhou***

The 480-room Pan Pacific Suzhou is located in the "Venice of the East" with a backdrop of traditional gardens at Xinshi Road within the city precinct of Suzhou. In 2017, revenue per available room rose 10%, comprising 3% and 7% gains in occupancy and average room rates respectively when compared to 2016.

(b) ***Pan Pacific Xiamen***

The 29-storey Pan Pacific Xiamen features 329 hotel rooms and 25 serviced suites. Offering views of the city's coastline, the hotel is in close proximity to the financial district and major tourist attractions such as the Nan Putuo Temple. In 2017, the property's revenue per available room declined by 13% due to a 16% drop in occupancy which was partially offset by a 4% increase in average room rate compared to the previous year.

(c) ***Pan Pacific Tianjin***

Pan Pacific Tianjin is part of mixed-use development The Esplanade which is situated along the Haihe River and offers a combination of 289 hotel rooms and 30 serviced suites. The hotel is located close to the Central Business District and tourist attractions such as the Tianjin Ancient Cultural Street. In 2017, revenue per available room grew by 24% over the previous year, contributed by 17% and 7% increases in occupancy and average room rate respectively.

(d) ***The Westin Tianjin***

The Group has an effective 25.55 per cent. interest (as at the Latest Practicable Date) in The Westin Tianjin, a 275-room hotel in Nanjing Road Central Business District of Tianjin. The hotel's revenue per room was 10% higher due to an increase of 17% in occupancy which was partially offset by a decrease of 5% in average room rate as compared to 2016.

(e) ***Sheraton Tianjin Hotel***

The Group has an effective 18.03 per cent. interest (as at the Latest Practicable Date) in Sheraton Tianjin Hotel, a 240-room hotel with 56 serviced suites located in Tianjin's Hexi district. In 2017, revenue per available room increased by 5% over the previous year, contributed by a 11% increase in occupancy and a 5% decrease in average room rate respectively.

(iv) **Vietnam**

(a) ***PARKROYAL Saigon***

The 186-room PARKROYAL Saigon is a short drive away from Ho Chi Minh City's international airport and Tan Binh Exhibition and Convention Centre. The hotel is also easily accessible to popular tourist attractions such as the Mekong Delta and Cu Chi Tunnels. In 2017, the hotel's revenue per available room increased by 2% from the previous year due to a 2% increase in occupancy rate.

(b) ***Pan Pacific Hanoi***

The Group has a 75 per cent. interest (as at the Latest Practicable Date) in the Pan Pacific Hanoi with 268 hotel rooms and 56 serviced apartments located at Thanh Nien Road, Ba Dinh District. The hotel offers scenic views of the West Lake and Red River in Hanoi with convenient access to the central business district. Revenue per available room rose by 9% in 2017 due to a 6% increase in occupancy and a 3% growth in average room rate.

(c) ***Sofitel Saigon Plaza***

The Group has a 25.58 per cent. interest (as at the Latest Practicable Date) in Sofitel Saigon Plaza which is located on the historic Le Duan Boulevard and within walking distance to the city's commercial centre. This 286-key hotel property also has an adjoining office block known as Central Plaza which a total lettable area of 7,199 sqm. Revenue per available room for the hotel increased by 1% in 2017 due to a 1% growth in occupancy rates, while average room rate remained unchanged from 2016.

(v) **Malaysia**

(a) ***PARKROYAL Kuala Lumpur and President House, Kuala Lumpur***

The 426-room PARKROYAL Kuala Lumpur, with the adjoining 6-storey freehold office and retail podium known as President House, is located within the bustling shopping and entertainment precinct of Bukit Bintang. In 2017, the hotel's revenue per available room rose by 7% against the previous year due primarily to a 6% growth in average room rate. Demolition works to the multi-storey car park commenced in January 2018 to transform it into a new 206-suite property over a period of three years.

(b) ***PARKROYAL Penang***

The 309-room PARKROYAL Penang is situated along Batu Ferringhi beach, overlooks the Andaman Sea and is the choice destination for business and leisure travellers. Due to ongoing renovation works which commenced in late 2016, the hotel's revenue per available room dropped by 29% from the previous year due to a 34% decline in occupancy which was partially mitigated by a 7% increase in average room rate. The refurbishment was completed in April 2018.

(vi) **Myanmar**

(a) ***PARKROYAL Yangon***

PARKROYAL Yangon is located in the heart of Myanmar's capital and a short walk away from iconic and historic attractions such as the Shwedagon Pagoda and Bogyoke Aung San Market. Against the backdrop of a challenging business environment, the 334-room hotel's revenue per available room fell by 20% in 2017 due to a 13% drop in occupancy and a 9% decrease in average room rate as compared to the year before. Renovation works commenced in 2017 to redevelop the existing tennis court space into an extension building for nine SOHO (small office home office) units and were completed in February 2018.

(b) ***Pan Pacific Yangon***

Pan Pacific Yangon is a 336 room luxury hotel located within Junction City, Yangon's first integrated mixed-use development. Apart from its central location, the hotel is also close to the famous Shwedagon Pagoda and Bogyoke Aung San Market.

(vii) **London, United Kingdom**

Pan Pacific London

Please refer to the One Bishopsgate Plaza write-up above on page 53 of the Information Memorandum.

3.2 Hotel Management

(i) Pan Pacific Hotels and Resorts

Pan Pacific Hotels and Resorts is a premium hotel brand with a presence in Asia, Greater China, Oceania, Europe and North America. Its portfolio comprises over 7,000 rooms across 24 hotels, resorts and serviced suites, including those under development. In 2017, the "Pan Pacific" brand debuted in the global cities of Beijing, China and Melbourne, Australia with the opening of Pan Pacific Beijing and Pan Pacific Melbourne respectively. Additionally, the brand made its debut in the country of Myanmar with the opening of Pan Pacific Yangon.

Pan Pacific Melbourne's location on the South Wharf offers easy access to a diverse array of dining and retail options housed in heritage cargo sheds. Apart from offering panoramic views of the city, Port Phillip Bay and the Yarra River, the 396-room hotel is directly connected to the Melbourne Convention and Exhibition Centre. With Pan Pacific Melbourne, PPHG operates five properties in Australia.

When Pan Pacific Beijing opened in the Xicheng district in Beijing in August 2017, it marked PPHG's entry into a first-tier city in China. With the addition of Pan Pacific Beijing, PPHG has six hotels in China, making China its largest country of operations after Singapore. Designed to the highest specifications, the new build Pan Pacific Beijing offers 220 guestrooms and has several distinctive features such as a retractable roof over its 20-metre indoor swimming pool and a conservatory-style Winter Garden connected to its all-day dining restaurant.

Located in Junction City, Yangon's first integrated commercial and luxury lifestyle development, Pan Pacific Yangon is a stroll away from Yangon River and the Shwedagon Pagoda. At 25 storeys high, Pan Pacific Yangon offers magnificent views of the bustling city.

In Singapore, Pan Pacific Singapore underwent a refurbishment where the lighting and technology systems of its Pacific Ballrooms were upgraded. The hotel also launched a new Hospitality Lounge, a dedicated lounge for guests who arrive early or have late night departures to rest in. In addition, the 206-room Pan Pacific Orchard is being redeveloped into a 340-room hotel. It ceased operations from 1 April 2018 and is scheduled to reopen in 2021.

(ii) PARKROYAL Hotels & Resorts

PARKROYAL properties are located in gateway cities of Singapore, Australia, China, Malaysia, Myanmar and Vietnam. The portfolio comprises more than 4,000 rooms from 15 upscale leisure and business hotels, resorts and serviced suites, including those under development. In 2017, PARKROYAL on Beach Road renovated its all-day dining outlet and was relaunched as Ginger, a restaurant which offers local fare with roots in traditional Asian cooking. In addition, the renovation of its guestrooms on levels four and five was completed in January 2018.

4. Other Management Services and Technologies

UOL Management Services Pte Ltd manages the Group's various properties in Singapore while another wholly-owned subsidiary of the Group, UOL Project Management Services Pte Ltd, oversees project management and related services to the Group's development projects and properties.

Technologies business is provided by a subsidiary of UIC Group, UIC Technologies Group with three main IT offerings namely systems integrations, IT services and payroll software, and human resource outsourcing services.

5. Lifestyle-Related Operations

<u>"St. Gregory"</u>

"St. Gregory" is an integrated lifestyle management brand known for its traditional healing therapies, comprehensive workout facilities, personal training programmes and fitness classes. The established brand has a presence in 10 locations in "Pan Pacific" and PARKROYAL hotels across Singapore, Malaysia, China, Vietnam and Myanmar, with its latest opening in Pan Pacific Yangon.

<u>"Si Chuan Dou Hua"</u>

Serving authentic Sichuan cuisine, "Si Chuan Dou Hua" operates six restaurants in Singapore, Japan and Myanmar. In 2017, the outlets at UOB Plaza and PARKROYAL on Beach Road were renovated. Chuan @ The Sixtieth, a bar adjoined to the outlet at UOB Plaza, opened and serves craft cocktails paired with the restaurant's signature food.

6. Investments in Securities

The Group has financial assets at fair value through other comprehensive income that are stated at fair value and which comprises quoted and unquoted securities in both property and non-property related sectors. The quoted securities are made up of shares in UOB and Haw Par Corporation Limited ("**HPCL**") and the unquoted securities include shares in OUB Centre Limited. The fair value of the Group's financial assets at fair value through other comprehensive income increased from S$807.7 million as at 31 December 2016 to S$1,062.8 million as at 31 December 2017 due mainly to the increase in the share price of UOB. Dividend yield from investment in securities was 2.6 per cent. in 2017 compared to 3.5 per cent in 2016.

7. Investments in Associated and Joint Venture Companies

The Group's investments in associated and joint venture companies comprise mainly:

(i) Secure Venture Development (No. 1) Pte Ltd ("**SVD(No.1)**"), a 50:50 joint venture between UVI and Kheng Leong Company (Private) Limited. SVD(No.1), completed the en-bloc acquisition of the freehold property known as Nanak Mansions at 92-128 Meyer Road Singapore in December 2017 for a consideration of S$201.1 million. The 10,185 sqm site is being developed into 57 units of residential apartments.

(ii) An effective 24.59 per cent. stake (as at the Latest Practicable Date) in Marina Bay Hotel Pte Ltd which owns the Mandarin Oriental Singapore, a 468-room hotel with 59 serviced suites in the Marina Bay area.

(iii) An effective 18.03 per cent. stake (as at the Latest Practicable Date) in Tianjin Yan Yuan International Hotel which owns Sheraton Tianjin Hotel with 240 hotel rooms with 56 serviced suites located in Tianjin's Hexi district.

(iv) An effective 40.00 per cent. stake (as at the Latest Practicable Date) in City Square Hotel Co Ltd which owns Pan Pacific Yangon.

(v) An effective 25.58 per cent. stake (as at the Latest Practicable Date) in the 286-room Sofitel Saigon Plaza and the adjoining Central Plaza located on the historic Le Duan Boulevard, within walking distance to the city's commercial centre.

8. Competitive Strengths

(i) Strong Capital Position and Prudent Financial Management

The Group has a strong balance sheet built through years of prudent financial management, evident from its low gearing ratio as compared to its peers in the industry. Its strong capital position enables it to maintain investor and creditor confidence and to secure various sources of funding for its acquisitions and investments. The Group has successfully tapped funding from the debt and equity capital markets and enjoys good business relationships with major and well-established banks which provide it with access to competitive financing costs. The Group's strong financial base places it in a good position to undertake development and investment plans, as well as explore acquisition opportunities.

(ii) Diversified Business Portfolio

In addition to the Group's primary business of property development and property investment, the Group provides property management services and engages in investments in quoted and unquoted securities to diversify its business portfolio. The Group also carries on the business of hotel ownership, hotel management, provision of food and beverage and other hotel and hospitality services, mainly through its subsidiaries in Australia, Vietnam, Singapore, Malaysia, China, Myanmar and the United Kingdom. The Group derived about 24 per cent., 48 per cent. and 22 per cent. of its FY2017's adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) (excluding income from associated and joint venture companies) from its property development, property investments and hotel operations segments respectively. The Group's diversified business model provides greater resilience in its earnings and more stable sources of cash flows.

The Group also actively explores overseas markets to expand its property development and investment businesses, increase its geographical presence and create a diversified portfolio to minimise the concentration risk in Singapore. The diversification strategy also enables the Group to seize opportunities arising from growing demand for properties in the region.

(iii) Proven Track Record

The Group identifies and undertakes strategic acquisitions of land banks and development sites for development to meet market demand. It has a proven track record of identifying investment opportunities for business expansion, including acquiring, developing, managing, operating and enhancing properties in the residential, retail, business space and hospitality segments. Most of the Group's residential projects have been achieving high sales volume after their launch and most of the Group's commercial and hospitality properties have been achieving good occupancy and room rates. The Group's strategic acquisitions and investments have enabled it to grow steadily in profitability and assets size through the years while maintaining overall financial prudence. The Group also enters into strategic partnerships with consultants, contractors and vendors while exercising cost discipline to achieve profitability on the projects.

(iv) Experienced and Committed Management Team

The Group has an experienced and committed management team with diverse experience in various professions such as finance, real estate and hospitality. The Group is led by Dr Wee Cho Yaw (Non-Executive Director, Chairman) who has more than 50 years of experience in the banking industry, and Mr Gwee Lian Kheng (Executive Director, Group Chief Executive) who has been with the Group since 1973. With effect from 2 Jan 2019, Mr Liam Wee Sin, Deputy Group Chief Executive Officer, who has been with UOL for the last 25 years, will succeed Mr Gwee Lian Kheng. The Group's management is instrumental in setting its corporate objectives and strategies, and contributed to the steady growth of the Group over the years. The Group's management upholds strong corporate governance standards and is committed towards building sustainable corporate practices.

(v) Design and Quality Excellence

Since its inception in 1963, the Group has established strong brand equity through its residential development and commercial projects. The Group has received prestigious awards for various corporate and product categories, including the FIABCI Prix d'Excellence Award, the Aga Khan Award for Architecture, the Urban Land Institute Awards for Excellence and the President's Design Award. For further details on the awards won by the Group, please see the section below entitled "Principal Activities - 10. Awards".

9. Growth Strategies

(i) Achieve Sustainable Growth in Earnings through Significant Development Project Pipeline, Hospitality Assets, Retail and Office Properties and Fee Income

The Group will continue to seek sustainable growth in earnings in the following key business segments:

(a) Residential developments

For FY2017, 31 per cent. of the Group's profit came from residential development sales. The Group will maintain the pipeline of residential projects in Singapore and overseas by continually replenishing its land bank through acquisition of suitable land sites. Hence, the Group will continue to remain active in land acquisitions through selective participation in government land sale tenders and purchase of privately-held land in order to sustain future earnings. By diversifying its portfolio across multiple projects and countries, the Group aims to manage income volatility and sustain growth in earnings.

(b) Hotel and serviced suites

In recent years, the Group has acquired Pan Pacific Melbourne and increased its interest in Pan Pacific Yangon from 20 per cent to 40 percent. Pan Pacific London is also slated to open in 2020. Furthermore, the Group is on track to open several hotels under various hotel management agreements in Indonesia, Vietnam and Malaysia within the next few years. The Group will continue to improve earnings contribution from this asset class through various asset management initiatives and securing more hotel management contracts.

(c) Retail and office space

Rental income from properties owned by the Group contributes to relatively stable earnings. The Group intends to improve its earnings from its retail and office space by undertaking asset enhancement initiatives and expanding its portfolio through new investments in Singapore and overseas. Recent retail and office developments acquired by the Group include 110 High Holborn and 120 Holborn Island. The Group's increased ownership interest in UIC in the years leading up to the consolidation of UIC from 1 September 2017 has also allowed the Group to have increased access to UIC's commercial property portfolio and, in particular, UIC's office properties in the Singapore Central Business District.

(ii) Grow Asset Portfolio in a Balanced and Focused Manner Across Geographies and Property Segments to Achieve Stable Earnings

The Group will continue to grow its asset portfolio in a balanced and focused manner. Specifically, it will adopt the following approaches:

(a) Maintain a balanced asset portfolio across geographies

As at 31 December 2017, Singapore accounted for approximately 84 per cent. of the Group's total property assets, while China, United Kingdom and Australia accounted for approximately 7 per cent., 5 per cent. and 3 per cent. respectively. While Singapore will remain important as the home market, the Group intends to strengthen its presence overseas.

The Group will also continue to expand its hotel and serviced suites portfolio by investing in more properties in those markets where its existing hotels have been performing well so as to create economies of scale and enhance brand presence in such markets where there is potential for growth. In addition, the Group will also be on the lookout for investment opportunities in key gateway cities such as London, Shanghai and Bangkok.

(b) Maintain a balanced asset portfolio across asset classes

In maintaining a balanced asset portfolio in residential land bank, retail malls, office space and hospitality assets, the Group intends to diversify its revenue streams and operating profits across the aforesaid asset classes. The Group further intends to maintain a relatively stable level of contribution from retail malls, office space and hospitality assets to offset the more volatile nature of residential development earnings.

(ii) Optimise Capital Efficiency through Active Asset Management Initiatives

In expanding its geographical footprint, the Group will seek to optimise capital efficiency by adopting the following approaches:

(a) Maintain discipline in turning around its land bank acquisitions and shortening project development cycle

The Group will continue to maintain a high level of discipline in turning around its land bank acquisitions in the shortest possible time so as to generate cash flows, namely, from pre-sales to fund the construction and from completion of construction to repay loans. In doing so, the Group targets to achieve higher efficiency in capital deployment and enhance its ability to invest in new projects or assets.

(b) Redevelopment and/or asset enhancement initiatives

The Group intends to embark on redevelopment and/or asset enhancement initiatives to upgrade or re-position its existing retail, office space and hotel properties, with a view to improve tenant mix, shopper traffic, occupancy and/or rental rates. Asset enhancement initiatives undertaken recently at PARKROYAL on Beach Road, Pan Pacific Singapore, PARKROYAL Penang Resort, PARKROYAL Yangon and the redevelopment of Pan Pacific Orchard will contribute to net value creation. The Group will also continually rejuvenate and improve its hotel and serviced suites products in order to stay competitive.

(c) Portfolio management

As and when an attractive opportunity arises, the Group will consider divesting its existing assets in order to realise capital gains and redeploy capital for new properties or asset classes which have better upside potential in terms of yield and capital appreciation.

(d) Increase earnings from management fees without a huge capital outlay

As the Group seeks to expand its hotel and serviced suites business, it will, as far as practicable, seek to enter into management contracts with property owners with a view to earning management fees without committing a huge capital outlay to acquire or develop buildings. As at the Latest Practicable Date, the Group manages 10 properties which are owned by third parties and associated companies. The Group intends to add another six properties located in Indonesia, Malaysia and Vietnam to its hotel management portfolio by 2021.

10. Awards

Awards conferred on the Group from 2016 to 2018 include the following:

(i) Residential

Year	Property	Award
2018	The Tre Ver, Singapore	International Property Awards (Asia Pacific) - Residential High-rise Development Singapore (Winner)
		International Property Awards (Asia Pacific) - Residential High-rise Architecture Singapore (Winner)
2017	One Bishopsgate Plaza, London	International Property Awards (United Kingdom) - Mixed-use Development, UK (Winner)
		International Property Awards (United Kingdom) - Best Mixed-use Architecture London, UK (5-star)
	Seventy Saint Patrick's, Singapore	FIABCI Singapore Property Awards - Residential Low-Rise Category (Winner)
	Thomson Three, Singapore	FIABCI Singapore Property Awards - Residential Mid-Rise Category (Winner)
	Principal Garden, Singapore	Workplace Safety and Health Awards - Safety and Health Award Recognition for Projects (SHARP) category
	The Clement Canopy, Singapore	International Property Awards (Asia Pacific) - Best Residential Landscape Architecture, Singapore (5-star)
		International Property Awards (Asia Pacific) - Residential High-rise Architecture, Singapore (Winner)
	Park Eleven, Shanghai	International Property Awards (Asia Pacific) - Mixed-use Development, China (Winner)
2016	Archipelago, Singapore	FIABCI Singapore Property Awards - Residential Low-Rise Category (Winner)

Year	Property	Award
	Principal Garden, Singapore	RoSPA Award - Health & Safety (Gold)
		International Property Awards (Asia Pacific) - Interior Design Show Home, Singapore (Highly Commended)
		International Property Awards (Asia Pacific) - Residential High Rise Architecture, Singapore (Highly Commended)
		International Property Awards (Asia Pacific)- Residential Landscape Architecture, Singapore (5-star)
		International Property Awards (Asia Pacific) - Residential High-rise Development, Singapore (5-star)
		International Property Awards (Asia Pacific) - Condominium, Singapore (5-star)
		International Property Awards - Best Residential Landscape Architecture Asia Pacific
		International Property Awards - Best Condominium Asia Pacific
		International Property Awards - Best International Residential Landscape Architecture
		International Property Awards - Best International Condominium
		BCA Green Mark Award (Goldplus)
	Botanique at Bartley, Singapore	BCA Green Mark Award (Goldplus)

(ii) Hospitality

Year	Property	Award
2018	Pan Pacific Orchard, Singapore	International Property Awards (Asia Pacific) - Best New Hotel Construction & Design Singapore (5-star)
		International Property Awards (Asia Pacific) - Best Hotel Architecture Singapore (5-star)
2017	Pan Pacific Hotels Group Limited	Travel Weekly Asia Readers' Choice Awards 2017 - Best Regional Hotel Chain
		Pan Pacific London, United Kingdom International Property Awards (United Kingdom) - Best New Hotel Construction & Design UK (5-star)
		International Property Awards (United Kingdom) - Best Hotel Architecture London (5-star)
		PARKROYAL on Pickering, Singapore World Travel Awards 2017 - Asia's Leading Green Hotel

Year	Property	Award
	PARKROYAL Darling Harbour, Australia	Tourism Accommodation Australia NSW Awards for Excellence 2017 - Metropolitan Superior Hotel
		Australian Hotels Association National Awards for Excellence 2017 - Best Superior Accommodation
		2017 HM Awards for Hotel and Accommodation Excellence - Upscale Hotel (Winner)
2016	Pan Pacific Serviced Suites, Singapore	DestinAsian Readers' Choice Awards 2016 - Top 5 Best Serviced Residence Brand
	Pan Pacific Serviced Suites Beach Road, Singapore	World Luxury Hotel Awards 2016 - Country Winner, Luxury Serviced Apartments
	Pan Pacific Serviced Suites Orchard, Singapore	Business Traveller Asia-Pacific Awards 2016 - Best Serviced Residence in Asia-Pacific
		World Travel Awards 2016 - Singapore's Leading Hotel Residences
	PARKROYAL on Pickering, Singapore	World Travel Awards 2016 - Asia's Leading Green Hotel
		16th SIA Architectural Design Awards 2016 - Design Award, Commercial Projects Category
	Pan Pacific Perth, Australia	2016 HM Awards For Hotel and Accommodation Excellence - Winner, Marketing Campaign Category
		2016 HM Awards For Hotel and Accommodation Excellence - Winner, Hotel Chef Category
		Australian Hotels Association Accomodation Industry Awards 2016 - WA's Best Accomodation Hotel Marketing
		Australian Hotels Association Accomodation Industry Awards 2016 - WA's Best Concierge
	PARKROYAL Darling Harbour, Australia	2016 HM Awards For Hotel and Accommodation Excellence - Winner, Concierge Category
		Tourism Accomodation Australia NSW Awards for Excellence 2016 - Highly Commended, Sydney Superior Hotel of the Year
	PARKROYAL Melbourne Airport, Australia	Tourism Accomodation Australia VIC Awards for Excellence 2016 - Winner, Superior Accomodation Hotel of the Year
	Pan Pacific Hotels Group Limited	Community Chest Awards 2016 - Corporate Bronze Award

11. Directors

The Directors of the Guarantor as at the date of this Information Memorandum are:

Name	**Position**
Dr Wee Cho Yaw	Non-Executive and Non-Independent Director, Chairman
Mr Wee Ee Lim	Non-Executive and Non-Independent Director, Deputy Chairman
Mr Gwee Lian Kheng	Executive and Non-Independent Director, Group Chief Executive
Mr Low Weng Keong	Non-Executive and Independent Director
Mr Wee Sin Tho	Non-Executive and Independent Director
Mr Tan Tiong Cheng	Non-Executive and Independent Director
Mr Wee Ee-chao	Non-Executive and Non-Independent Director
Dr Pongsak Hoontrakul	Non-Executive and Independent Director
Mr Poon Hon Thang Samuel	Non-Executive and Independent Director

Dr Wee Cho Yaw
Non-Executive and Non-Independent Director, Chairman

Dr Wee is the Chairman of the Guarantor and its wholly-owned subsidiary, PPHG. Dr Wee was appointed to the Board of Directors of the Guarantor on 23 April 1973 and was last re-elected as Director on 25 April 2018. Dr Wee chairs the Guarantor's Executive Committee and is a member of the Guarantor's Nominating and Remuneration Committees.

Dr Wee is a veteran in the banking, insurance, real estate and hospitality industries. He is currently the Chairman Emeritus and Honorary Adviser of UOB where he had served for more than 60 years in various roles as director, chief executive officer, adviser and chairman. He is also currently the Chairman of United Overseas Insurance Limited, HPCL, UIC, Marina Centre Holdings Private Limited ("**MCH**"), Wee Foundation and Chung Cheng High School.

Dr Wee is the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

Dr Wee has received many accolades for his business achievements and support of education, community welfare and the business community. Among the awards he has received are the Distinguished Service Order (which is one of Singapore's highest National Day Awards), ASEAN Business Advisory Council Legacy Award for Singapore, The Asian Banker Lifetime Achievement Award, and Businessman of the Year (from the Singapore Business Awards).

Dr Wee was appointed a Pro-Chancellor of Nanyang Technology University in 2004. He was conferred Honorary Degrees of Doctor of Letters by the National University of Singapore in 2008 and Nanyang Technological University in 2014. Dr Wee received Chinese high school education.

Mr Wee Ee Lim
Non-Executive and Non-Independent Director, Deputy Chairman

Mr Wee was appointed to the Board of Directors of the Guarantor since 9 May 2006. He was last re-elected as Director at the Annual General Meeting held on 26 April 2017. Mr Wee who is a non-executive and non-independent Director, is also the Deputy Chairman of the Executive Committee and a member of the Audit and Risk Committee.

Mr Wee joined HPCL in 1986 and is currently the president and chief executive officer of HPCL. He is also a director of UOB, UIC and Wee Foundation. Until July 2015, Mr Wee was a director of Hua Han Health Industry Holdings Limited (formerly known as Hua Han Bio-Pharmaceutical Holdings Limited), a company listed on the Hong Kong Stock Exchange.

Mr Wee holds a Bachelor of Arts (Economics) degree from Clark University, USA.

Mr Gwee Lian Kheng
Executive and Non-Independent Director, Group Chief Executive

Mr Gwee has been with the Guarantor since 1973 and is the Group Chief Executive of the Guarantor. Mr Gwee was appointed to the Board of Directors of the Guarantor since 20 May 1987 and was last re-appointed as Director at the Annual General Meeting held on 28 April 2016. Mr Gwee, who is an executive and non-independent Director, is also a member of the Executive Committee. Mr Gwee will be retiring from his position as Group Chief Executive on 31 January 2019 but shall remain a Director of the Guarantor.

Mr Gwee is also the Group Chief Executive of PPHG. He is a Director of various subsidiaries of the Group and a Director of UIC.

Mr Gwee holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a Fellow of the Chartered Institute of Management Accountants and the Association of Chartered Certified Accountants in the United Kingdom, and the Institute of Singapore Chartered Accountants.

Mr Gwee received the Asia Pacific Hotelier of the Year award in 2003 and the Hotel Legends Hall of Fame Award at the 11th Australian New Zealand Pacific Hotel Industry Conference in 2011. He was awarded the Pingat Bakti Masyarakat (PBM) Public Service Medal and the Bintang Bakti Masyarakat (BBM) Public Service Star by the President of Singapore in 1994 and 2002 respectively.

Mr Low Weng Keong
Non-Executive and Independent Director

Mr Low was appointed to the Board of Directors of the Guarantor since 23 November 2005. He was last re-elected as Director at the Annual General Meeting held on 26 April 2017. Mr Low, who is an independent and non-executive Director, is the Chairman of the Audit and Risk Committee and Nominating Committee and is also a member of the Executive Committee and Remuneration Committee.

Mr Low is an independent director of Riverstone Holdings Limited, a Singapore-listed company and iX Biopharma Limited, a company listed on the Catalist Board of the SGX-ST. He is also a director of the Singapore Institute of Accredited Tax Professionals Limited and Confederation of Asian and Pacific Accountants Limited. Mr Low is a member of Board of Trustees of NTUC Education and Training Fund. He was a former country managing partner of Ernst & Young, Singapore and a past global president and chairman of CPA Australia. Until 1 November 2016, Mr Low was an independent director of Bracell Limited (formerly known as Sateri Holdings Limited) a company listed on the Hong Kong Stock Exchange.

Mr Low is a Fellow and Life Member of CPA Australia, a Fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Singapore Chartered Accountants, an Associate of the Chartered Institute of Taxation (United Kingdom) and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals.

Mr Wee Sin Tho
Non-Executive and Independent Director

Mr Wee was appointed to the Board of Directors of the Guarantor since 13 May 2011. He was last re-elected as Director at the Annual General Meeting held on 26 April 2017. Mr Wee, who is an independent and non-executive Director, is also the Chairman of the Remuneration Committee.

Mr Wee is an independent director of National Gallery Singapore, Farrer Way Pte Ltd and Leap Philanthropy Ltd. He was previously an independent director of Keppel Telecommunications & Transportations Ltd, a Singapore-listed company until April 2016. Mr Wee was previously the chief executive officer of HLG Capital Bhd, managing director of UIC, president of Vickers Capital Limited and chief executive officer of Vickers Ballas Holdings Limited. Until 30 September 2017, Mr Wee was a senior adviser, Office of President, National University of Singapore.

Mr Wee holds a Bachelor of Social Sciences (Honours) from the University of Singapore.

Mr Tan Tiong Cheng
Non-Executive and Independent Director

Mr Tan was appointed to the Board of Directors of the Guarantor on 29 May 2013 as an independent and non-executive Director and a member of the Audit and Risk Committee. He was last re-elected as Director at the Annual General Meeting held on 25 April 2018.

Mr Tan is also an independent director of Singapore-listed companies, Heeton Holdings Limited, The Straits Trading Company Limited and Amara Holdings Limited. He is an adviser of Knight Frank Pte Ltd and president of Knight Frank Asia Pacific. Over the last four decades, Mr Tan has amassed an extensive and in-depth knowledge of real estate, both in the public and private sectors. Until 30 April 2016, Mr Tan was a member of the Valuation Review Board.

Mr Tan is a Fellow of the Singapore Institute of Surveyors and Valuers, Fellow of the Association of Property and Facility Managers, and an Associate of the New Zealand Institute of Valuers.

A Colombo Plan Scholar, Mr Tan graduated top of his class with a Diploma in Urban Valuation from the University of Auckland, New Zealand.

Mr Wee Ee-chao
Non-Executive and Non-Independent Director

Mr Wee was appointed to the Board of Directors of the Guarantor since 9 May 2006. He was last re-elected as Director at the Annual General Meeting held on 25 April 2018. Mr Wee is a non-executive and non-independent Director.

Mr Wee is the chairman and managing director of UOB-Kay Hian Holdings Limited and a director of most of the UOB Kay Hian group of companies. Mr Wee manages Kheng Leong Company (Private) Limited which is involved in real estate development and investments and is a non-executive director of HPCL.

Mr Wee was previously the chairman of UOB Kay Hian Securities (Thailand) Public Co Limited, a company listed on the Stock Exchange of Thailand until July 2016.

Mr Wee holds a Bachelor of Business Administration degree from the American University Washington D.C., USA.

Dr Pongsak Hoontrakul
Non-Executive and Independent Director

Dr Hoontrakul was appointed to the Board of Directors of the Guarantor since 21 May 2008. He was last re-elected as Director at the Annual General Meeting held on 28 April 2016. Dr Hoontrakul, who is a non-executive and independent Director, is also a member of the Nominating Committee.

Dr Hoontrakul is a member of the International Advisory Council of the Schulich School of Business, York University, Toronto, Canada. He is also a member of the Advisory Panel for the International Association of Deposit Insurance, Switzerland.

Dr Hoontrakul was adviser to the Senate Committee for Fiscal, Banking and Financial Institutions, the Parliamentary Committee for Economic Affairs and the Parliamentary Committee for Justice and Human Rights in Thailand. He also served as an independent director of United Overseas

Bank (Thai) Public Company Limited until April 2008. Until May 2013, he was the Senior Research Fellow at Sasin School of Management of Chulalongkorn University, Thailand.

Dr Hoontrakul received a Doctoral degree in Business Administration in the Finance from Thammasat University, a Master in Business Administration from Sasin School of Management of Chulalongkorn University, Thailand and a Bachelor of Science degree in Industrial and System Engineering at San Jose State University, USA. Dr Pongsak is a Fellow of the Thai Institute of Directors Association. He was the recipient of the Best Research Paper Award for ASEAN Scholars at the annual Asia Pacific Finance Association conference in 2001.

Mr Poon Hon Thang Samuel
Non-Executive and Independent Director

Mr Poon was appointed to the Board of Directors of the Guarantor since 12 May 2016. He was last re-elected as Director at the Annual General Meeting held on 26 April 2017. He has more than three decades of experience in the financial industry. From 1979 to 1988, Mr Poon served at Citibank N.A. (Singapore) where he was responsible for credit, marketing, remedial management and structured finance. From 1988 to 2006, when he retired as senior executive vice president of UOB, Mr Poon was responsible for consumer banking, corporate banking, commercial banking, corporate finance and international banking at UOB.

Mr Poon is currently the lead independent director of two Singapore-listed companies, Enviro-Hub Holdings Ltd and Soilbuild Construction Group Ltd. Until June 2016, he was a director of J.P. Nelson Holdings Ltd, a company listed on Taiwan Gretai Securities Market.

Mr Poon holds a Bachelor of Commerce (Honours) from Nanyang University of Singapore.

FINANCIAL SUMMARY AND OVERVIEW

The consolidated financial statements of the Guarantor for FY2017, FY2016, FY2015, 9M2018 (unaudited) and 9M2017 (unaudited) are as follows:

Consolidated Income Statements

	FY2017 S$'000	FY2016 S$'000	FY2015 S$'000	9M2018 (unaudited) S$'000	9M2017 (unaudited) (Restated) S$'000
Revenue	2,103,152	1,440,739	1,278,749	1,820,252	1,287,665
Cost of sales	(1,403,111)	(955,729)	(774,876)	(1,104,856)	(871,794)
Gross profit	700,041	485,010	503,873	715,396	415,871
Other income					
- Finance income	11,666	5,406	6,039	8,853	6,955
- Miscellaneous income	19,255	17,175	18,374	16,463	14,118
Expenses					
- Marketing and distribution	(91,514)	(63,374)	(67,275)	(66,257)	(52,726)
- Administrative	(99,342)	(77,660)	(81,010)	(90,772)	(64,278)
- Finance	(37,942)	(30,292)	(41,664)	(34,421)	(28,217)
- Other operating	(110,986)	(81,310)	(82,500)	(111,190)	(65,907)
Share of profit of associated companies excluding fair value (losses)/gains of associated companies' investment properties	109,030	131,993	126,633	3,371	105,313
Share of profit/(loss) of joint venture companies excluding fair value and other gains/(losses) of a joint venture company	9,683	4,256	29,117	(221)	11,639
Profit before fair value and other gains/(losses) and income tax	509,891	391,204	411,587	441,222	342,768
Other losses of a joint venture company	–	(3,169)	–	–	–
Other gains/(losses)	524,615	(23,275)	(22,036)	32	523,121
Fair value (losses)/gains on associated and joint venture companies' investment properties	(1,094)	(1,144)	9,920	–	(1,094)
Fair value gains/(losses) on the Group's investment properties	15,593	(9,700)	60,902	64,414	13,249
Profit before income tax	1,049,005	353,916	460,373	505,668	878,044
Income tax expense	(62,015)	(48,316)	(47,195)	(72,310)	(38,485)
Net profit	986,990	305,600	413,178	433,358	839,559
Attributable to:					
Equity holders of the Guarantor	891,009	287,040	391,389	299,292	798,756
Non-controlling interests	95,981	18,560	21,789	134,066	40,803
	986,990	305,600	413,178	433,358	839,559

Consolidated Statements of Financial Position

	As at 30 September 2018 (unaudited) S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2015 S$'000
ASSETS				
Current assets				
Cash and bank balances	698,661	816,446	301,512	276,398
Trade and other receivables	278,146	395,299	99,597	197,106
Derivative financial instrument	148	14	–	1,338
Developed properties held for sale	342,736	399,786	31,878	40,251
Development properties	3,678,603	2,472,402	1,142,342	1,444,041
Inventories	3,572	4,991	651	734
Other assets	95,519	66,183	16,993	15,618
Current income tax assets	294	220	157	125
	5,097,679	4,155,341	1,593,130	1,975,611
Non-current assets				
Trade and other receivables	106,625	92,924	128,780	13,348
Derivative financial instrument	2,353	1,538	207	–
Financial assets at fair value through other comprehensive income	1,182,368	1,131,702	855,051	804,872
Investments in associated companies	286,148	285,511	3,409,827	3,279,632
Investments in joint venture companies	749	970	77,747	86,349
Investment properties	10,986,713	10,917,340	4,299,597	4,134,897
Property, plant and equipment	2,778,516	2,856,164	1,165,536	1,178,534
Intangibles	160,417	180,951	24,361	23,336
Deferred income tax assets	4,718	1,005	3,904	4,702
	15,508,607	15,468,105	9,965,010	9,525,670
Total assets	20,606,286	19,623,446	11,558,140	11,501,281
LIABILITIES				
Current liabilities				
Trade and other payables	838,538	927,594	203,125	238,322
Current income tax liabilities	90,315	109,186	50,699	41,788
3.043% unsecured fixed rate notes due 2017	–	–	74,974	–
2.5% unsecured fixed rate notes due 2018	–	174,961	–	–
Bank loans	1,507,140	797,583	653,429	523,339
Finance lease liabilities	258	270	272	266
Derivative financial instrument	592	377	–	–
	2,436,843	2,009,971	982,499	803,715
Non-current liabilities				
Trade and other payables	211,095	214,879	157,013	156,027
Finance lease liabilities	3,449	3,614	3,634	3,553
Bank loans	2,735,688	2,568,187	1,200,202	1,730,325
2.5% unsecured fixed rate notes due 2020	239,540	239,360	239,120	–
2.5% unsecured fixed rate notes due 2018	–	–	174,803	174,646
3.043% unsecured fixed rate notes due 2017	–	–	–	74,899
Derivative financial instrument	320	1,708	4,272	978
Loans from non-controlling shareholders of subsidiaries	183,329	63,009	63,009	63,009
Provision for retirement benefits	6,079	5,621	4,927	3,854
Deferred income tax liabilities	384,060	370,806	93,297	89,159
	3,763,560	3,467,184	1,940,277	2,296,450
Total liabilities	6,200,403	5,477,155	2,922,776	3,100,165
NET ASSETS	14,405,883	14,146,291	8,635,364	8,401,116

	As at 30 September 2018 (unaudited) S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2015 S$'000
Capital and reserves attributable to equity holders of the Guarantor				
Share capital	1,555,395	1,549,744	1,269,853	1,216,099
Reserves	932,203	907,272	912,147	889,866
Retained earnings	7,141,345	6,988,104	5,945,154	5,788,210
	9,628,943	9,445,120	8,127,154	7,894,175
Non-controlling interests	4,776,940	4,701,171	508,210	506,941
TOTAL EQUITY	14,405,883	14,146,291	8,635,364	8,401,116

Performance review for 9M2018 compared to 9M2017

On 31 August 2017, the Group completed the acquisition of 60 million shares in UIC from a wholly owned subsidiary of Haw Par Corporation Limited. Following this acquisition, UIC Group (including its subsidiary, Marina Centre Holdings Limited) and the common associated and joint venture companies of the Group and UIC Group have been accounted as subsidiaries of the Group in accordance with the Financial Reporting Standards ("**FRS**") 110 Consolidated Financial Statements.

Acquisition accounting was applied in accordance with FRS 103 Business Combinations ("**FRS 103**") (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 recognised in the third quarter of 2017 totalling S$535.6 million (restated from the previously reported amount of S$542.1 million).

With the consolidation taking effect from 1 September 2017, the results for the first nine months of 2018 includes nine months of consolidated income and expenses of the acquired entities compared to one month for the first nine months of 2017.

Revenue

Group revenue in the first nine months of 2018 increased by S$532.6 million or 41% to S$1.82 billion from S$1.29 billion in the first nine months of 2017 due mainly to an additional S$871.4 million revenue contribution from UIC Group and the associated and joint venture companies of the Group and UIC Group following the consolidation of these entities from 1 September 2017. Dividend income was higher mainly from UOB which declared higher ordinary and special dividends totaling 115 cents per share compared to 70 cents per share in the first nine months of 2017.

Gross profit margin

Gross profit margin of 39% for the first nine months of 2018 was higher than the 32% margin for the first nine months of 2017 due mainly to a higher proportion of revenue from property investments which have higher margins. The proportion of revenue from property investments was higher due to the consolidation of the investment properties of UIC Group from 1 September 2017.

Expenses

The increase in marketing and distribution, administrative, other operating expenses and finance expenses for the first nine months of 2018 compared to the first nine months of 2017 was mainly from the consolidation of UIC Group commencing 1 September 2017. The increase in other operating expenses was also due to higher amortisation of development property backlog by S$12.7 million arising from the purchase price allocation exercise.

Associated and joint venture companies

Share of profit of associated and joint venture companies is lower as the results of UIC Group and the common associated and joint venture companies of UIC and the Group are no longer equity accounted but are consolidated with those of the Group from 1 September 2017 onwards.

Profit & Loss

The pre-tax profit before fair value and other gains/(losses) for the first nine months of 2018 was S$441.2 million, an increase of 29% from the profit of S$342.8 million for the first nine months of 2017 due mainly to higher profits from all segments with the exception of management services and technologies which recorded a small decrease.

Profit after tax and non-controlling interest for the first nine months of 2018 was S$299.3 million, a decrease of 63% from the profit of S$798.8 million in the corresponding period of 2017 due mainly to lower attributable fair value and other gains of S$39.4 million compared to S$530.8 million in the previous corresponding period.

Financial position as at 30 September 2018 compared to 31 December 2017

Net tangible asset and gearing

The Group's shareholders' funds increased from S$9.45 billion as at 31 December 2017 to S$9.63 billion as at 30 September 2018 due mainly to profits recognised in the first nine months of 2018. Consequently, the net tangible asset per ordinary share of the Group increased to S$11.24 as at 30 September 2018 from S$11.01 as at 31 December 2017.

The Group's gearing ratio increased from 0.21 as at 31 December 2017 to 0.28 as at 30 September 2018 due mainly to higher borrowings for acquisition of the site at Silat Avenue.

Performance review for FY2017 compared to FY2016

On 31 August 2017, the Group completed the acquisition of 60 million shares in UIC from a wholly owned subsidiary of Haw Par Corporation Limited. Following this acquisition, UIC Group has been accounted as a subsidiary of the Group in accordance with the 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, MCH), the following associated and joint venture companies of the 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**")	The Tre Ver
United Venture Investments (HI) Pte. Ltd. ("**UVIHI**")	Holborn Island

Acquisition accounting was applied in accordance with FRS 103 (commonly known as 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 S$542.1 million. Arising from the PPA exercise, a fair value uplift of S$421.1 million and S$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 S$56.1 million relating to Park Eleven and S$18.7 million relating to The Clement Canopy will result in a lower development profit to be recognised in future periods.

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.

Revenue

Group revenue in 2017 increased by S$662.4 million or 46% to S$2.10 billion from S$1.44 billion in 2016 due mainly to the consolidation of UIC Group and the associated and joint venture companies of the Group and UIC Group which contributed an additional S$544.7 million in revenue. Excluding the effects of this consolidation, revenue from property development was higher by S$103.0 million or 14% with higher progressive revenue recognition mainly from Principal Garden. Revenue from hotel operations improved by 3% or S$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 S$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 the consolidation of UIC Group.

Expenses

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

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.

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 S$509.9 million, an increase of 30% from the profit of S$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 S$535.1 million recognised in 2017 compared to fair value and other losses of S$37.2 million in 2016, profit after tax and non-controlling interest was S$891.0 million, or a 210% increase from the profit of S$287.0 million in 2016.

Net tangible asset and gearing

The Group's shareholders' funds increased from S$8.13 billion as at 31 December 2016 to S$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 S$11.01 as at 31 December 2017 from S$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 a low gearing.

Performance review for FY2016 compared to FY2015

Revenue

Group revenue in 2016 increased by S$162.0 million or 13% to S$1.44 billion from S$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 UOB.

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.

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 decreased by S$11.4 million due mainly to lower unrealised currency exchange losses of S$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 S$391.2 million, a decrease of 5% from the profit of S$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 S$37.2 million for 2016 in comparison with net fair value and other gains of S$41.0 million for 2015, profit after tax and non-controlling interest was S$287.0 million or a 27% decrease from the attributable profit of S$391.4 million in 2015.

Net tangible asset and gearing

The Group's increase in shareholders' funds from S$7.89 billion as at 31 December 2015 to S$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 S$9.89 as at 31 December 2015 to S$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.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the businesses of the Issuer, the Guarantor or the Group, or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuer or the Guarantor is currently unaware of may also impair the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and/or the Group. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer and/or the Guarantor to comply with its obligations under the Trust Deed and the Notes may be adversely affected. Further, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risk factors discussed below also include forward-looking statements and the Issuer's, the Guarantor's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer, the Guarantor or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Guarantor, their respective subsidiaries (if any) or associated companies (if any), the Arranger or any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor, their respective subsidiaries (if any) and associated companies (if any), the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

The Group may not be able to identify new property development projects and source for new land sites

The Group competes with other property developers for the sourcing of land sites and is subject to the availability of suitable land sites. There is no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, if at all. The Group's ability to acquire land use rights and their corresponding acquisition costs may also be affected by government policies toward land supply, development and pricing. In the event that the Group is unable to identify and/or acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers and have an adverse effect on the Group's property development business, including its ability to grow its property development business. In addition, the failure to identify potential and profitable new property projects would have an adverse effect on the Group's revenue and profitability, which may have a material and adverse effect on the Group's business, financial condition and results of operations.

Changing market conditions may adversely affect the Group's business, financial condition and results of operation

The property market is subject to changes in economic outlook and financial market volatility. Rapidly changing market conditions, including changes in customer tastes, market prices and the desirability of a location, may adversely affect the Group's property development business. Timing for the launch of new projects is therefore the key to securing sales of units at optimal sales prices. A downturn in the property market leading to lower property values may result in the Group having to delay the launches of new developments. This will result in increased holding costs until the development properties are sold. Furthermore, property development requires significant capital outlays and returns on capital are not achieved until cash is received from pre-sale, sales or leases. The size of the capital outlays and number of parties involved in a property development project make it difficult to change property development plans once set. As a result, the Group may not be able to adjust its plans or reallocate its resources to adapt to rapidly changing market conditions and this may materially and adversely affect its business, financial condition and results of operations.

The Group's property development business is heavily dependent on the performance of the real estate market in Singapore

Most of the Group's existing development projects and landbank are located in Singapore. The success of the Group's property development business therefore depends heavily on the continued growth of the real estate market in Singapore.

Given this concentration of the Group's business activities, the laws, regulations, practices, economic and financial conditions and the property market in Singapore could have significant impact on the Group's property business. The Group expects the residential real estate market in Singapore to remain highly competitive. Future excesses in property supply over demand as a result of economic uncertainty, slower growth and increased interest rates (which reduces the ability of the Group's customers to finance real estate purchases and increases the Group's own costs of financing) may lead to further volatility in property prices and yields which could in turn materially and adversely affect the Group's business, financial condition and results of operations. There is no assurance that there will not be over-development in the property sector in the areas where the Group's properties are located and other parts of Singapore in the future, which may result in an over-supply of properties and a fall in property prices. This could materially and adversely affect the Group's business, financial condition and results of operations.

Property values in Singapore have historically experienced cyclical patterns in which periods of price increases are followed by periods of stagnating or declining prices. A substantial portion of the Group's earnings depends on its performance in the commercial and residential sectors of the property market in Singapore, which in turn is dependent on general economic and business conditions. A slowing economy might reduce the demand for the Group's properties and this may have a material and adverse effect on the Group's business, financial condition and results of operations. The Group may be required to make provisions in its accounts in the event of an economic downturn.

The Group is subject to risks associated with the development of residential and commercial properties

The Group's primary business is the development of residential and commercial properties. Property developments typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cashflows may be generated through pre-sales or sales of a completed property development.

A significant amount of funds is required in property development projects. The Group finances its property development projects largely through internally generated funds as well as debt financing. The ability of the Group to undertake its property development projects is subject to its ability to secure adequate funding. In addition, it is charged interest at rates which may fluctuate according to market rates charged by commercial banks and its profitability may be adversely affected in the event that the interest expense arising from such debt financing is under-estimated. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year. Consequently, changes in the business environment or the performance of the real estate market in Singapore during the length of the project may affect the revenue and cost of the development, which may in turn have a direct impact on the profitability of the projects.

The time taken and the costs involved in completing construction can be adversely affected by many factors, including delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government policies, and other unforeseen problems or circumstances. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn have a direct impact on whether or not the project is profitable. Factors that may affect the profitability of a project also include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget, the availability of financing and lacklustre sales of the properties. The sales and the value of a property development project may be adversely affected by a number of factors, including but not limited to the international, regional and local political and economic climate, local real estate conditions, perceptions of property buyers, competition from other available properties, changes in market rates for comparable sales and increased business and operating costs. If any of the property development risks described above materialises, the Group's returns on investments may be lower than originally expected and the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group is subject to governmental regulations and approvals in the countries where it operates

The real estate industry in the countries where the Group operates is subject to significant government regulation and approvals over, amongst other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing, obtaining property development and sale licences, obtaining certificates of completion for its development projects and issuance of individual titles following completion of construction.

The Singapore government is a major supplier of land in Singapore to private developers and it regulates the supply of land from time to time through policy adjustments or new regulatory measures to manage the demand and supply of property in order to maintain an orderly and stable property market. Regulation of land supply through availability of sites for tender under the Singapore government's land sales programme, which is reviewed on a half yearly basis, and changes in en bloc legislation may affect land supply and pricing. In addition, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, and changes in laws relating to sustainable development, environmental controls, building codes, stamp duty, property tax, income tax and capital gains tax could adversely affect the profitability of the Group. There can be no assurance that the Singapore government will not introduce or amend legislation or policies in the future that would adversely affect the Singapore property market. Any action by the Singapore government concerning the economy or the real estate sector (including measures to curb property speculation and/or to restrict foreign investment in real estate) could materially and adversely affect the Group's business, financial condition and results of operations.

In addition, in order to develop and complete a property development project, a property developer must in general obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. There is no assurance that the Group will be able to obtain the requisite governmental approvals or fulfill the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect. There can also be no such assurance that governments of the countries where the Group operates in will not adopt restrictive policies and impose onerous or unfavourable conditions with respect to the issuance of certain licences, permits or approval.

If the Group is unable to obtain the relevant approvals or fulfill the conditions of such approvals for a significant number of its property development projects, these development projects may not proceed on schedule or at all and the Group's business, financial condition and results of operations may thereby be adversely affected.

Sales of the Group's development projects may be affected by anti-speculation measures

Historically, the Singapore government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees. Such measures include the Income Tax (Amendment) Act 1996 which imposes income tax on gains from the disposal of any real property (and on the sale of shares in a relevant property company) within three years from the date of its acquisition by any person although that person is not otherwise carrying on a trade of buying and selling properties. This measure has been suspended with effect from 13 October 2001. In May 1996, the Singapore government imposed additional stamp duty payable by a vendor in order to curb speculation and the spiralling property prices. This legislation was suspended in November 1997 and released in 2005. The seller's stamp duty ("**SSD**") was reintroduced from February 2010 and is imposed on all residential properties and residential lands transferred and disposed within one year of acquisition at the same rate as buyer's stamp duty. In August 2010, the Singapore government further announced that SSD would be payable on residential properties which are acquired (or purchased) on or after 30 August 2010 and disposed of (or sold) within three years of acquisition at the same rate as buyer's stamp duty but progressively decreasing depending on the holding period. In January 2011, the Singapore government announced the extension of the holding period for imposition of SSD on residential properties from three years to four years. The SSD rates ranged from 4 per cent. to 16 per cent. and were imposed on residential properties acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. In March 2017, the Singapore government announced the reduction of the holding period for imposition of SSD on residential properties from four years to three years, based on lowered rates. Ranging from 4 per cent. to 12 per cent., the lowered SSD rates would be imposed on residential properties which are acquired (or purchased) on or after 11 March 2017 and disposed of (or sold) within three years of acquisition.

In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from five per cent. to 15 per cent. is to be paid by certain groups of people who buy or acquire residential properties (including residential land).

In July 2018, ABSD rates for individuals buying their second and subsequent properties were raised by 5 per cent, while that for corporate entities were increased by 10 percent. The Singapore government also introduced a new non-remittable ABSD of 5 per cent on the purchase price or market value of the residential properties purchased by developers for housing development. This new measure, along with the revised ABSD of 25 per cent for corporate entities buying any residential property which is remittable subject to certain conditions, will increase development risks for developers.

In February 2018, the Singapore government raised the top marginal buyer's stamp duty rate from 3 per cent. to 4 per cent. for residential properties worth more than S$1 million. This new rate applies to all residential properties acquired from 20 February 2018.

Furthermore, in June 2013, the MAS introduced a Total Debt Servicing Ratio ("**TDSR**") framework for all property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income. Subject to certain exemptions, the TDSR threshold restricts the borrower's monthly total debt obligations to not more than 60% of his gross monthly income.

The MAS has also stated that the Loan-to-Value ("**LTV**") limits on housing loans, which were last tightened in January 2013, are not permanent and will be reviewed depending on the state of the property market. In July 2018, the Singapore government announced a further tightening of the LTV limits on private housing loans by 5 per cent across the board. The introduction of the TDSR framework and any future reduction in the acceptable TDSR threshold or allowable LTV limits may have an adverse effect on the Singapore residential property market.

The Singapore government may introduce further legislation or policies or amend existing legislation or policies to moderate the Singapore residential property market or to encourage financial prudence. Such measures may have an adverse effect on the Singapore residential property market and consequently on the residential sales volumes and prices with respect to the Group's development projects. This may materially and adversely affect the business, financial condition and results of operations of the Group.

The Group's property development business may be subject to risks in investing outside Singapore

The Group's property operations in foreign countries could expose it to political, economic, regulatory and social risks and uncertainties specific to those countries. These investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand. Any changes in the political, economic, regulatory and social environments and the policies by the governments of these countries, which include, *inter alia*, restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in laws, regulations and interpretation thereof and changes in taxation could adversely affect the Group's business, financial condition and results of operations. The Group's investments may also be exposed to currency fluctuations when they are converted to Singapore dollars. Such unfavourable events in such foreign countries will have an adverse impact on the Group's distributable income and asset value.

The Group is subject to risks in relation to pre-sold properties

The Group faces risks relating to pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses would not exceed the purchase price paid in respect of the pre-sold units. In addition, if a pre-sold property development is not completed on time, the buyers of pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government policies, and other unforeseen problems or circumstances. If the delay extends beyond the contractually specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays. Furthermore, a high default rate of the buyers under their respective sale agreements could have an adverse effect on the Group's property development business, cashflow and financial position.

There is also a risk that due to conditions in the financial markets or difficult economic conditions, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. The ability of purchasers to obtain credit to finance their purchases may also be affected by changes in government policies, laws and regulations. This may result in such purchasers delaying or being unable to meet their payment obligations in respect of such pre-sold properties, which may materially and adversely affect the Group's business, financial condition and results of operations.

Cancellation of sale of projects could adversely affect the business, financial condition and results of operations of the Group

As a developer and seller of residential and commercial property development projects, the Group's business, financial condition and results of operations could be adversely affected in the event that a material number of sold residential, retail or office unit sales are later cancelled. While this risk is beyond the control of the Group, the Group practises prudent financial management, such as diversifying its property sales to retail customers, rather than in bulk to any single purchaser, and entering into joint ventures where appropriate, to minimise its possible effects on the Group's financial condition and continuous operations.

The Group relies on independent contractors to provide property development products and services

The Group engages independent third party contractors to provide significant property development services, including construction, piling and foundation, building and property fitting-out work, alterations and additions, interior decoration, installation, repair and servicing of air-conditioning units and elevators and gardening and landscaping works. There can be no assurance that the services rendered by any such independent contractor or any subcontractor will be completed in a timely manner or of satisfactory quality. If these services are not completed in a timely manner or of acceptable quality, the Group may incur substantial costs to complete the projects and remedy any defects and the Group's reputation could be significantly harmed. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out construction or related work, resulting in delay in the completion of the Group's development projects or additional costs being incurred. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's financial condition, results of operations or reputation. There is no assurance that such problems with the Group's contractors will not occur in the future.

The Group faces increasing competition in its real estate business

The Group's real estate business competes with both domestic and international companies with respect to factors such as location, pricing, concept and design. Intensified competition between real estate developers may result in increased costs for land acquisition, lower profit margins and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors and adapt quickly to changing market conditions and trends or that increased competition with respect to the Group's real estate business may not have a material adverse effect on its business, financial condition and results of operations. In the event that the Group's competitors are able to provide comparable services at lower prices or respond to changes in market conditions more swiftly or effectively than the Group, the Group's business, financial condition and results of operations may be adversely affected.

The Group's performance may be affected by changes in commodity prices

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete in its property development operations. As a property developer, the Group generally enters into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which affects the development of a significant part of its overall development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period.

Therefore, should the price of building materials increase significantly prior to the Group entering into fixed or guaranteed maximum price construction contracts with prospective contractors, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to such prospective or existing contractors, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be affected by accidents at its work sites

Accidents or mishaps may occur at the work sites of the Group's projects. Such accidents or mishaps may severely disrupt the operations of the Group and lead to delays in the completion of projects. In the event of such delay, the Group may be liable to pay liquidated damages to its clients and its business, financial condition and results of operations may be materially and adversely affected. Furthermore, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages, and any claims which are not covered by the Group's insurance policies may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, in the event that the Group's work sites contravene the requisite safety standards imposed by the regulatory authorities, the Group may be subject to penalties which include being fined or issued with partial or full stop-work orders. The issuance of such stop-work orders may disrupt operations and lead to a delay in the completion of a project. These circumstances may have a material and adverse impact on the Group's business, financial condition and results of operations.

The Group may encounter problems with its joint ventures that may adversely affect its business

The Group has, and expects in the future to have, interests in joint venture entities in connection with its property development plans. There may be disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures which may not be resolved amicably. In addition, the Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group, (ii) take actions contrary to the Group's instructions, requests, policies or objectives, (iii) be unable or unwilling to fulfill their obligations, (iv) have financial difficulties or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect the Group's business, financial condition and results of operations.

RISK FACTORS RELATING TO THE GROUP'S INVESTMENT PROPERTIES BUSINESS

The Group may not be able to generate adequate returns on its properties held for long-term purposes

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for long-term investment also depends to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and re-letting.

The Group's investment properties are concentrated in Singapore, which may result in a higher level of risk compared to other entities that have properties spread over diverse locations

The investment properties held by the Group are largely located in Singapore. Such concentration in Singapore may entail a higher level of risk as compared to some other entities which have properties spread over different countries. A substantial portion of the Group's earnings depends on the continued strength of Singapore's office and retail markets, which is in turn affected by general economic and business conditions. This exposes the Group to the risk of a prolonged downturn in economic and real estate conditions in Singapore. The value of the Group's investment properties and the rental revenue collected may also be adversely affected by local real estate conditions.

The future market value of the investment properties may differ from the valuations determined by independent valuers

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. Accordingly, the future market value of the investment properties held by the Group may differ from the valuations determined by independent valuers.

Retail and office leases of the investment properties are usually for periods of up to three years, which exposes the Group to lease expiries each year, and possible negative rent reversions

Most of the Group's leases are for periods of up to three years and reviewed to market rentals upon lease expiry, which reflects the general practice in the Singapore property market. As a result, the properties held by the Group experience lease cycles in which a number of its leases expire each year. This exposes the Group to certain risks, including the risk of declining market rentals and that vacancies following non-renewal of leases may lead to lower occupancy rates which may in turn reduce gross revenue.

The investment properties held by the Group may face competition from other properties

There are many office and retail spaces and properties in Singapore that compete with the Group's investment properties in attracting tenants. Tenants may choose to move their operations and business to competing spaces with lower rentals offered which results in lower occupancies in the Group's properties and reduced gross revenue.

The loss of tenants may adversely affect the business, financial condition and results of operations

The Group's financial condition, results of operations, ability to lease properties and the value of its investment property portfolio may be adversely affected by the bankruptcy, insolvency or downturn in the business of tenants, including the decision by such tenants not to renew their leases or terminate their leases before they expire.

The gross revenue earned from, and the value of, the investment properties in the Group's portfolio may be adversely affected by a number of factors

The gross revenue earned from, and the value of, investment properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce the Group's gross revenue and its ability to recover certain operating costs through service charges;
- the ability of the Group to collect rent from tenants on a timely basis or at all;
- tenants requesting rental rebates due to the impact of an economic downturn;
- tenants requesting waiver of interest on late payment of rent;
- events affecting the investment properties in which could result in the inability of the relevant tenants to operate in such properties and thereby resulting in the inability of such tenants to make timely payments of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;
- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are secured being less favourable than those under current tenancies;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, changes in market rental rates and operating expenses for the investment properties);
- the Group's ability to provide adequate management and maintenance of the investment properties or to purchase or put in place adequate insurance;
- competition for tenants from other similar properties which may affect rental income or occupancy levels at the Group's Properties;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group.

RISK FACTORS RELATING TO THE GROUP'S HOTEL OPERATIONS

The financial performance of the Group's hotel operations which are carried out principally by the Group and its subsidiaries depend on the conditions of the hospitality industry in the countries in which the Group has hospitality assets and/or operates

A number of factors are beyond the control of the Group, and could affect the financial performance of the Group's hotel operations in the countries in which the Group has hospitality assets and/or operations, including the following:

- major events affecting either economic or political stability on a global and regional level represent an exposure to the Group. Economic events, such as global financial crises, could include recessionary pressures which would have an impact on the Group's revenue, operating costs and profitability. Political risk could include changes in the regulatory environment in which the Group's business activities operate, including restrictions on the repatriation of funds or control over the ownership of assets;

- increased competition from other alternative accommodation options such as Airbnb which may offer more attractive rates for guests;

- the hotel industry operates in an inherently cyclical market place. A weakening of demand, or an increase in market room-supply, may lead to downward pressure on room rates which in turn would lead to a negative effect on operating performance;

- sustained levels of occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflict, epidemics, natural disasters, increased cost of travel or industrial action. These events may be localised to a particular country, region or could have a wider international perspective. Reduced demand will impact on revenue and operational profitability;

- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

- the nature and length of a typical hotel guest's stay. Hotel guests typically stay on a short-term basis and there is therefore no assurance of long-term occupancy for hotel rooms;

- increases in operating costs due to inflation, labour costs (including the impact of unionisation and increased competition for qualified personnel), workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences; and

- changes in travel patterns resulting from increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns.

These factors could have adverse effects on the Group's results of operations and, consequently, financial condition.

The hospitality industry is competitive

The global hospitality industry is highly competitive. The Group competes locally and internationally with existing and newly developed hospitality establishments. The hotels owned and/or managed by the Group experience competition primarily from other similar upscale hotels in their immediate vicinity, and also with other hotels in their geographical market. The level of competition in the global hospitality industry is affected by various factors, including changes in economic conditions, both locally, regionally and globally, changes in local, regional and global populations, the supply and demand for hotel rooms and changes in travel patterns and preferences. Competing hotels may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the hotels owned or managed by the Group. Competing hotels may also significantly lower their rates or offer greater convenience, services or amenities, to attract more guests. If these efforts are successful, the results of operations at the hotels owned or managed by the Group may be adversely affected.

There can also be no assurance that demographic, geographic or other changes will not adversely affect the convenience or demand for the hotels owned or managed by the Group.

An over-supply in room availability in the markets where the Group owns or manages hotels could adversely affect occupancy rates and the average daily hotel rates of the hotels owned or managed by the Group.

Accidents, injuries or prohibited activities in hotels owned or managed by the Group may adversely affect its reputation and subject it to liability

There are inherent risks of accidents, injuries or prohibited activities (such as illegal drug use, gambling, violence or prostitution by guests) that may take place in hotels. The occurrence of one or more accidents, injuries or prohibited activities in any hotel owned or managed by the Group could adversely affect its safety reputation among guests, harm its brand, decrease its overall occupancy rates and increase its costs by requiring the Group to implement additional safety measures. In addition, if accidents, injuries or prohibited activities occur in any hotel owned or managed by the Group, the Group may be held liable for costs or damages and fines. The Group's current property and liability insurance policies may not provide full coverage for such losses and the Group may be unable to renew its insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

The Group's hotel operations require hotel licences and its profitability may be adversely affected by any failure to obtain, renew or obtain the transfer of, such licences

The hotel operations of the Group are subject to the laws, rules and regulations of the countries in which it operates. The withdrawal, suspension or non-renewal of any of the certificates of registration and/or licences, or the imposition of any penalties as a result of any infringement or non-compliance with any applicable laws, rules or regulations, will have an adverse impact on the hotel business of the Group and consequently, its profitability. Furthermore, any changes in such laws, rules and regulations may also impact the business at the Group's hotels and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the revenue and profits of the Group's hotel operations or otherwise adversely affect its hotel operations.

The Group may not always be able to attract and retain qualified personnel for its hotel operations

The hospitality industry is a service-oriented industry and is labour intensive. The continued success of the Group's hotel operations depends upon its ability to attract and retain qualified personnel to handle its day to day operations. However, the supply of qualified personnel in the hospitality industry in Singapore is limited. Competitors may compete for skilled hospitality employees, which may increase the operating costs of the Group's hospitality business. If the Group's hotel operations are unable to continue to attract and retain qualified personnel, the Group's hotel operations may not be able to match its staffing level to its business needs and the Group's businesses, financial condition and results of operations may be adversely affected.

The Group's hospitality staff may also be poached by existing or new competitors in the market and a shortage of manpower and compressed work procedures may translate to lower service quality, which may in turn affect guests' lodging experience and lead existing customers to prefer alternative accommodation from competitors of the Group. This may have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's hospitality business may be affected by changes in travel patterns resulting from increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns

Changes in travel patterns can be erratic and this may materially and adversely affect the revenue and financial performance of the Group's hospitality business, which may in turn materially and adversely affect the Group's business, financial condition and results of operations. Furthermore, increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns may deter travellers. Any sustained or material decline in the number of travellers to Singapore may materially and adversely affect the Group's business, financial condition and results of operations.

The growth of third party online and other hotel reservation intermediaries and travel consolidators may adversely affect the Group's margins and profitability

Some of the Group's hotel rooms are booked through third party online and other hotel reservation intermediaries and consolidators to whom the Group pays commissions for such services. They may be able to negotiate higher commissions, reduced room rates, or other significant concessions from the Group. The Group believes that such intermediaries and consolidators attempt to develop and increase customer loyalty toward their reservation systems rather than the Group's. As a result, the growth and increasing importance of these travel intermediaries and consolidators may adversely affect the Group's ability to control the supply and price of its room inventory, which would in turn adversely affect its margins and profitability.

OTHER RISK FACTORS RELATING TO THE GROUP'S BUSINESS

The Group may be adversely affected by a compulsory acquisition of property by the Singapore government

The Land Acquisition Act, Chapter 152 of Singapore, *inter alia*, gives the Singapore government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In determining the amount of the compensation to be awarded pursuant to any such compulsory acquisition, the relevant authority will take into consideration, among others, the market value of the property (or part thereof) as assessed on the basis prescribed in the relevant rules and regulations, which may be less than the carrying value or market value of such property at the relevant time. In such event, such compulsory acquisitions would have an adverse effect on the Group's financial condition.

If any property development project of the Group is compulsorily acquired by the Singapore Government before temporary occupation permit is attained, it is not established under existing Singapore laws that the risk of compulsory acquisition lies with the respective buyers. Even if the risk resides with the respective buyers, an event of compulsory acquisition would conceivably lead to a high default rate of the buyers under their respective sale agreements and could in turn have an adverse effect on the Group's cashflow, business and financial position.

The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may be involved from time to time in disputes with various parties involved in the development and sale of the Group's properties (such as contractors, sub-contractors, suppliers, construction companies, purchasers and other partners) and the management and operations of the Group's hotels and investment properties. As a property developer, the Group may face disputes with, and claims from, purchasers in connection with delays and alleged defective works carried out in its property development projects. It may also have disputes with its contractors or suppliers over issues including, amongst other things, the quality of construction materials, the standard and skilfulness of their labourers and prices of the construction contracts. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays to the relevant property development(s). In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject the Group to administrative proceedings and unfavourable decrees that result in financial losses and/or a delay in the construction or completion of the Group's projects. In the event that such disputes are not resolved amicably or claims are successfully made against the Group and the Group is required to compensate the claimants, its business reputation and financial performance may be adversely affected.

The properties held by the Group may be subject to increases in property expenses

The Group's results could be adversely affected if property expenses, such as maintenance charges, utilities, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include any:

- increase in the amount of maintenance charges for any affected investment properties held;
- increase in property taxes and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies. Such revisions may lead to an increase in management fees or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment;
- increase in utility charges;
- increase in sub-contracted service costs;
- inflation;
- increase in insurance premiums; and
- damage or defect affecting any of the investment properties which needs to be rectified, leading to unforeseen capital expenditure.

The Group may suffer an uninsured loss

The Group maintains insurance cover appropriate to its risk profile after taking into account the level of retained risk the Group considers to be appropriate, relative to the cost of cover available in the market place. Not all risks are insured, either because the cover is not available in the market or that cover is not available on commercially viable terms. The Group is also exposed to the risk of cover not being continually available. Availability may be influenced by factors outside the Group's control, which could reduce the insurers' underwriting capacity, breadth of policy coverage or simply make the cost of cover too expensive. In addition, the Group could be exposed to uninsured third-party claims, loss of revenue or reduction of fixed asset values which may, in turn, have an adverse effect on Group profitability, cash flows and ability to satisfy banking covenants. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in its properties as well as anticipated future revenue from such properties. The Group would also remain liable for any debt or other financial obligation related to the properties and the business, financial condition and results of operations of the Group could be adversely affected. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms and rates or at all.

The uncertain global economic outlook may adversely affect the Group's business operations, financial condition, prospects and future plans

Since 2008, disruption in global credit markets, coupled with a re-pricing of credit risks, and a slowdown in the global economy have created increasingly difficult conditions in the financial markets. These developments have resulted in historic volatility in equity securities markets, tightening of liquidity in credit markets, widening of credit spread and loss of market confidence. Most recently, these developments have resulted in the failure of a number of financial institutions in the United States and unprecedented actions by governmental authorities and central banks around the world. Concerns about the outlook of the People's Republic of China's economy, falling oil prices, the exit of the United Kingdom from the European Union, the rise in global trade protectionism and the interest rate environment in the United States also continue to have a negative impact on the global financial markets. There is a potential for new laws and regulations regarding lending and funding practices and liquidity stands, and governments and bank regulatory agencies are expected to be aggressive in adopting such new measures in response to concerns and identified trends. It is difficult to predict how long these developments and measures will exist and how the Group's markets and businesses may be affected. These developments may be exacerbated by persistent volatility in the financial sector and the capital markets or concerns about, or a default by, one or more institutions which could lead to significant market wide liquidity problems, losses or defaults by other institutions.

Accordingly, these developments and measures could potentially present risks to the Group for an extended period of time, including a slowdown in securing new customers, increase in interest expenses on the Group's bank borrowings, or reduction of the amount of banking facilities currently available to the Group, or its customers and suppliers, thereby adversely affecting the Group's future financial performance or results of operations.

The Group is subject to general risks associated with doing business overseas

There are general risks inherent in doing business overseas. These include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. The occurrences of any of these events may have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group is also affected by the political risks in the countries where it operates. Wars, unsettled political conditions, social unrest, riots, piracy, terrorist attacks and government actions may adversely affect the Group's properties, the demand for its properties and/or its ability to carry on its business. If such risks develop into actual events, the operations and profitability of the Group may be adversely affected.

The Group is exposed to general risks associated with the ownership and management of real estate

Property investment is also subject to risks incidental to the ownership and management of commercial properties. In particular, risks associated with the Group's property rental business (and to a lesser extent, the Group's hospitality and property development businesses) would include, among other things, defects (latent or otherwise) in buildings, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or the decision by tenants not to renew their leases or to terminate their leases before they expire or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, wars, terrorist attacks, riots, civil commotions, natural disasters, epidemics and other events beyond the Group's control. The activities of the Group may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment. Further, changes in laws and regulations which impact tenants such as labour-related regulations affecting tenants' ability to recruit and retain employees, will also affect the Group. Competition from the other investment property owners, whether real estate investment trusts ("**REITs**") or non-REITs, in the increasingly crowded office and retail markets in Singapore, will affect the Group's ability to attract and retain quality tenants.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the Group's properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings and cash flows.

The costs of maintaining the Group's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Group's properties age. The business and operation of the Group's properties may be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the Group's business, financial condition and results of operations

The outbreak of an infectious disease in Asia and elsewhere, such as Middle East respiratory syndrome (MERS), influenza A (H1N1), bird flu, or the Zika virus, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact the revenues and results of the Group. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could adversely affect the Group's businesses.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of the Group

The terrorist attacks in Southeast Asia and the rest of the world have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. Although there have been no such incidents in Singapore, there has been an increasing number of bombings and similar politically or ideologically motivated attacks on large commercial properties in recent years. Any further developments or terrorist activities could materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee these events. These events could have an adverse effect on business, financial condition and results of operations of the Group.

The Group's real estate investments may be illiquid

Real estate investments are generally illiquid. Such illiquidity limits the ability of an owner or a developer to convert real estate assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of the Group to vary its portfolio in response to changes in economic, real estate market or other conditions. For instance, the Group may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the Group's ability to make expected returns.

The Group depends on the continued service of certain key personnel, and the loss of any such key personnel may adversely affect its financial condition and results of operations

Execution of the Group's strategy depends on its ability to attract, develop and retain employees with the appropriate skills, experience and aptitude. The Group's continued success depends to a significant extent on its strong management team and skilled personnel. Development and maintenance of a group culture, recognition systems, compensation and benefits arrangements, training and development all play leading roles in minimising this risk. The loss of any of these personnel without timely and suitable replacement and the inability to attract and retain qualified and experienced personnel may have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's key businesses are generally capital intensive in nature and the Group's growth may be affected if it is unable to obtain financing

The Group's key businesses are generally capital intensive in nature. For instance, the Group's hospitality and investment properties will require periodic capital expenditure, refurbishments, renovation and improvements to remain competitive. Acquisitions or development of additional hotels and property assets (including landbank for future development) will also require significant capital expenditure. The Group may not be able to fund capital improvements or acquisitions solely from cash generated from its operating activities. In the event that the Group is unable to obtain additional equity or debt or is unable to obtain such financing on favourable terms, the Group's business, financial condition and results of operations may be adversely affected.

The Group may also require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. The Group's ability to arrange adequate financing (if at all) on terms which are acceptable to the Group depends on a number of factors that are beyond its control, including general economic and political conditions, the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources, the terms on which financial institutions are willing to extend credit to the Group and the availability of other sources of debt or equity financing. Uncertainty in the capital and credit markets may adversely affect the Group's ability to obtain financing on terms which are acceptable to the Group. If the Group is unable to obtain financing on terms which are acceptable to the Group, it may have to curtail its capital expenditure and/or defer its property development projects. Such an event may have a material and adverse impact on the Group's business, financial condition and results of operations.

The Group is exposed to the credit risks of its customers

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers. If there are any unforeseen circumstances affecting the ability or willingness of the Group's customers to pay the Group, the Group may experience payment delays or non-payment. In any of such events, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group is subject to exchange rate fluctuations and exchange controls

The Group's revenue, costs and capital expenditure are mainly denominated in Singapore dollars, US dollars, Malaysian Ringgit, Australian dollars, GBP, Chinese Renminbi, Vietnamese Dong and Myanmar Kyat. Consequently, portions of the Group's costs and its margins are affected by fluctuations in the exchange rates among the abovementioned currencies. The impact of future exchange rate fluctuations in respect of the Singapore dollar, the US dollar and other currencies on the Group's cost of sales and margins cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

The Group is subject to interest rate fluctuations

The Group is subject to the effects of interest rate fluctuations on its borrowings from financial institutions. Some of the Group's existing borrowings are on a floating rate basis, and the Group's future borrowings may also be on a floating rate basis. Consequently, the interest cost to the Group will be subject to fluctuations in interest rates.

Although the Group may enter into hedging transactions to mitigate the risk of such interest rate fluctuations, such hedging may not adequately cover the Group's exposure to interest rate fluctuations. As a result, the Group's business, financial condition and results of operations could be materially and adversely affected by interest rate fluctuations.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

Limited liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Notes, general economic conditions and the financial condition of the Issuer. If the

Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

The lack of liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Although an application will be made for the listing and quotation of any Notes to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Fluctuation of market value of Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, the Guarantor and/or their respective subsidiaries (if any) and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the Singapore economy and the operating results and/or the financial condition of the Issuer, the Guarantor, their respective subsidiaries (if any) and associated companies (if any).

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation Risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

Performance of contractual obligations is dependent on other parties

The ability of the Issuer or, as the case may be, the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed, the Agency Agreement and (where applicable) the Agent Bank Agreement of their obligations thereunder including the performance by the Trustee, the relevant Paying Agent and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant party will not relieve the Issuer or, as the case may be, the Guarantor of its obligations to make payments in respect of the Notes, the Issuer or, as the case may be, the Guarantor may not, in such circumstances, be able to fulfill its obligations to the Noteholders and the Couponholders.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable amendment or supplement to this Information Memorandum;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes may be complex financial instruments. Sophisticated investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may be issued at a substantial discount or premium

The market value of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes denominated in foreign currencies are subject to currency risks

The majority of the Group's revenue is generally denominated in Singapore dollars and the majority of the Group's operating expenses are generally incurred in Singapore dollars as well. As Notes issued under the Programme may be denominated in currencies other than Singapore dollars, the Group may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Group may be able to fully hedge the currency risks associated with such Notes denominated in currencies other than Singapore dollars.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

A change in Singapore law which governs the Notes may adversely affect Noteholders

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change in Singapore law or administrative practice after the date of issue of the Notes.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with, or registered in the name of, or in the name of a nominee of, a common depositary for Euroclear and/or Clearstream, Luxembourg, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the relevant Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Notes must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Changes in market interest rates may adversely affect the value of fixed rate Notes

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.

Noteholders are exposed to financial risk

Interest and principal repayment for debts occur at specified periods regardless of the financial performance of the Issuer, the Guarantor and/or the Group. The Issuer may be unable to make interest payments or principal repayments under a series of Notes should it suffer a serious decline in net operating cash flows.

Exchange rate risks and exchange controls may result in Noteholders receiving less principal, or interest than expected

The Issuer will pay principal and interest on the Notes in the currency specified. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes. As a result, Noteholders may receive less principal, interest or distribution than expected.

Provisions in the Trust Deed and Conditions of the Notes may be modified

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including the Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The terms and conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 10), the Trustee may, at its discretion, request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstance where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

Singapore Taxation Risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are, pursuant to the ITA and the MAS Circular FSD Cir 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by MAS on 31 May 2018, intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section “Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) will be used for the general corporate purposes of the Group, including refinancing of existing borrowings and financing of working capital and capital expenditure requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement**.**

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third Business Day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended to be or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer, the Arranger nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by United Overseas Bank Limited, which was a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes ("**Relevant Notes**") which are debt securities issued during the period from the date of this Information Memorandum to 31 December 2023 would be, pursuant to the ITA and the MAS Circular FSD 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by MAS on 31 May 2018 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operations through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require,

    payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

 (i) any related party of the Issuer; or

 (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

 shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
>
> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have their same meaning as in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (the "**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where –

(i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and

(ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Pursuant to the Singapore Budget Statement 2018 and the MAS Circular, the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply FRS 39 or FRS 109, may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

3. Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the each of the Issuer, the Guarantor and/or their affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for each of the Issuer, the Guarantor and/or their affiliates in the ordinary course of the Issuer's, Guarantor's or affiliate's business. Each of the Issuer or the Guarantor may from time to time agree with the relevant Dealer(s) that the Issuer or Guarantor may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Issuer by the relevant Paying Agent, by such Dealer (or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager), of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

European Economic Area

Each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purpose of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and

(ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been, and will not be, registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON ISSUER

1. As at the date of this Information Memorandum, the Issuer is a wholly-owned subsidiary of the Guarantor.

INFORMATION ON DIRECTORS

2. The name and position of each of the Issuer's Directors are set out below:

Name	Position
Mr Gwee Lian Kheng	Director
Mr Liam Wee Sin	Director
Mr Foo Thiam Fong Wellington	Director

3. (a) The name and position of each of the Guarantor's Directors are set out below:

Name	Position
Dr Wee Cho Yaw	Non-Executive and Non-Independent Director, Chairman
Mr Wee Ee Lim	Non-Executive and Non-Independent Director, Deputy Chairman
Mr Gwee Lian Kheng	Executive and Non-Independent Director, Group Chief Executive
Mr Low Weng Keong	Non-Executive and Independent Director
Mr Wee Sin Tho	Non-Executive and Independent Director
Mr Tan Tiong Cheng	Non-Executive and Independent Director
Mr Wee Ee-chao	Non-Executive and Non-Independent Director
Dr Pongsak Hoontrakul	Non-Executive and Independent Director
Mr Poon Hon Thang Samuel	Non-Executive and Independent Director

(b) The interests of the substantial shareholders of the Guarantor in the Shares as at the Latest Practicable Date, based on the Register of Substantial Shareholders of the Guarantor, are as follows:

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Wee Cho Yaw	3,661,566	0.435	305,440,739	36.248
Wee Ee Cheong	318,417	0.038	233,475,947	27.708
C.Y. Wee & Company Private Limited	115,162,017	13.667	–	–
Wee Ee chao	31,735	0.004	118,508,057	14.064
Wee Ee Lim	260,975	0.031	118,233,954	14.031
Wee Investments (Pte) Limited	118,215,836	14.029	–	–
Haw Par Corporation Limited	–	–	72,044,768	8.550
United Overseas Bank Limited	–	–	59,840,998	7.102

SHARE CAPITAL

4. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	1,000,000	S$1,000,000

5. The issued share capital of the Guarantor as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	842,637,232	S$1,555,982,430

WORKING CAPITAL

6. The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, it will have adequate working capital for its present requirements.

7. The Guarantor is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, it will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

8. On 1 January 2018, the Issuer adopted the new or amended Financial Reporting Standards that are mandatory for application from that date. The adoption of the new or amended Financial Reporting Standards did not result in any substantial change to the Issuer's accounting policies nor any significant impact on the Issuer's financial statements.

9. There has been no significant change in the accounting policies of the Guarantor and the Group since their audited financial statements for the year ended 31 December 2017 except as set out in item 5 on pages 11 and 12 of Appendix VI.

LITIGATION

10. There are no legal or arbitration proceedings pending or threatened against the Issuer, the Guarantor or any of their respective subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, the Guarantor or the Group.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer, the Guarantor or the Group since 31 December 2017.

CONSENT

12. The Auditor to the Issuer and the Auditor to the Guarantor have given and have not withdrawn their written consents to the references herein to their names and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

13. Copies of the following documents may be inspected at the registered office of the Issuer at 101 Thomson Road, #33-00 United Square, Singapore 307591 during normal business hours for a period of six months from the date of this Information Memorandum:

(a) the Constitution of each of the Issuer and the Guarantor;

(b) the Trust Deed;

(c) the audited financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017;

(d) the audited consolidated financial statements of the Guarantor and its subsidiaries for the financial years ended 31 December 2016 and 31 December 2017; and

(e) the announcement of the unaudited third quarter financial statement of the Guarantor and its subsidiaries for the period ended 30 September 2018.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

14. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF UOL TREASURY SERVICES PTE. LTD. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The information in this Appendix II has been reproduced from the audited financial statements of UOL Treasury Services Pte. Ltd. for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum.

UOL TREASURY SERVICES PTE. LTD.
(Incorporated in Singapore. Registration Number: 201134049R)

ANNUAL REPORT
For the financial year ended 31 December 2016

UOL TREASURY SERVICES PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 December 2016

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

The directors present their statement to the shareholder together with the audited financial statements of the Company for the financial year ended 31 December 2016.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, with continuing financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Gwee Lian Kheng
Liam Wee Sin
Foo Thiam Fong Wellington

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) Mr. Gwee Lian Kheng is also a director of UOL Group Limited, the holding company. In compliance with Section 164 of the Companies Act, his interests in the share capital of and options to subscribe for ordinary shares of the Company, holding company or related corporations at the beginning and at the end of the financial year are shown in the register of directors' shareholdings of the holding company.

According to the register of directors' shareholdings, the interests of the other directors holding office at the end of the financial year in the share capital of and options to subscribe for ordinary shares of the Company, the holding company and related corporations are as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2016	At 1.1.2016	**At 31.12.2016**	At 1.1.2016
UOL Group Limited ("UOL")				
- Ordinary Shares				
Liam Wee Sin	**150,000**	150,000	**-**	-
Foo Thiam Fong Wellington	**318,000**	318,000	**-**	-
- Executives' Share Options				
Liam Wee Sin	**516,000**	456,000	**-**	-
Foo Thiam Fong Wellington	**288,000**	234,000	**-**	-

Directors' interests in shares or debentures (continued)

(b) Save as disclosed above, none of the other directors holding office at 31 December 2016 has any interest in the share capital of the Company, the ordinary shares and Executives' Share Options of UOL and the ordinary shares of any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Share options

No options were granted during the financial year to subscribe for unissued ordinary shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued ordinary shares of the Company.

There were no unissued ordinary shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

GWEE LIAN KHENG	FOO THIAM FONG WELLINGTON
Director	Director

7 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF UOL TREASURY SERVICES PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of UOL Treasury Services Pte. Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:
- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Lay See.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 7 March 2017

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2016

	Note	**2016** **$**	2015 $
Revenue	3	**27,233,615**	23,348,967
Other gains - net		**314**	1,616
Other operating income		**92,099**	83,128
Expenses			
- Administrative		**(508,400)**	(475,815)
- Finance	4	**(24,041,332)**	(20,025,234)
Profit before income tax	5	**2,776,296**	2,932,662
Income tax expense	6(a)	**(488,000)**	(508,000)
Profit after income tax		**2,288,296**	2,424,662
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value (loss)/gains, net of tax	18	**(1,854,181)**	864,829
- Transfer to/(from) income statement	18	**354,377**	(262,846)
Other comprehensive (loss)/income, net of tax		**(1,499,804)**	601,983
Total comprehensive income		**788,492**	3,026,645

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	2016 $	2015 $
Non-current assets			
Loans to related companies and holding company	7(b)	**918,878,231**	826,996,167
Loans to a joint venture company	8	**27,934,907**	-
Trade receivables	10	**11,400,819**	12,838,524
Derivative financial instruments	16	**207,448**	-
		958,421,405	839,834,691
Current assets			
Loans to related companies	7(a)	**153,457,039**	180,970,099
Trade receivables	10	**10,895,280**	10,417,930
Other receivables		**24**	24
Derivative financial instruments	16	**-**	1,338,117
Cash and cash equivalents	11	**329,782**	5,261,031
		164,682,125	197,987,201
Current liabilities			
Trade and other payables	12	**4,132,779**	3,096,712
Bank loans	13	**375,436,628**	131,950,000
Current income tax liabilities	6(b)	**937,635**	654,072
		380,507,042	135,700,784
Net current (liabilities)/assets		**(215,824,917)**	62,286,417
Non-current liabilities			
Bank loans	13	**284,241,250**	498,450,000
Medium term notes	14	**413,923,125**	174,645,625
Derivative financial instruments	16	**676,325**	-
Advances from a related company	15	**36,685,317**	222,263,315
Deferred income tax liabilities	9	**65,665**	545,854
		735,591,682	895,904,794
Net assets		**7,004,806**	6,216,314
Equity			
Share capital	17	**1,000,000**	1,000,000
Hedging reserve	18	**(657,337)**	842,467
Retained earnings		**6,662,143**	4,373,847
Total equity		**7,004,806**	6,216,314

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2016

	Share capital $	Hedging reserve $	Retained earnings $	Total equity $
2016				
Beginning of financial year	1,000,000	842,467	4,373,847	6,216,314
Total comprehensive (loss)/income	-	(1,499,804)	2,288,296	788,492
End of financial year	**1,000,000**	**(657,337)**	**6,662,143**	**7,004,806**
2015				
Beginning of financial year	1,000,000	240,484	1,949,185	3,189,669
Total comprehensive income	-	601,983	2,424,662	3,026,645
End of financial year	**1,000,000**	**842,467**	**4,373,847**	**6,216,314**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2016

	Note	**2016** **$**	2015 $
Cash flows from operating activities			
Profit after income tax		**2,288,296**	2,424,662
Adjustments for:			
Income tax expense		**488,000**	508,000
Interest income		**(27,233,615)**	(23,348,967)
Interest expense		**24,041,332**	20,025,234
		(415,987)	(391,071)
Changes in working capital			
Payables		**31,334**	(76,334)
Loans to related companies and holding company		**(64,369,004)**	(113,134,765)
Loans to a joint venture company		**(27,934,907)**	-
Bank loans		**28,406,628**	(64,938,993)
Medium term notes		**239,040,000**	174,527,500
Advances from a related company		**(185,814,683)**	11,620,000
Cash used in operations		**(11,056,619)**	7,606,337
Income tax paid		**(377,437)**	(15,002)
Interest paid		**(21,691,163)**	(17,201,442)
Interest received		**28,193,970**	14,229,347
Payment for novation of interest rate swap from holding company		**-**	(323,096)
Net cash (used in)/provided by operating activities		**(4,931,249)**	4,296,144
Net (decrease)/increase in cash and cash equivalents		**(4,931,249)**	4,296,144
Cash and cash equivalents at beginning of financial year		**5,261,031**	964,887
Cash and cash equivalents at end of financial year	11	**329,782**	5,261,031

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

UOL Treasury Services Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activity of the Company is that of provision of treasury services.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is also the functional currency of the Company.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain key accounting estimates and assumptions. There are no estimates and assumptions made by the Company that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

As at 31 December 2016, the net current liabilities of the Company amounted to $215,824,917 (2015: net current assets of $62,286,417). The financial statements have been prepared on a going concern basis as the holding company has undertaken to provide continuing financial support so that the Company is able to pay its debts as and when they fall due.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

(b) Revenue

Interest income is recognised using the effective interest method.

2. Significant accounting policies (continued)

(c) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(d) Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is measured based on the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

(e) Loans and receivables

Loans and receivables include “cash and cash equivalents”, “trade receivables”, “other receivables”, “loans to related companies and holding company” and “loans to a joint venture company” in the statement of financial position.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

2. **Significant accounting policies** (continued)

(e) Loans and receivables (continued)

The Company assesses at the end of each reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(f) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(g) Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

(h) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

2. **Significant accounting policies** (continued)

(h) Derivative financial instruments and hedging activities (continued)

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The Company has derivative financial instruments which are designated as a cash flow hedges.

Cash flow hedge - Interest rate swaps

The Company has entered into interest rate swaps that are cash flow hedges for the Company's exposure to interest rate risk on its borrowings. These contracts entitle the Company to receive interest at floating rates on notional principal amounts and obliges the Company to pay interest at fixed rates on the same notional principal amounts, thus allowing the Company to raise borrowings at floating rates and swap them into fixed rates.

The fair value change on the effective portion of interest rate swaps designated as cash flow hedges is recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value change on the ineffective portion of interest rate swaps is recognised immediately in the income statement.

(i) Fair value estimation

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash and bank balances and short-term deposits with financial institutions which are subject to an insignificant risk of change in value.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

3. Revenue

	2016 $	2015 $
Interest income		
- Loans to holding company	**837,779**	-
- Loans to related companies	**25,911,844**	23,348,878
- Loans to a joint venture company	**476,337**	-
- Bank deposits	**7,655**	89
	27,233,615	23,348,967

4. Finance expense

	2016 $	2015 $
Interest expense		
- Bank loans	**12,453,624**	11,887,267
- Medium term notes	**5,932,192**	3,068,493
- Loan from holding company	**-**	730
- Advances from a related company	**3,955,704**	4,221,390
- Front-end fees	**1,345,435**	1,110,200
	23,686,955	20,288,080
Cash flow hedge transfer from hedging reserve (Note 18)	**354,377**	(262,846)
	24,041,332	20,025,234

5. Expenses by nature

Expenses recognised in profit or loss include the following:

	2016 $	2015 $
Legal and professional fees	**14,563**	160,511
Payroll cost recharged from holding company	**222,674**	161,330

The Company does not have any employees. The management of the Company's business is undertaken by the holding company with recharges made to the Company for staff costs incurred on its behalf.

6. Income taxes

(a) Income tax expense

	2016 $	2015 $
Tax expense attributable to profit is made up of:		
- Current income tax	**661,000**	432,000
- Deferred income tax (Note 9)	**(173,000)**	76,000
	488,000	508,000

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2016 $	2015 $
Profit before income tax	**2,776,296**	2,932,662
Tax calculated at a tax rate of 17% (2015: 17%)	**471,970**	498,553
Effects of:		
- Singapore statutory stepped income exemption	**(25,925)**	(25,925)
- Tax rebate	**(20,000)**	(20,000)
- Expenses not deductible for tax purposes	**61,955**	55,372
Tax charge	**488,000**	508,000

(b) Movements in current income tax liabilities

	2016 $	2015 $
Beginning of the financial year	**654,072**	237,074
Tax expense on profit for the current financial year	**661,000**	432,000
Income tax paid	**(377,437)**	(15,002)
End of the financial year	**937,635**	654,072

7. Loans to related companies and holding company

	2016 $	2015 $
Current		
Due from related companies (trade) [Note 7(a)]	**153,457,039**	180,970,099
Non-current		
Due from related companies (trade) [Note 7(b)]	**824,978,231**	826,996,167
Due from holding company (trade) [Note 7(b)]	**93,900,000**	-
	918,878,231	826,996,167

7. Loans to related companies and holding company (continued)

(a) The loans to related companies are unsecured and are expected to be repaid within 12 months from the end of the reporting period. Interest on the loans are computed based on the Company's average cost of funds with a margin of 0.30% (2015: 0.45%). The effective interest rate as at the end of the financial year is 2.36% (2015: 2.72%).

The loan to related companies amounting to $153,457,039 (2015: $95,399,599) is classified as current assets as it is subordinated to the bank loan of the related company, which is due to be repaid within 12 months from the end of the reporting period.

(b) The loans to related companies and holding company are unsecured, have no fixed terms of repayment and are not expected to be repaid within 12 months from the end of the reporting period. Loans subordinated to the bank loans of the related companies amounted to $175,341,357 (2015: $295,948,797). Interest on the loans are computed based on the Company's average cost of funds with a margin of 0.30% (2015: 0.45%). The effective interest rate as at the end of the financial year is 2.36% (2015: 2.72%). The fair value of the loans to related companies and holding company approximates its carrying amount.

8. Loan to a joint venture company

The loan to a joint venture company is denominated in Great Britain Pound (GBP), is unsecured, has no fixed terms of repayment and is not expected to be repaid within 12 months from the end of the reporting period. The loan is subordinated to the bank loan of the joint venture company amounting to $27,934,907 (2015: $Nil). Interest on the loan is computed based on the 3 month London Interbank Offer Rate (LIBOR) with a margin of 1.50% (2015: Nil%). The effective interest rate as at the end of the financial year is 1.88% (2015: Nil%). The fair value of the loan to a joint venture company approximates its carrying amount.

9. Deferred income taxes

Deferred income tax (assets)/liabilities arose from deferred expenses and fair value movements in derivative financial instruments. The amounts are shown on the statement of financial position as follows:

	2016	2015
	$	$
Deferred income tax assets		
- to be settled after one year	**(134,635)**	-
Deferred income tax liabilities		
- to be settled within one year	**38,250**	381,665
- to be settled after one year	**162,050**	164,189
	200,300	545,854

9. Deferred income taxes (continued)

The movement in deferred income tax account is as follows:

	2016	2015
	$	$
Beginning of the financial year	**545,854**	346,556
Tax (credit)/charge to:		
- income statement [Note 6(a)]	**(173,000)**	76,000
- equity (Note 18)	**(307,189)**	123,298
End of the financial year	**65,665**	545,854

The movement in deferred income tax (assets)/liabilities during the financial year is as follows:

	Deferred expenses	Derivative financial instruments	Total
	$	$	$
2016			
Beginning of the financial year	373,300	172,554	545,854
Tax credit to income statement	(173,000)	-	(173,000)
Tax credit to equity	-	(307,189)	(307,189)
End of the financial year	**200,300**	**(134,635)**	**65,665**
2015			
Beginning of the financial year	297,300	49,256	346,556
Tax charge to income statement	76,000	-	76,000
Tax charge to equity	-	123,298	123,298
End of the financial year	**373,300**	**172,554**	**545,854**

10. Trade receivables

	2016	2015
	$	$
Current		
Due from related companies (trade)	**10,646,083**	10,417,930
Due from holding company (trade)	**249,197**	-
	10,895,280	10,417,930
Non-current		
Due from related companies (trade)	**10,924,430**	12,838,524
Due from a joint venture company (trade)	**476,389**	-
	11,400,819	12,838,524

Trade receivables amounting to $20,685,852 (2015: $18,760,600) are subordinated to the bank loans of the related companies and a joint venture company. $9,285,033 (2015: $5,922,075) of this amount is classified as current assets, as the bank loan of the related company is due to be repaid within 12 months from the end of the reporting period.

11. Cash and cash equivalents

	2016	2015
	$	$
Cash at bank	**319,782**	5,251,031
Fixed deposits	**10,000**	10,000
	329,782	5,261,031

Fixed deposits with a financial institution mature within one month (2015: one month) from the end of the reporting period. The effective interest rate of these deposits at the end of the reporting period was 0.25% (2015: 0.25%) per annum.

12. Trade and other payables

	2016	2015
	$	$
Trade payables		
- Non-related parties	**101,044**	89,067
- Related company	**51,639**	444,212
Due to holding company (non-trade)	**10,290**	10,046
Accrued interest payable	**3,942,493**	2,545,187
Accrued operating expenses	**27,313**	8,200
	4,132,779	3,096,712

The amount due to the holding company (non-trade) is unsecured, interest free and repayable on demand.

13. Bank loans

	2016	2015
	$	$
Money market loans [Note 13(a)]	**55,661,628**	32,000,000
Term loans [Note 13(b)]	**604,016,250**	598,400,000
	659,677,878	630,400,000
Less: Current portion	**(375,436,628)**	(131,950,000)
Non-current portion	**284,241,250**	498,450,000

The Company has the following credit facilities for the purpose of providing loans and other treasury related services to related companies:

13. Bank loans (continued)

(a) Money market loan facilities

(i) A money market facility amounting to $200,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $28,246,945 (2015: $5,500,000) was utilised. The facility is subjected to annual review and is callable on demand.

(ii) An overdraft facility amounting to $1,000,000. Interest is calculated based on the lending bank's prime rate of 5%. As at the balance sheet date, the facility has not been utilised.

(iii) A money market, banker's guarantee and letter of credit facilities amounting to $80,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $18,014,683 (2015: $26,500,000) was utilised. The facility is subjected to annual review and is callable on demand.

(iv) A multicurrency short term loan, banker's guarantees and letter of credit facilities amounting to $100,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $9,400,000 (2015: $Nil) was utilised. The facility is subjected to a periodic review and is callable on demand.

(b) Term loan facilities

(i) A 3-year term loan amounting to $100,000,000 which has expired on 27 March 2016. Interest is calculated based on SWAP Offer Rate with a margin of 0.9% per annum. As at the balance sheet date, an amount of nil (2015: $99,950,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(ii) A 3-year term loan amounting to $85,000,000 which will expire on 30 September 2019. Interest is calculated based on SWAP Offer Rate with a margin of 0.8% per annum. As at the balance sheet date, an amount of $84,766,250 (2015: $Nil), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(iii) A 3-year term loan amounting to $100,000,000 which will expire on 16 April 2017. Interest is calculated based on SWAP Offer Rate with a margin of 0.9% per annum. As at the balance sheet date, an amount of $19,950,000 (2015: $99,750,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(iv) A 3-year term loan amounting to $300,000,000 which will expire on 10 August 2017. Interest is calculated based on SWAP Offer Rate with a margin of 1% per annum. As at the balance sheet date, an amount of $299,825,000 (2015: $299,525,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(v) A 3-year term loan amounting to $200,000,000 which will expire on 9 October 2018. Interest is calculated based on SWAP Offer Rate with a margin of 0.95% per annum. As at the balance sheet date, an amount of $199,475,000 (2015: $99,175,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

13. Bank loans (continued)

(c) The weighted average effective interest rates at the end of the reporting period were as follows:

	2016			2015		
	SGD	**GBP**	**AUD**	SGD	GBP	AUD
	%	**%**	**%**	%	%	%
Money market loans	**1.25**	**1.32**	**2.37**	1.91%	-	-
Term loans	**1.90**	**-**	**-**	2.08%	-	-

(d) The above credit facilities are guaranteed by the holding company.

14. Medium Term Notes

On 3 November 2014, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the "Programme"), unconditionally and irrevocably guaranteed by UOL Group Limited. Under the Programme, the Company, subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "Notes") in series or tranches in Singapore dollars and/or any other currency as may be agreed between the relevant dealers of the particular series or tranche of Notes and the Company. Each series of Notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid Notes or Zero Coupon Notes may also be issued under the Programme.

On 21 April 2015, the Company issued a tranche of $175 million of unsecured medium term notes out of the Programme. The Notes bear a fixed interest rate of 2.5% per annum and will mature in 2018. They constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

On 30 September 2016, the Company issued a tranche of $240 million of unsecured medium term notes out of the Programme. The Notes bear a fixed interest rate of 2.5% per annum and will mature in 2020. They constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values of the medium term notes amounted to $410,785,658 (2015: $172,346,751), determined using indicative interest rate of the notes quoted by the Company's bankers at balance sheet date of 2.9% (2015: 2.9%). The fair values are within Level 2 of the fair value hierarchy.

15. Advances from a related company

The advances from a related company have no fixed terms of repayment and are not expected to be recalled within 12 months from the end of the reporting period. Interest is charged at 0.1% above the related company's average cost of funds determined at the beginning of the month. The weighted average effective interest rate at the end of reporting period was 1.40% (2015: 2.43%). The carrying value of the advances from a related company approximates its fair value.

16. Derivative financial instruments

	Maturity	Contract notional amount	Fair value asset	Fair value liability
		$	$	$
2016				
Non-Current				
Cash-flow hedges				
- Interest rate swaps	April to September 2018	200,000,000	207,448	(676,325)
2015				
Current				
Cash-flow hedges				
- Interest rate swaps	October 2016	150,000,000	1,338,117	-

Consequently, as at the end of the reporting period, the Company has five (2015: two) interest rate swap agreements, which will mature between April 2018 and September 2018 (2015: October 2016). The interest rate swap agreements are to hedge a portion of the Company's floating rate borrowings. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

17. Share capital

The Company's share capital comprise fully paid-up 1,000,000 (2015: 1,000,000) ordinary shares with no par value, amounting to a total of $1,000,000 (2015: $1,000,000).

18. Hedging reserve

	2016	2015
	$	$
Beginning of the financial year	**842,467**	240,484
Fair value (losses)/gains on derivative financial instruments	**(2,161,370)**	988,127
Deferred tax credit/(charge) on fair value (losses)/gains (Note 9)	**307,189**	(123,298)
	(1,854,181)	864,829
Transfer to income statement		
- Finance expense/(credit) (Note 4)	**354,377**	(262,846)
	(1,499,804)	601,983
End of the financial year	**(657,337)**	842,467

19. Holding company

The immediate and ultimate holding company is UOL Group Limited, incorporated in Singapore.

20. Related party transactions

Other than the related party information disclosed elsewhere in the financial statements, there were no significant transactions between the Company and related companies during the financial year.

21. Financial risk management

The Company's activities expose it to market risk (including interest rate risk), credit risk and liquidity risk. The financial risk management of the Company is handled by the holding company as part of the operations of the group.

The Company's financial assets and liabilities are mainly denominated in Singapore Dollars and the Company's business activities do not expose it to significant foreign exchange risk.

(a) Market risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest bearing assets and liabilities arise mainly from loans to related companies, advances from a related company and bank loans respectively.

As the Company's interest income charged on loans to related companies are based on a fixed margin above the Company's average cost of funds arising from bank loans and advances from a related company, the Company is not exposed to interest rate risk. Interest rate risk is also mitigated through the use of hedging and floating-to-fixed interest rate swaps.

21. Financial risk management (continued)

(b) Credit risk

The Company's major class of financial assets is loans to related companies, holding company and a joint venture company. The balance is neither past due nor impaired as these are loans to related companies, holding company and a joint venture company with a good collection track record within the group.

(c) Liquidity risk

To manage liquidity risk, the Company maintains an adequate amount of committed banking facilities (Note 13) and unissued medium term notes under the Programme (Note 14). The Company serves as the treasury arm of its holding company and is also dependent on its holding company to manage its liquidity risks.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn banking facilities (Note 13), unissued medium term notes under the Programme (Note 14) and cash and cash equivalents (Note 11)) on the basis of expected cash flow.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years
	$	$	$
At 31 December 2016			
Trade and other payables	4,132,779	-	-
Advances from a related company	508,358	36,819,665	-
Bank loans	376,923,998	204,772,994	85,841,839
Medium term notes	10,375,000	182,318,493	250,471,233
	391,940,135	**423,911,152**	**336,313,072**
At 31 December 2015			
Trade and other payables	3,096,712	-	-
Advances from a related company	5,406,750	222,959,203	-
Bank loans	142,741,097	406,472,152	101,727,354
Medium term notes	4,375,000	4,375,000	176,330,479
	155,619,559	**633,806,355**	**278,057,833**

21. Financial risk management (continued)

d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to enhance shareholder value. In order to maintain or achieve an optimal capital structure, the Company may, subject to the necessary approvals from shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company serves as the treasury arm of the Group. The Company is dependent on its holding company for its capital needs.

The Company's composition of net debt for funding purposes is broadly represented by borrowings less cash and cash equivalents and fixed deposits with financial institutions as disclosed on the statement of financial position.

	2016	2015
	$	$
Net debt	**1,073,271,221**	799,784,594
Shareholder's equity	**7,004,806**	6,216,314
Total capital	**1,080,276,027**	806,000,908

The Company was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2015.

21. Financial risk management (continued)

(e) Fair value measurement

The following table presents assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $	Level 2 $	Level 3 $	Total $
2016				
Assets				
Derivative financial instruments	**-**	**207,448**	**-**	**207,448**
Liabilities				
Derivative financial instruments	**-**	**(676,325)**	**-**	**(676,325)**
2015				
Assets				
Derivative financial instruments	-	1,338,117	-	1,338,117

(f) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2016 **$**	2015 $
Loans and receivables	**1,122,896,082**	1,036,483,775
Financial liabilities at amortised cost	**1,114,419,099**	1,030,405,652

The carrying amount of the derivative financial instruments is disclosed in Note 16.

21. New or revised accounting Standards and Interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 January 2017 and which the Company has not early adopted:

22 New or revised accounting Standards and Interpretations (continued)

FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

The financial assets held by the Company include debt instruments classified as held-to-maturity or loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

Accordingly, the Company does not expect the new guidance to have a significant impact on the classification of its financial assets.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Company's accounting for financial liabilities as the Company does not have any such liabilities.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Company is yet to undertake a detailed assessment, it would appear that the Company's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Company does not expect a significant impact on the accounting for its hedging relationships.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Company has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 7 March 2017.

AUDITED FINANCIAL STATEMENTS OF UOL TREASURY SERVICES PTE. LTD. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The information in this Appendix III has been reproduced from the audited financial statements of UOL Treasury Services Pte. Ltd. for the financial year ended 31 December 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

UOL TREASURY SERVICES PTE. LTD.

(Incorporated in Singapore. Registration Number: 201134049R)

ANNUAL REPORT

For the financial year ended 31 December 2017

UOL TREASURY SERVICES PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 December 2017

Contents

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2017.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, with continuing financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Gwee Lian Kheng
Liam Wee Sin
Foo Thiam Fong Wellington

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) Mr. Gwee Lian Kheng is also a director of UOL Group Limited, the holding company. In compliance with Section 164 of the Companies Act, his interests in the share capital of and options to subscribe for ordinary shares of the Company, holding company or related corporations at the beginning and at the end of the financial year are shown in the register of directors' shareholdings of the holding company.

According to the register of directors' shareholdings, the interests of the other directors holding office at the end of the financial year in the share capital of and options to subscribe for ordinary shares of the Company, the holding company and related corporations are as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2017	At 1.1.2017	**At 31.12.2017**	At 1.1.2017
UOL Group Limited ("UOL")				
- Ordinary Shares				
Liam Wee Sin	**318,777**	150,000	**-**	-
Foo Thiam Fong Wellington	**390,000**	318,000	**-**	-
- Executives' Share Options				
Liam Wee Sin	**320,000**	516,000	**-**	-
Foo Thiam Fong Wellington	**108,000**	288,000	**-**	-

Directors' interests in shares or debentures (continued)

(b) Save as disclosed above, none of the other directors holding office at 31 December 2017 has any interest in the share capital of the Company, the ordinary shares and Executives' Share Options of UOL and the ordinary shares of any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Share options

No options were granted during the financial year to subscribe for unissued ordinary shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued ordinary shares of the Company.

There were no unissued ordinary shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

GWEE LIAN KHENG
Director

FOO THIAM FONG WELLINGTON
Director

7 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF UOL TREASURY SERVICES PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of UOL Treasury Services Pte. Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company comprise:
- the statement of comprehensive income for the year ended 31 December 2017;
- the statement of financial position as at 31 December 2017;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF UOL TREASURY SERVICES PTE. LTD. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Lay See.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 7 March 2018

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2017

	Note	**2017**	2016
		$	$
Revenue	3	**30,908,664**	27,233,615
Other (losses)/gains - net		**(750)**	314
Other operating income		**276,424**	92,099
Expenses			
- Administrative		**(561,212)**	(508,400)
- Finance	4	**(28,710,341)**	(24,041,332)
Profit before income tax	5	**1,912,785**	2,776,296
Income tax expense	6(a)	**(356,000)**	(488,000)
Profit after income tax		**1,556,785**	2,288,296
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value loss, net of tax	18	**(862,009)**	(1,854,181)
- Transfer to income statement	18	**1,171,791**	354,377
Other comprehensive income/(loss), net of tax		**309,782**	(1,499,804)
Total comprehensive income		**1,866,567**	788,492

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	**2017**	2016
		$	$
Non-current assets			
Loans to related companies and holding company	7(b)	**1,318,424,278**	918,878,231
Loan to a joint venture company	8	**-**	27,934,907
Trade receivables	10	**17,389,393**	11,400,819
Derivative financial instruments	16	**587,003**	207,448
		1,336,400,674	958,421,405
Current assets			
Loans to related companies	7(a)	**15,250,000**	153,457,039
Trade receivables	10	**2,804,063**	10,895,280
Other receivables		**24**	24
Derivative financial instruments	16	**14,107**	-
Cash and cash equivalents	11	**51,673,460**	329,782
		69,741,654	164,682,125
Current liabilities			
Trade and other payables	12	**4,677,969**	4,132,779
Bank loans	13	**332,556,457**	375,436,628
Medium term notes	14	**174,960,625**	-
Derivative financial instruments	16	**377,380**	-
Current income tax liabilities	6(b)	**665,416**	937,635
		513,237,847	380,507,042
Net current liabilities		**(443,496,193)**	(215,824,917)
Non-current liabilities			
Bank loans	13	**595,817,910**	284,241,250
Medium term notes	14	**239,360,000**	413,923,125
Derivative financial instruments	16	**319,376**	676,325
Advances from a related company	15	**48,221,708**	36,685,317
Deferred income tax liabilities	9	**314,114**	65,665
		884,033,108	735,591,682
Net assets		**8,871,373**	7,004,806
Equity			
Share capital	17	**1,000,000**	1,000,000
Hedging reserve	18	**(347,555)**	(657,337)
Retained earnings		**8,218,928**	6,662,143
Total equity		**8,871,373**	7,004,806

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2017

	Share capital $	Hedging reserve $	Retained earnings $	Total equity $
2017				
Beginning of financial year	1,000,000	(657,337)	6,662,143	7,004,806
Profit for the year	-	-	1,556,785	1,556,785
Other comprehensive income for the year	-	309,782	-	309,782
Total comprehensive income for the year	**-**	**309,782**	**1,556,785**	**1,866,567**
End of financial year	**1,000,000**	**(347,555)**	**8,218,928**	**8,871,373**
2016				
Beginning of financial year	1,000,000	842,467	4,373,847	6,216,314
Profit for the year	-	-	2,288,296	2,288,296
Other comprehensive loss for the year	-	(1,499,804)	-	(1,499,804)
Total comprehensive (loss)/income for the year	**-**	**(1,499,804)**	**2,288,296**	**788,492**
End of financial year	**1,000,000**	**(657,337)**	**6,662,143**	**7,004,806**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2017

	Note	**2017** **$**	2016 $
Cash flows from operating activities			
Profit after income tax		**1,556,785**	2,288,296
Adjustments for:			
Income tax expense		**356,000**	488,000
Interest income		**(30,908,664)**	(27,233,615)
Interest expense		**28,710,341**	24,041,332
		(285,538)	(415,987)
Changes in working capital			
Payables		**(27,983)**	31,334
Loans to related companies and holding company		**(261,339,008)**	(64,369,004)
Loans to a joint venture company		**27,934,907**	(27,934,907)
Bank loans		**267,862,269**	28,406,628
Medium term notes		**-**	239,040,000
Advances from a related company		**11,536,391**	(185,814,683)
Cash generated from/(used in) operations		**45,681,038**	(11,056,619)
Income tax paid		**(443,219)**	(377,437)
Interest paid		**(26,905,448)**	(21,691,163)
Interest received		**33,011,307**	28,193,970
Net cash provided by/(used in) operating activities		**51,343,678**	(4,931,249)
Net increase/(decrease) in cash and cash equivalents		**51,343,678**	(4,931,249)
Cash and cash equivalents at beginning of financial year		**329,782**	5,261,031
Cash and cash equivalents at end of financial year	11	**51,673,460**	329,782

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

UOL Treasury Services Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activity of the Company is that of provision of treasury services.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is also the functional currency of the Company.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain key accounting estimates and assumptions. There are no estimates and assumptions made by the Company that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

As at 31 December 2017, the net current liabilities of the Company amounted to $443,496,193 (2016: $215,824,917). The financial statements have been prepared on a going concern basis as the holding company has undertaken to provide continuing financial support so that the Company is able to pay its debts as and when they fall due.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

(b) Revenue

Interest income is recognised using the effective interest method.

2. **Significant accounting policies** (continued)

(c) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(d) Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is measured based on the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

(e) Loans and receivables

Loans and receivables include “cash and cash equivalents”, “trade receivables”, “other receivables”, “loans to related companies and holding company” and “loans to a joint venture company” in the statement of financial position.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

The Company assesses at the end of each reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies (continued)

(e) Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(f) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(g) Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

(h) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The Company has derivative financial instruments which are designated as a cash flow hedges.

2. Significant accounting policies (continued)

(h) Derivative financial instruments and hedging activities (continued)

Cash flow hedge - Interest rate swaps

The Company has entered into interest rate swaps that are cash flow hedges for the Company's exposure to interest rate risk on its borrowings. These contracts entitle the Company to receive interest at floating rates on notional principal amounts and obliges the Company to pay interest at fixed rates on the same notional principal amounts, thus allowing the Company to raise borrowings at floating rates and swap them into fixed rates.

The fair value change on the effective portion of interest rate swaps designated as cash flow hedges is recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value change on the ineffective portion of interest rate swaps is recognised immediately in the income statement.

(i) Fair value estimation

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash and bank balances and short-term deposits with financial institutions which are subject to an insignificant risk of change in value.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Revenue

	2017	2016
	$	$
Interest income		
- Loans to holding company	**3,645,577**	837,779
- Loans to related companies	**26,896,667**	25,911,844
- Loans to a joint venture company	**338,635**	476,337
- Bank deposits	**27,785**	7,655
	30,908,664	27,233,615

4. Finance expense

	2017 $	2016 $
Interest expense		
- Bank loans	**15,085,230**	12,453,624
- Medium term notes	**10,375,000**	5,932,192
- Advances from a related company	**846,600**	3,955,704
- Front-end fees	**1,231,720**	1,345,435
	27,538,550	23,686,955
Cash flow hedge transfer from hedging reserve (Note 18)	**1,171,791**	354,377
	28,710,341	24,041,332

5. Expenses by nature

Expenses recognised in profit or loss include the following:

	2017 $	2016 $
Legal and professional fees	**95,126**	14,563
Payroll cost recharged from holding company	**214,752**	222,674

The Company does not have any employees. The management of the Company's business is undertaken by the holding company with recharges made to the Company for staff costs incurred on its behalf.

6. Income taxes

(a) Income tax expense

	2017 $	2016 $
Tax expense attributable to profit is made up of:		
- Current income tax	**203,124**	661,000
- Deferred income tax (Note 9)	**185,000**	(173,000)
	388,124	488,000
Over provision in prior financial years:		
- Current income tax	**(32,124)**	-
	356,000	488,000

6. Income taxes (continued)

(a) Income tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2017 **$**	2016 $
Profit before income tax	**1,912,785**	2,776,296
Tax calculated at a tax rate of 17% (2016: 17%)	**325,173**	471,970
Effects of:		
- Singapore statutory stepped income exemption	**(25,925)**	(25,925)
- Tax rebate	**(10,000)**	(20,000)
- Over provision in prior financial year	**(32,124)**	-
- Expenses not deductible for tax purposes	**98,876**	61,955
Tax charge	**356,000**	488,000

(b) Movements in current income tax liabilities

	2017 **$**	2016 $
Beginning of the financial year	**937,635**	654,072
Tax expense on profit for the current financial year	**203,124**	661,000
Over provision in prior financial years	**(32,124)**	-
Income tax paid	**(443,219)**	(377,437)
End of the financial year	**665,416**	937,635

7. Loans to related companies and holding company

	2017 **$**	2016 $
Current		
Due from related companies (trade) [Note 7(a)]	**15,250,000**	153,457,039
Non-current		
Due from related companies (trade) [Note 7(b)]	**1,030,604,278**	824,978,231
Due from holding company (trade) [Note 7(b)]	**287,820,000**	93,900,000
	1,318,424,278	918,878,231

(a) The loans to related companies are unsecured and are expected to be repaid within 12 months from the end of the reporting period. Interest on the loans are computed based on the Company's average cost of funds with a margin of 0.30% (2016: 0.30%). The effective interest rate as at the end of the financial year is 2.48% (2016: 2.36%).

As at 31 December 2016, the loans to related companies amounting to $153,457,039 were classified as current assets as the loans were subordinated to the bank loans of the related companies, which were due to be repaid within 12 months from the end of the reporting period.

7. Loans to related companies and holding company (continued)

(b) Included within loans to related companies as at 31 December 2017 is a Great Britain Pound (GBP) denominated loan of $28,266,810 which is unsecured, has no fixed terms of repayment and is not expected to be repaid within 12 months from the end of the reporting period. The loan is subordinated to the bank loan of the related company. Interest on the loan is computed based on the 3 month London Interbank Offer Rate (LIBOR) with a margin of 1.50%. The effective interest rate as at the end of the financial year is 2.02%. The fair value of the loan to a related company approximates its carrying amount.

The remaining loans to related companies and holding company are unsecured, have no fixed terms of repayment and are not expected to be repaid within 12 months from the end of the reporting period. Loans subordinated to the bank loans of the related companies amounted to $241,615,957 (2016: $175,341,357). Interest on the loans are computed based on the Company's average cost of funds with a margin of 0.30% (2016: 0.30%). The effective interest rate as at the end of the financial year is 2.48% (2016: 2.36%). The fair value of the loans to related companies and holding company approximate its carrying amount.

8. Loan to a joint venture company

As at 31 December 2016, the loan to a joint venture company was denominated in Great Britain Pound (GBP), was unsecured, had no fixed terms of repayment and was not expected to be repaid within 12 months from the end of the reporting period. The loan was subordinated to the bank loan of the joint venture company amounting to $27,934,907. Interest on the loan was computed based on the 3 month London Interbank Offer Rate (LIBOR) with a margin of 1.50%. The effective interest rate as at the end of the previous financial year was 1.88%. The fair value of the loan to a joint venture company approximated its carrying amount.

9. Deferred income taxes

Deferred income tax liabilities/(assets) arose from deferred expenses and fair value movements in derivative financial instruments. The amounts are shown on the statement of financial position as follows:

	2017	2016
	$	$
Deferred income tax liabilities		
- to be settled within one year	**40,800**	38,250
- to be settled after one year	**273,314**	27,415
	314,114	65,665

9. Deferred income taxes (continued)

The movement in deferred income tax account is as follows:

	2017 **$**	2016 $
Beginning of the financial year	**65,665**	545,854
Tax charge/(credit) to:		
- income statement [Note 6(a)]	**185,000**	(173,000)
- equity (Note 18)	**63,449**	(307,189)
End of the financial year	**314,114**	65,665

The movement in deferred income tax liabilities/(assets) during the financial year is as follows:

	Deferred expenses $	Derivative financial instruments $	Total $
2017			
Beginning of the financial year	200,300	(134,635)	65,665
Tax charge to income statement	185,000	-	185,000
Tax charge to equity	-	63,449	63,449
End of the financial year	**385,300**	**(71,186)**	**314,114**
2016			
Beginning of the financial year	373,300	172,554	545,854
Tax credit to income statement	(173,000)	-	(173,000)
Tax credit to equity	-	(307,189)	(307,189)
End of the financial year	**200,300**	**(134,635)**	**65,665**

10. Trade receivables

	2017 **$**	2016 $
Current		
Due from related companies (trade)	**2,321,753**	10,646,083
Due from holding company (trade)	**482,310**	249,197
	2,804,063	10,895,280
Non-current		
Due from related companies (trade)	**17,389,393**	10,924,430
Due from a joint venture company (trade)	**-**	476,389
	17,389,393	11,400,819

Trade receivables amounting to $17,389,393 (2016: $20,685,852) are subordinated to the bank loans of the related companies and a joint venture company. As at 31 December 2016, $9,285,033 of this amount was classified as current assets, as the bank loan of the related company was due to be repaid within 12 months from the end of the reporting period.

11. Cash and cash equivalents

	2017	2016
	$	$
Cash at bank	**51,663,460**	319,782
Fixed deposits	**10,000**	10,000
	51,673,460	329,782

Fixed deposits with a financial institution mature within one month (2016: one month) from the end of the reporting period. The effective interest rate of these deposits at the end of the reporting period was 0.25% (2016: 0.25%) per annum.

12. Trade and other payables

	2017	2016
	$	$
Trade payables		
- Non-related parties	**86,452**	101,044
- Related company	**71,799**	51,639
Due to holding company (non-trade)	**19,893**	10,290
Accrued interest payable	**4,495,506**	3,942,493
Accrued operating expenses	**4,319**	27,313
	4,677,969	4,132,779

The amount due to the holding company (non-trade) is unsecured, interest free and repayable on demand.

13. Bank loans

	2017	2016
	$	$
Money market loans [Note 13(a)]	**132,781,457**	55,661,628
Term loans [Note 13(b)]	**795,592,910**	604,016,250
	928,374,367	659,677,878
Less: Current portion	**(332,556,457)**	(375,436,628)
Non-current portion	**595,817,910**	284,241,250

13. Bank loans (continued)

The Company has the following credit facilities for the purpose of providing loans and other treasury related services to related companies:

(a) Money market loan facilities

(i) A money market facility amounting to $200,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $29,445,115 (2016: $28,246,945) was utilised. The facility is subjected to annual review and is callable on demand.

(ii) An overdraft facility amounting to $1,000,000. Interest is calculated based on the lending bank's prime rate of 5%. As at the balance sheet date, the facility has not been utilised.

(iii) A money market, banker's guarantee and letter of credit facilities amounting to $80,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $69,781,305 (2016: $18,014,683) was utilised. The facility is subjected to annual review and is callable on demand.

(iv) A multicurrency short term loan, banker's guarantees and letter of credit facilities amounting to $100,000,000. Interest is calculated based on the lending bank's cost of funds. As at the balance sheet date, an amount of $33,555,037 (2016: $9,400,000) was utilised. The facility is subjected to a periodic review and is callable on demand.

(b) Term loan facilities

(i) A 3-year term loan amounting to $85,000,000 which will expire on 30 September 2019. Interest is calculated based on SWAP Offer Rate with a margin of 0.8% per annum. As at the balance sheet date, an amount of $84,851,250 (2016: $84,766,250), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(ii) A 3-year term loan amounting to $150,000,000 which will expire on 26 May 2020. Interest is calculated based on SWAP Offer Rate with a margin of 0.78% per annum. As at the balance sheet date, an amount of $149,650,000 (2016: Nil), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(iii) A 3-year term loan amounting to $255,000,000 which will expire on 8 August 2020. Interest is calculated based on SWAP Offer Rate with a margin of 1% per annum. As at the balance sheet date, an amount of $254,341,250 (2016: $299,825,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(iv) A 3-year term loan amounting to $200,000,000 which will expire on 9 October 2018. Interest is calculated based on SWAP Offer Rate with a margin of 0.95% per annum. As at the balance sheet date, an amount of $199,775,000 (2016: $199,475,000), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

13. Bank loans (continued)

(b) Term loan facilities (continued)

(v) A 3-year term loan amounting to GBP120,000,000 which will expire on 18 December 2021. Interest is calculated based on an agreed Base Rate with a margin of 0.85% per annum. As at the balance sheet date, an amount of $106,975,410 (2016: Nil), net of transaction costs was utilised. The fair value of the term loan approximates its carrying amount.

(c) The weighted average effective interest rates at the end of the reporting period were as follows:

		2017			2016	
	SGD	**GBP**	**AUD**	SGD	GBP	AUD
	%	**%**	**%**	%	%	%
Money market loans	**-**	**1.54**	**2.43**	1.25	1.32	2.37
Term loans	**2.04**	**1.34**	**-**	1.90	-	-

(d) The above credit facilities are guaranteed by the holding company.

14. Medium Term Notes

On 3 November 2014, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the “Programme”), unconditionally and irrevocably guaranteed by UOL Group Limited. Under the Programme, the Company, subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "Notes") in series or tranches in Singapore dollars and/or any other currency as may be agreed between the relevant dealers of the particular series or tranche of Notes and the Company. Each series of Notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid Notes or Zero Coupon Notes may also be issued under the Programme.

On 21 April 2015, the Company issued a tranche of $175 million of unsecured medium term notes out of the Programme. The Notes bear a fixed interest rate of 2.5% per annum and will mature in 2018. They constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

On 30 September 2016, the Company issued a tranche of $240 million of unsecured medium term notes out of the Programme. The Notes bear a fixed interest rate of 2.5% per annum and will mature in 2020. They constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values of the medium term notes amounted to $405,764,287 (2016: $410,785,658), determined using indicative interest rate of the notes quoted by the Company’s bankers at balance sheet date of 2.9% (2016: 2.9%). The fair values are within Level 2 of the fair value hierarchy.

15. Advances from a related company

The advances from a related company have no fixed terms of repayment and are not expected to be recalled within 12 months from the end of the reporting period. Interest is charged based on the Company's lowest interest rate for short term loans determined on a quarterly basis. The weighted average effective interest rate at the end of reporting period was 1.79% (2016: 1.40%). The carrying value of the advances from a related company approximates its fair value.

16. Derivative financial instruments

	Maturity	Contract notional amount $	Fair value asset $	Fair value liability $
2017				
Current				
Cash-flow hedges:				
Interest rate swaps				
- Non-related parties	April to September 2018	200,000,000	14,107	(377,380)
Non-Current				
Cash-flow hedges:				
Interest rate swaps				
- Non-related parties	June to September 2019	80,000,000	267,627	-
Derivatives not held for trading:				
Interest rate swaps				
- Non-related parties	December 2019	107,820,000	319,376	-
- Related company	December 2019	107,820,000	-	(319,376)
			587,003	(319,376)
2016				
Non-Current				
Cash-flow hedges:				
Interest rate swaps				
- Non-related parties	April to September 2018	200,000,000	207,448	(676,325)

As at the end of the reporting period, the Company has eight (2016: five) interest rate swap agreements, which will mature between April 2018 and September 2019 (2016: between April 2018 and September 2018). The interest rate swap agreements are to hedge a portion of the Company's floating rate borrowings. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

17. Share capital

The Company's share capital comprise fully paid-up 1,000,000 (2016: 1,000,000) ordinary shares with no par value, amounting to a total of $1,000,000 (2016: $1,000,000).

18. Hedging reserve

	2017	2016
	$	$
Beginning of the financial year	**(657,337)**	842,467
Fair value losses on derivative financial instruments	**(798,560)**	(2,161,370)
Deferred tax (charge)/credit on fair value losses (Note 9)	**(63,449)**	307,189
	(862,009)	(1,854,181)
Transfer to income statement		
- Finance expense (Note 4)	**1,171,791**	354,377
	309,782	(1,499,804)
End of the financial year	**(347,555)**	(657,337)

19. Holding company

The immediate and ultimate holding company is UOL Group Limited, incorporated in Singapore.

20. Related party transactions

Other than the related party information disclosed elsewhere in the financial statements, there were no significant transactions between the Company and related companies during the financial year.

21. Financial risk management

The Company's activities expose it to market risk (including interest rate risk), credit risk and liquidity risk. The financial risk management of the Company is handled by the holding company as part of the operations of the group.

The Company's financial assets and liabilities are mainly denominated in Singapore Dollars and the Company's business activities do not expose it to significant foreign exchange risk.

(a) Market risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest bearing assets and liabilities arise mainly from loans to related companies, advances from a related company and bank loans respectively.

As the Company's interest income charged on loans to related companies are based on a fixed margin above the Company's average cost of funds arising from bank loans and advances from a related company, the Company is not exposed to interest rate risk. Interest rate risk is also mitigated through the use of hedging and floating-to-fixed interest rate swaps.

21. Financial risk management (continued)

(b) Credit risk

The Company's major class of financial assets is loans to related companies, holding company and a joint venture company. The balance is neither past due nor impaired as these are loans to related companies, holding company and a joint venture company with a good collection track record within the group.

(c) Liquidity risk

To manage liquidity risk, the Company maintains an adequate amount of committed banking facilities (Note 13) and unissued medium term notes under the Programme (Note 14). The Company serves as the treasury arm of its holding company and is also dependent on its holding company to manage its liquidity risks.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn banking facilities (Note 13), unissued medium term notes under the Programme (Note 14) and cash and cash equivalents (Note 11) on the basis of expected cash flow.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years
	$	$	$
At 31 December 2017			
Trade and other payables	4,677,969	-	-
Advances from a related company	863,169	49,084,877	-
Bank loans	347,318,865	95,406,724	519,807,071
Medium term notes	182,318,493	6,000,000	244,471,233
	535,178,496	**150,491,601**	**764,278,304**
At 31 December 2016			
Trade and other payables	4,132,779	-	-
Advances from a related company	508,358	36,819,665	-
Bank loans	376,923,998	204,772,994	85,841,839
Medium term notes	10,375,000	182,318,493	250,471,233
	391,940,135	**423,911,152**	**336,313,072**

The table below analyses the maturity profile of the Company's derivative financial instruments based on contractual undiscounted cash flows:

	Less than 1 year	Between 1 and 2 years
	$	$
At 31 December 2017		
Net-settled interest rate swaps – cash flow hedges		
- Net cash outflows	**563,703**	69,666
At 31 December 2016		
Net-settled interest rate swaps – cash flow hedges		
- Net cash outflows	**1,356,264**	363,164

21. Financial risk management (continued)

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to enhance shareholder value. In order to maintain or achieve an optimal capital structure, the Company may, subject to the necessary approvals from shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company serves as the treasury arm of the Group. The Company is dependent on its holding company for its capital needs.

The Company's composition of net debt for funding purposes is broadly represented by borrowings less cash and cash equivalents and fixed deposits with financial institutions as disclosed on the statement of financial position.

	2017	2016
	$	$
Net debt	**1,291,021,532**	1,073,271,221
Shareholder's equity	**8,871,373**	7,004,806
Total capital	**1,299,892,905**	1,080,276,027

The Company was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2017 and 2016.

(e) Fair value measurement

The following table presents assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2017				
Assets				
Derivative financial instruments	**-**	**601,110**	**-**	**601,110**
Liabilities				
Derivative financial instruments	**-**	**(696,756)**	**-**	**(696,756)**
2016				
Assets				
Derivative financial instruments	-	207,448	-	207,448
Liabilities				
Derivative financial instruments	-	(676,325)	-	(676,325)

21. Financial risk management (continued)

(f) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2017	2016
	$	$
Loans and receivables	**1,405,541,218**	1,122,896,082
Financial liabilities at amortised cost	**1,395,594,669**	1,114,419,099

The carrying amount of the derivative financial instruments is disclosed in Note 16.

22. New or revised accounting Standards and Interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2018. The Company does not expect the adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

23. Adoption of SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Company has adopted SFRS(I)s on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the year ended 31 December 2018 in March 2019.

In adopting SFRS(I)s, the Company is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Company will also concurrently apply new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I)s on the Company's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Company is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Company plans to elect relevant optional exemptions. There are no significant adjustments to the Company's financial statements prepared under SFRS.

23. Adoption of SFRS(I) (continued)

(b) Adoption of SFRS(I) equivalent of IFRS 9

The Company plans to elect to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss model under the SFRS(I) equivalent of IFRS 9:

- trade receivables; and
- loans to related companies, holding company, a joint venture company and other receivables at amortised cost.

An increase in provision for impairment for the above financial assets and corresponding decrease in opening retained earnings may arise from the application of the expected credit loss impairment model.

The impact arising from the adoption of this standard has been assessed to be insignificant.

(c) Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Company will adopt the SFRS(I) 15 retrospectively. The impact arising from the adoption of SFRS(I) 15 has been assessed to insignificant.

24. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 7 March 2018.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UOL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The information in this Appendix IV has been reproduced from the audited consolidated financial statements of UOL Group Limited and its subsidiaries for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum.

UOL GROUP LIMITED

(Incorporated in Singapore. Registration Number: 196300438C)

AND ITS SUBSIDIARIES

ANNUAL REPORT

For the financial year ended 31 December 2016

UOL GROUP LIMITED
(Incorporated in Singapore. Registration Number: 196300438C)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2016

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

The directors have pleasure in submitting this statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2016 and the statement of financial position of the Company as at 31 December 2016.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 13 to 102 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Wee Cho Yaw - Chairman
Wee Ee Lim - Deputy Chairman
Gwee Lian Kheng - Group Chief Executive
Low Weng Keong
Wee Sin Tho
Tan Tiong Cheng
Wee Ee-chao
Pongsak Hoontrakul
Poon Hon Thang Samuel (appointed on 12 May 2016)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 2 to 4 of this statement.

Directors' interests in shares or debentures

(a) The directors holding office at 31 December 2016 are also the directors holding office at the date of this statement. Their interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2016	At 1.1.2016	**At 31.12.2016**	At 1.1.2016
UOL Group Limited ("UOL")				
- Ordinary Shares				
Wee Cho Yaw	3,661,566	3,567,035	271,082,870*	264,091,272*
Wee Ee Lim	260,975	254,238	110,875,315	108,012,787
Gwee Lian Kheng	616,330	503,000	-	-
Low Weng Keong	30,000	10,000*	-	-
Wee Sin Tho	105,950	103,215	-	-
Tan Tiong Cheng	112,915	80,000	-	-
Wee Ee-chao	31,735*	31,735*	111,150,885*	108,288,392*
Pongsak Hoontrakul	20,530*	20,000*	-	-
- Executives' Share Options				
Gwee Lian Kheng	900,000	880,000	-	-

* Includes shares registered in the name of nominees.

Directors' interests in shares or debentures (continued)

(b) The directors' interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings at 21 January 2017, were the same as those at 31 December 2016.

(c) Pursuant to Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw is deemed to be interested in the shares of the subsidiaries of the Company.

(d) Save as disclosed above, none of the other directors holding office at 31 December 2016 has any interest in the ordinary shares and Executives' Share Options of the Company and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Share options

UOL Group Executives' Share Option Scheme

(a) The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

(b) Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

(c) On 11 March 2016, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,224,000 ordinary shares in the Company (known as "the 2016 Options") at the exercise price of $5.87 per ordinary share. 1,224,000 options granted were accepted by the executives, including Gwee Lian Kheng. The total fair value of the options granted was estimated to be $1,077,000 using the Trinomial Tree Model.

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

The details of the options accepted are as follows:

	No. of employees	At exercise price of $5.87 per share
Executive Director	1	120,000
Other Executives	53	1,104,000
	54	1,224,000

(d) Statutory information regarding the 2016 Options is as follows:

(i) The option period begins on 11 March 2017 and expires on 10 March 2026 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Details of options granted in previous financial years were set out in the Directors' Statement for the respective financial years.

(e) Other information required by the Singapore Exchange Securities Trading Limited:

Pursuant to Rule 852 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is reported that during the financial year:

(i) The Remuneration Committee, comprising the following directors, administers the 2012 Scheme:

Wee Sin Tho	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Low Weng Keong	Member	(Independent)

(ii) The details of options granted to a director of the Company, Gwee Lian Kheng, under the 2000 and 2012 Scheme are as follows:

Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2015	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2016	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2016	Aggregate options outstanding at 31.12.2016
1,560,000	120,000	1,680,000	780,000	900,000

(iii) Save as disclosed above, no options have been granted to controlling shareholders or their associates, parent group employees, and no employee has received 5% or more of the total options available under the 2012 Scheme. No options were granted at a discount during the financial year.

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

Outstanding Share Options

At 31 December 2016, the holders of the Executives' Share Options include a director of the Company as disclosed under "Directors' interests in shares or debentures".

The holders of the Executives' Share Options have no right to participate by virtue of the options in any share issue of any other company in the Group.

During the financial year, 222,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2007 Options	202,000	4.91
2011 Options	6,000	4.62
2012 Options	14,000	5.40
	222,000	

Unissued ordinary shares under options at 31 December 2016 comprise:

Executives' Share Options	At 1.1.2016	Options granted in 2016	Options exercised	Options forfeited	At 31.12.2016	Exercise/ Subscription price/$	Option period
2007 Options	204,000	-	(202,000)	-	2,000	4.91	16.03.2008 to 15.03.2017
2008 Options	130,000	-	-	(18,000)	112,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	-	-	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	304,000	-	-	-	304,000	3.95	05.03.2011 to 04.03.2020
2011 Options	346,000	-	(6,000)	-	340,000	4.62	04.03.2012 to 03.03.2021
2012 Options	655,000	-	(14,000)	-	641,000	5.40	23.08.2013 to 22.08.2022
2013 Options	853,000	-	-	(66,000)	787,000	6.55	08.03.2014 to 07.03.2023
2014 Options	795,000	-	-	(96,000)	699,000	6.10	12.03.2015 to 11.03.2024
2015 Options	1,225,000	-	-	(120,000)	1,105,000	7.67	11.03.2016 to 10.03.2025
2016 Options	-	1,224,000	-	(95,000)	1,129,000	5.87	11.03.2017 to 10.03.2026
	4,574,000	1,224,000	(222,000)	(395,000)	5,181,000		

Audit & Risk Committee

The Audit & Risk Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Tan Tiong Cheng

Non-independent and non-executive director
Wee Ee Lim

The Audit & Risk Committee carries out the functions set out in the Companies Act (Cap.50). The terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the scope and results of the internal audit procedures and proposals for improvements in internal controls, the cost effectiveness, independence and objectivity of the independent auditor and interested persons transactions.

In performing the functions, the Audit & Risk Committee has met with the internal and independent auditors and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The Audit & Risk Committee has nominated PricewaterhouseCoopers LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

WEE CHO YAW	GWEE LIAN KHENG
Chairman	Director

24 February 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UOL GROUP LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of UOL Group Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated statement of financial position of the Group as at 31 December 2016;
- the statement of financial position of the Company as at 31 December 2016;
- the consolidated income statement of the Group for the year then ended;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties As at 31 December 2016, the carrying value of the Group's investment properties stated at fair value based on independent external valuation of $4.3 billion, accounted for 37% of the Group's total assets. The disclosures relating to these investment properties are included in Note 20 of the financial statements. The valuation of the investment properties was significant to our audit due to the use of estimates in the valuation techniques, and valuation is highly judgemental and is based on certain key assumptions. The key assumptions include prevailing market conditions which affect adopted value per square foot and capitalisation rates for shops and offices and growth rates, discount rates and capitalisation rates for serviced suites.	Our audit procedures focused on the valuation process and included the following: • assessed the competency, independence and integrity of the professional valuers engaged by the Group; • discussed with the professional valuers the key assumptions and critical judgemental areas and understood the approaches taken by them in determining the valuation of each investment property; • tested the integrity of information, including underlying lease and financial information provided to the valuers; and • assessed the reasonableness of the adopted value per square foot, discount rates, capitalisation rates and growth rates assumptions by benchmarking the rates against specific property data, comparables and prior year's inputs. We have also assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuers. The valuers are members of recognised professional bodies for external valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of hotel properties As at 31 December 2016, the carrying value of the Group's hotel properties (which includes hotel properties under development) classified as property, plant and equipment of \$1.1 billion, accounted for 10% of the Group's total assets. The Group also recorded the following for the financial year then ended: • impairment charge of \$26.7 million in respect of its hotel property under development in London; and • reversal of impairment charge of \$2.7 million in respect of its hotel property in Tianjin. The disclosures relating to hotel properties are included in Note 21 of the financial statements. The determination of the recoverable amounts of the hotel properties based on independent external valuation and whether to recognise any impairment charge or reverse any previously recorded impairment charge is highly judgemental and involved certain key assumptions including discount rates, capitalisation rates, projected occupancy rates and projected room rates. Significant management judgement is also involved in estimating the total budgeted costs of the construction of hotel property under development which impacts the impairment charge recognised.	Our audit procedures focused on the valuation process and included the following: • assessed the competency, independence and integrity of the professional valuers engaged by the Group; • discussed the key assumptions and critical judgemental areas with the professional valuers; • tested the integrity of information, including actual occupancy rates and room rates provided to the professional valuers; and • assessed the reasonableness of the discount rates, capitalisation rates, projected occupancy rates and projected room rates assumptions by benchmarking the rates against specific property data, comparables and other external data. In relation to the estimated total budgeted costs of the construction of hotel property under development, our audit procedures to assess the adequacy of management's budgeted total development costs and the reasonableness of the assumptions included the following: • compared actual cost incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of cost to complete by substantiating costs that have been committed to quotations from and contracts with suppliers; • discussed with the project managers the basis for the estimated cost to complete and challenged the underlying assumptions by benchmarking against the Group's past projects and available market data; and • evaluated the competency, capabilities and objectivity of the quantity surveyor used by management to evaluate the reasonableness of the estimated total budgeted development costs of the project and the allocation of costs to the respective components. The valuers are members of recognised professional bodies for external valuers. We found that the valuation methodologies used in determining the recoverable amounts of the hotel properties were in line with generally accepted market practices and the key assumptions used were within the range of market data. The evidence we obtained from performing our procedures also indicated that management's estimates and assumptions in relation to the estimated total budgeted costs of the construction of hotel property under development were reasonable.

Key Audit Matters (continued)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
<u>Valuation of development properties and revenue and cost of sales recognition from sales of development properties</u> As at 31 December 2016, the carrying value of the Group's development properties of $1.2 billion, accounted for 10% of the Group's total assets. The Group did not record any impairment charge for development properties for the financial year then ended. The disclosures relating to these development properties are included in Note 13 of the financial statements. Revenue from sales of development properties recognised as construction progresses of $726.2 million for the year ended 31 December 2016, accounted for 50% of the Group's total revenue and the corresponding cost of sales of $649.7 million, accounted for 68% of the Group's total cost of sales. No expected loss arising from total development cost exceeding total revenue has been recognised as expense for the financial year then ended. The determination of the carrying value and whether to recognise any impairment charge for development properties is highly dependent on the estimated cost to complete each development and the estimated selling price as disclosed in Note 2.5. Significant management judgement is involved in estimating the costs of each development. Management also utilised a number of different assumptions which were highly subjective to determine the estimated selling prices which are impacted by market demand for properties and local government policies. These judgement and assumptions impact the carrying value of development properties, and the revenue and cost of sales recognised from sales of development properties.	In assessing valuation of development properties, we focused on development projects with slower than expected sales or low margins. Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used included the following: • compared actual cost incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of cost to complete by substantiating costs that have been committed to quotations from and contracts with suppliers; • discussed with the project managers the basis for the estimated cost to complete and challenged the underlying assumptions by benchmarking against the Group's past projects; and • evaluated the competency, capabilities and objectivity of the quantity surveyors used by management for the certification of proportion of construction cost to date. We have also challenged management's key assumptions relating to the estimated selling prices by comparing against comparable market data and market price trends, taking into consideration the economic conditions in the respective countries where the Group has development properties. We have evaluated the sensitivity of the margins to changes in sales prices. We have also recomputed the percentage of completion as at the reporting date to assess the appropriateness of the revenue and cost of sales recognised from sales of development properties. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.

Other Information

Management is responsible for the other information. The other information refers to the "Directors' Statement" section on pages 1 to 5 of the annual report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the annual report which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining sections of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Lay See.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 24 February 2017

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2016

	Note	The Group 2016 $'000	2015 $'000
Revenue	4	**1,440,739**	1,278,749
Cost of sales		**(955,729)**	(774,876)
Gross profit		**485,010**	503,873
Other income			
- Finance income	4	**5,406**	6,039
- Miscellaneous income	4	**17,175**	18,374
Expenses			
- Marketing and distribution		**(63,374)**	(67,275)
- Administrative		**(77,660)**	(81,010)
- Finance	7	**(30,292)**	(41,664)
- Other operating		**(81,310)**	(82,500)
Share of profit of associated companies	17	**130,849**	136,553
Share of profit of joint venture companies	18	**1,087**	29,117
		386,891	421,507
Other losses	8	**(23,275)**	(22,036)
Fair value (losses)/gains on investment properties	20	**(9,700)**	60,902
Profit before income tax		**353,916**	460,373
Income tax expense	9(a)	**(48,316)**	(47,195)
Net profit		**305,600**	413,178
Attributable to:			
Equity holders of the Company		**287,040**	391,389
Non-controlling interests		**18,560**	21,789
		305,600	413,178
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10		
- Basic		**35.82**	49.39
- Diluted		**35.81**	49.35

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Note	The Group 2016 $'000	2015 $'000
Net profit		**305,600**	413,178
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
- Fair value gains/(losses)	31(b)	**37,066**	(191,333)
- Reversal of deferred tax liabilities	31(b)	**-**	96,327
Cash flow hedges	31(f)	**(3,941)**	(210)
Currency translation differences arising from consolidation of foreign operations	31(e)	**(7,210)**	3,946
Share of other comprehensive (loss)/income of an associated company	31(a),(e)	**(4,569)**	2,516
Other comprehensive income/(loss), net of tax		**21,346**	(88,754)
Total comprehensive income		**326,946**	324,424
Total comprehensive income attributable to:			
Equity holders of the Company		**308,216**	302,838
Non-controlling interests		**18,730**	21,586
		326,946	324,424

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY

As at 31 December 2016

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
ASSETS					
Current assets					
Cash and bank balances	11	**301,512**	276,398	**1,680**	1,546
Trade and other receivables	12	**99,597**	197,106	**1,579**	2,551
Derivative financial instrument	26	**-**	1,338	**-**	-
Development properties	13	**1,174,220**	1,484,292	**-**	-
Inventories	14	**651**	734	**-**	-
Other assets	16	**16,993**	15,618	**242**	199
Current income tax assets	9(b)	**157**	125	**-**	-
		1,593,130	1,975,611	**3,501**	4,296
Non-current assets					
Trade and other receivables	12	**128,780**	13,348	**783,355**	745,969
Derivative financial instrument	26	**207**	-	**-**	-
Available-for-sale financial assets	15	**855,051**	804,872	**658,110**	619,647
Investments in associated companies	17	**3,409,827**	3,279,632	**163,725**	162,737
Investments in joint venture companies	18	**77,747**	86,349	**-**	-
Investments in subsidiaries	19	**-**	-	**1,779,176**	1,800,714
Investment properties	20	**4,299,597**	4,134,897	**421,500**	421,500
Property, plant and equipment	21	**1,165,536**	1,178,534	**1,009**	1,113
Intangibles	22	**24,361**	23,336	**-**	14
Deferred income tax assets	29	**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	23	**203,125**	238,322	**564,319**	397,787
Current income tax liabilities	9(b)	**50,699**	41,788	**1,838**	1,205
Borrowings	24	**728,675**	523,605	**215,533**	179,403
		982,499	803,715	**781,690**	578,395
Non-current liabilities					
Trade and other payables	23	**157,013**	156,027	**4,491**	4,279
Borrowings	24	**1,617,759**	1,983,423	**176,417**	282,333
Derivative financial instrument	26	**4,272**	978	**3,596**	978
Loan from non-controlling shareholder of a subsidiary (unsecured)	27	**63,009**	63,009	**-**	-
Provision for retirement benefits	28	**4,927**	3,854	**-**	-
Deferred income tax liabilities	29	**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
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	**1,269,853**	1,216,099	**1,269,853**	1,216,099
Reserves	31	**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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Note	Attributable to equity holders of the Company					
		Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2016							
Beginning of financial year		**1,216,099**	**889,866**	**5,788,210**	**7,894,175**	**506,941**	**8,401,116**
Profit for the year		-	-	287,040	287,040	18,560	305,600
Other comprehensive income for the year		-	21,176	-	21,176	170	21,346
Total comprehensive income for the year		-	**21,176**	**287,040**	**308,216**	**18,730**	**326,946**
Employee share option scheme							
- Value of employee services	31(a)	-	1,103	-	1,103	-	1,103
- Proceeds from shares issued	30	1,095	-	-	1,095	-	1,095
Dividends	32	-	-	(119,416)	(119,416)	(2,000)	(121,416)
Issue of shares under scrip dividend scheme	30	55,138	-	-	55,138	-	55,138
Shares cancelled upon buy-back		(2,479)	-	(6,384)	(8,863)	-	(8,863)
Acquisition of interests from non-controlling shareholder		-	-	(4,404)	(4,404)	(15,461)	(19,865)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	-	2	108	110	-	110
Total transactions with owners, recognised directly in equity		**53,754**	**1,105**	**(130,096)**	**(75,237)**	**(17,461)**	**(92,698)**
End of financial year		**1,269,853**	**912,147**	**5,945,154**	**8,127,154**	**508,210**	**8,635,364**
2015							
Beginning of financial year		1,151,512	977,032	5,514,185	7,642,729	488,170	8,130,899
Profit for the year		-	-	391,389	391,389	21,789	413,178
Other comprehensive loss for the year		-	(88,551)	-	(88,551)	(203)	(88,754)
Total comprehensive (loss)/income for the year		-	(88,551)	391,389	302,838	21,586	324,424
Employee share option scheme							
- Value of employee services	31(a)	-	1,360	-	1,360	-	1,360
- Proceeds from shares issued	30	7,926	-	-	7,926	-	7,926
Dividends	32	-	-	(118,176)	(118,176)	(2,815)	(120,991)
Issue of shares under scrip dividend scheme	30	56,661	-	-	56,661	-	56,661
Share of an associated company's acquisition of interests from non-controlling shareholders	17	-	25	812	837	-	837
Total transactions with owners, recognised directly in equity		64,587	1,385	(117,364)	(51,392)	(2,815)	(54,207)
End of financial year		1,216,099	889,866	5,788,210	7,894,175	506,941	8,401,116

An analysis of movements in each category within "Reserves" is presented in Note 31.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2016

	2016 $'000	2015 $'000
Cash flows from operating activities		
Net profit	**305,600**	413,178
Adjustments for		
- Income tax expense	**48,316**	47,195
- Depreciation and amortisation	**66,604**	67,231
- Allowance/(write-back of allowance) for impairment of loans and receivables - net	**60**	(21)
- Share of profit of associated companies	**(130,849)**	(136,553)
- Share of profit of joint venture companies	**(1,087)**	(29,117)
- Unrealised translation (gains)/losses	**(69)**	13,072
- Net provision for retirement benefits	**1,165**	620
- Employee share option expense	**1,102**	1,360
- Dividend income 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)
- Property, plant and equipment written off and net loss on disposals	**1,152**	2,163
- 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)**	-
	308,404	322,444
Change in working capital		
- Receivables	**13,593**	49,599
- Development properties	**244,626**	209,858
- Inventories	**83**	68
- Payables	**1,738**	(813)
	260,040	258,712
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	**538,515**	516,602
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	**(12,976)**	(17,788)
Payments for interests in joint venture companies	**(23,311)**	-
Loans to an associated company and joint venture companies	**(113,797)**	(1,110)
Repayment of loan by a joint venture company	**87,313**	77,800
Net proceeds from disposal of property, plant and equipment	**235**	281
Acquisition of a business (Note 38)	**(181,749)**	-
Purchase of property, plant and equipment and investment properties	**(66,337)**	(47,262)
Interest received	**5,406**	6,039
Dividends received	**57,391**	42,015
Net cash (used in)/from investing activities	**(249,011)**	63,231

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	**2016 $'000**	2015 $'000
Cash flows from financing activities			
Proceeds from shares issued		**1,095**	7,926
Payment to non-controlling shareholder for purchase of shares in a subsidiary		**(19,865)**	-
Loans from non-controlling shareholder of a subsidiary		**-**	8,851
Proceeds from 2.5% unsecured fixed rate notes due 2020		**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		**1,459,712**	441,812
Repayment of borrowings		**(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		**(258,527)**	(584,237)
Net increase/(decrease) in cash and cash equivalents		**30,977**	(4,404)
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	11(c)	**301,312**	272,546

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

UOL Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is as follows:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activities of the Company are investments in properties, subsidiaries, associated companies and listed and unlisted securities. The principal activities of its subsidiaries are set out in Note 19.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain key accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of properties and goods and the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Revenue from property development – sale of development properties

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - Agreements for the Construction of Real Estate, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties. The stage of completion is measured by reference to the physical surveys of construction work completed. No revenue is recognised for unsold units.

For sales of overseas development properties, the Group recognises revenue upon the transfer of significant risks and rewards of ownership on a completed contract basis.

(b) Revenue from hotel ownership and operations

Revenue from the ownership and operation of hotels is recognised at the point at which the accommodation and related services are provided.

(c) Revenue from hotel and other management services

Revenue from hotel and other management services includes property and project management fees, hotel management fees, franchise fees and other related fees.

(i) Property and project management fees

Property and project management fees are recognised when services are rendered under the terms of the contract.

(ii) Hotel management fees

Management fees earned from hotels managed by the Group, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability.

(iii) Franchise fees

Franchise fees received in connection with licensing of the Group's brand names, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the agreement. The Group generally charges franchise fees as a percentage of hotel revenue.

(iv) Other related fees

Other related fees earned from hotels managed by the Group are recognised when services are rendered under the terms of the contract.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(d) *Interest income*

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(f) *Revenue from property investments - rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of financial position for the Group and the Company. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.3 <u>Group accounting</u> (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from purchase. Please refer to the paragraph "Intangibles – Goodwill on acquisition" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies and joint venture companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture companies are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies or joint venture companies represents the excess of the cost of acquisition of the associated company or joint venture company over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture company and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies and joint venture companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture company equals to or exceeds its interest in the associated company or joint venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company or joint venture company. If the associated company or joint venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint venture companies* (continued)

(ii) *Equity method of accounting* (continued)

Unrealised gains on transactions between the Group and its associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies and joint venture companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies or joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in associated companies and joint venture companies in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Certain leasehold land and buildings comprising hotel properties were subsequently revalued in 1985, in accordance with a valuation carried out by an independent professional firm of valuers on their existing use basis. However, a decision was then made that future valuations of hotel properties would not be recognised in the financial statements.

Freehold land is subsequently carried at cost less accumulated impairment losses. Leasehold land and buildings are subsequently carried at cost or valuation less accumulated depreciation and accumulated impairment losses.

(ii) *Properties under development*

Hotel property under development is carried at cost less accumulated impairment losses until construction is completed at which time depreciation will commence over its estimated useful life.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(iii) *Other property, plant and equipment*

Plant, equipment, furniture and fittings and motor vehicles are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iv) *Component of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the properties under development. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) *Depreciation*

Freehold land, properties under development and renovation in progress are not depreciated. Leasehold land is amortised evenly over the term of the lease. Please refer to Note 21(d) for the lease period of each property.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	50 years or period of the lease, whichever is shorter
Plant, equipment, furniture and fittings	3 to 20 years
Motor vehicles	5 to 7 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(d) *Disposals*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that item is transferred to retained earnings directly.

2. **Significant accounting policies** (continued)

2.5 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the physical surveys of construction work completed. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as properties for sale under development under "current assets". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables".

Refer to Note 2.2(a) for revenue recognition of properties for sale under development.

2.6 Intangibles

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiaries and businesses prior to 1 January 2010 and on acquisition of associated companies and joint venture companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference ("negative goodwill") is recognised directly in the income statement as a gain from purchase.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated companies and joint venture companies is included in the carrying amount of the investments.

2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(a) *Goodwill on acquisitions*

Gains and losses on the disposal of subsidiaries, associated companies and joint venture companies include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired trademarks*

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 10 to 20 years.

(c) *Acquired computer software costs*

Acquired computer software costs are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software under development is not amortised. Other computer software costs are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful life of 3 to 5 years.

(d) *Contract acquisition costs*

Directly attributable costs incurred in the securing of management contracts or franchise agreements are capitalised as intangibles. These costs do not represent a physical asset which the Group has legal title to. They represent costs incurred to obtain a legal contractual right.

The directly attributable costs are amortised to the income statement using the straight-line method over the number of years of the management contract or franchise agreement they relate to, which is generally within 5 to 10 years. They are also reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revision are recognised in the income statement when the changes arise.

2. Significant accounting policies (continued)

2.7 Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.8 Investment properties

Investment properties include those land and buildings or portions of buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.9 Investments in subsidiaries, associated companies and joint venture companies

Investments in subsidiaries, associated companies and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) *Intangibles*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint venture companies

Intangibles, property, plant and equipment and investments in subsidiaries, associated companies and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2. Significant accounting policies (continued)

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "cash and bank balances" and deposits within "other assets" on the statement of financial position.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(b) *Recognition and derecognition*

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) *Measurement*

Financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The impairment allowance is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.11(d)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in the fair value reserve is reclassified to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through the income statement.

(e) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. Significant accounting policies (continued)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs, in the Company's statement of financial position except when the fair value is determined to be insignificant.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

2. Significant accounting policies (continued)

2.15 Derivative financial instruments and hedging activities (continued)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has derivative financial instruments which are designated as cash flow hedges and derivative financial instruments which do not qualify for hedge accounting.

Cash flow hedge - Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. **Significant accounting policies** (continued)

2.17 Leases

(a) *When the Group is the lessee:*

The Group leases certain property, plant and equipment under finance leases and operating leases from non-related parties.

(i) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

(b) *When the Group is the lessor:*

The Group leases certain investment properties under operating leases to non-related parties.

Lessor – Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

2. Significant accounting policies (continued)

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint venture companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for deductible temporary differences and tax losses where deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Significant accounting policies (continued)

2.20 Provisions

Provisions for legal claims, asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise, except for changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately.

2.21 Employee compensation

(a) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefit plans are either defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(a) *Post-employment benefits* (continued)

Defined benefit plans (continued)

A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to the length of service and earnings over the employees' period of employment; that benefit is discounted to determine the present value. The discount rate is the market yield at the end of reporting period on high quality corporate bonds or government bonds. Provision for employee retirement benefits is made in the financial statements so as to provide for the accrued liability at year end. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision for the defined benefit plan is not likely to be significant.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan under the 2012 Share Option Scheme. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2. Significant accounting policies (continued)

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within "finance income" or "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "miscellaneous income".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) *Translation of Group entities' financial statements* (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, highly liquid short-term deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts and exclude bank deposits pledged as security. Bank overdrafts are presented as current borrowings on the statement of financial position.

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.26 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Key accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Classification of the Group's serviced suites as investment property or property, plant and equipment

Management applies judgement in determining the classification of the serviced suites owned by the Group. The key criteria used to distinguish the Group's serviced suites which are classified as investment properties and its other properties classified as property, plant and equipment, is the level of services provided to tenants of the serviced suites.

The Group's serviced suites have been classified as investment properties and the carrying amount at the end of the reporting period was $426,463,000 (2015: $426,900,000).

3. Key accounting estimates, assumptions and judgements (continued)

(b) Fair values of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the income statement. In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, growth rate and discount rate. In relying on the valuation reports, management has exercised its judgement to ensure that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 20.

(c) Other estimates and judgements applied

The Group, on its own or in reliance on third party experts, also applies estimates, assumptions and judgements in the following areas:

(i) the level of impairment of value of hotel properties;
(ii) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of development properties;
(iii) the determination of the fair values of unquoted available-for-sale financial assets; and
(iv) the assessment of whether the Group has control over its investees.

These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

4. Revenue, finance income and miscellaneous income

	The Group	
	2016	2015
	$'000	$'000
Revenue from property development		
- recognised on a completed contract basis	**7,708**	13,564
- recognised as construction progresses	**726,226**	563,932
	733,934	577,496
Revenue from property investments	**225,038**	219,391
Revenue from hotel ownership and operations	**429,613**	419,417
Revenue from hotel and other management services	**21,973**	20,156
Dividend income from available-for-sale financial assets	**30,181**	42,289
Total revenue	**1,440,739**	1,278,749
Interest income		
- fixed deposits with financial institutions	**1,827**	1,898
- loans to joint venture companies	**3,324**	3,879
- others	**255**	262
Finance income	**5,406**	6,039
Miscellaneous income	**17,175**	18,374
	1,463,320	1,303,162

5. Expenses by nature

	The Group	
	2016	2015
	$'000	$'000
Cost of inventories sold	**43,090**	40,055
Depreciation of property, plant and equipment (Note 21)	**65,242**	64,318
Amortisation of intangibles [Note 22(a),(b),(c)]	**1,362**	2,913
Total depreciation and amortisation	**66,604**	67,231
Hospitality expenses	**73,857**	65,551
Property, plant and equipment written off and net loss on disposals	**1,152**	2,163
Auditors' remuneration paid/payable to:		
- auditor of the Company	**856**	860
- other auditors	**647**	693
Other fees paid/payable to:		
- auditor of the Company	**93**	123
- other auditors	**204**	163
Employees compensation (Note 6)	**188,556**	182,709
Rent paid to other parties	**2,741**	2,357
Heat, light and power	**20,742**	24,118
Property tax	**27,771**	28,773
Development cost included in cost of sales	**652,936**	484,935
Advertising and promotion	**46,733**	48,449
Management fees	**610**	889
IT related expenses	**1,837**	1,760
Repairs and maintenance	**29,921**	24,438
Allowance/(write-back of allowance) of loans and receivables - net	**60**	(21)
Other expenses	**19,663**	30,415
Total cost of sales, marketing and distribution, administrative and other operating expenses	**1,178,073**	1,005,661

6. Employees compensation

	The Group	
	2016	2015
	$'000	$'000
Wages and salaries	**172,641**	167,577
Employer's contribution to defined contribution plans including Central Provident Fund	**13,648**	13,152
Retirement benefits	**1,165**	620
Share options granted to directors and employees	**1,102**	1,360
	188,556	182,709

7. Finance expense

	The Group	
	2016	2015
	$'000	$'000
Interest expense:		
- bank loans, notes and overdrafts	**51,858**	56,504
- loans from non-controlling shareholders of subsidiaries	**1,558**	1,537
- finance lease liabilities	**268**	269
- bank facility fees	**3,549**	3,689
	57,233	61,999
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	**1,891**	283
Less:		
Borrowing costs capitalised in development properties [Note 13(b)]	**(29,868)**	(31,772)
	29,256	30,510
Currency exchange losses – net	**1,036**	11,154
	30,292	41,664

8. Other (losses)/gains

	The Group	
	2016	2015
	$'000	$'000
Negative goodwill on acquisition of interests in an associated company	**7,400**	5,755
Gain on purchase of a business	**3,518**	-
Acquisition costs of a business	**(10,234)**	-
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
	(23,275)	(22,036)

9. Income taxes

(a) Income tax expense

	The Group	
	2016	2015
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax [Note (b) below]		
- Singapore	**36,901**	31,364
- Foreign	**8,125**	7,045
- Withholding tax paid	**582**	623
	45,608	39,032
Deferred income tax (Note 29)	**4,106**	11,416
	49,714	50,448
- (Over)/under provision in prior financial years:		
Current income tax [Note (b) below]		
- Singapore	**(1,487)**	(1,733)
- Foreign	**9**	(581)
	(1,478)	(2,314)
Deferred income tax (Note 29)	**80**	(939)
	(1,398)	(3,253)
	48,316	47,195

9. Income taxes (continued)

(a) Income tax expense (continued)

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:

	The Group	
	2016	2015
	$'000	$'000
Profit before income tax	**353,916**	460,373
Share of profit of associated companies, net of tax	**(130,849)**	(136,553)
Share of profit of joint venture companies, net of tax	**(1,087)**	(29,117)
Profit before tax and share of profit of associated companies and joint venture companies	**221,980**	294,703
Tax calculated at a tax rate of 17% (2015: 17%)	**37,737**	50,100
Effects of:		
- Singapore statutory stepped income exemption	**(538)**	(592)
- Tax rebates	**(397)**	(429)
- Different tax rates in other countries	**1,134**	2,265
- Income not subject to tax	**(10,735)**	(26,671)
- Expenses not deductible for tax purposes	**16,971**	16,962
- Utilisation of previously unrecognised tax losses	**(9)**	(9)
- Deferred tax assets not recognised in the current financial year	**5,551**	8,822
- Over provision in prior financial years	**(1,398)**	(3,253)
Tax charge	**48,316**	47,195

(b) Movements in current income tax (assets)/liabilities

	The Group	
	2016	2015
	$'000	$'000
At the beginning of the financial year	**41,663**	75,118
Currency translation differences	**74**	(1,294)
Income tax paid	**(33,475)**	(66,704)
Tax expense on profit [Note (a) above]		
- current financial year	**45,608**	39,032
- Group tax relief	**(1,850)**	(2,175)
- over provision in prior financial years	**(1,478)**	(2,314)
At the end of the financial year	**50,542**	41,663
Comprise:		
Current income tax assets	**(157)**	(125)
Current income tax liabilities	**50,699**	41,788
	50,542	41,663

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2016	2015
Net profit attributable to equity holders of the Company ($'000)	**287,040**	391,389
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**801,252**	792,384
Basic earnings per share (cents per share)	**35.82**	49.39

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2016, the Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share attributable to equity holders of the Company are calculated as follows:

	2016	2015
Net profit attributable to equity holders of the Company ($'000)	**287,040**	391,389
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**801,252**	792,384
Adjustments for share options ('000)	**276**	690
Weighted average number of ordinary shares for diluted earnings per share ('000)	**801,528**	793,074
Diluted earnings per share (cents per share)	**35.81**	49.35

11. Cash and bank balances

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**111,141**	88,615	**468**	1,533
Fixed deposits with financial institutions	**190,371**	187,783	**1,212**	13
	301,512	276,398	**1,680**	1,546

(a) Included in cash and bank balances of the Group is an amount of $ 161,822,000 (2015: $156,067,000) maintained in Project accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules (1997 Ed.).

(b) Included in cash and bank balances of the Group is an amount of $851,000 (2015: $1,907,000) maintained in maintenance fund accounts for completed development properties. The funds in the maintenance fund accounts can only be applied for the upkeep of the completed development properties.

(c) For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2016	2015
	$'000	$'000
Cash and bank balances (as above)	**301,512**	276,398
Less: Bank deposits pledged as security [Note 24(b)]	**(200)**	(3,852)
Cash and cash equivalents per consolidated statement of cash flows	**301,312**	272,546

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 11 months (2015: 11 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2016	2015	**2016**	2015
	%	%	**%**	%
Singapore Dollar	**0.5**	0.8	**0.2**	0.2
United States Dollar	**-**	0.6	**-**	-
Pound Sterling	**0.7**	-	**-**	-
Australian Dollar	**0.9**	2.0	**-**	-
Malaysian Ringgit	**3.2**	3.5	**-**	-
Vietnamese Dong	**3.7**	3.7	**-**	-
Chinese Renminbi	**1.7**	-	**-**	-
Indonesian Rupiah	**6.5**	6.5	**-**	-

(e) Acquisition of a business

Please refer to Note 38 for the effects of acquisition of a business on the cash flows of the Group.

12. Trade and other receivables

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables:				
- non-related parties	**96,953**	92,707	**121**	249
- subsidiaries	**-**	-	**410**	341
- associated companies	**-**	44	**-**	-
Less: Allowance for impairment of receivables				
- non-related parties	**(416)**	(359)	**-**	-
Trade receivables - net	**96,537**	92,392	**531**	590
Other receivables:				
- subsidiaries (non-trade)	**-**	-	**989**	1,925
- joint venture companies (non-trade)	**1,050**	17,564	**23**	2
- loans to joint venture companies (unsecured)	**-**	85,571	**-**	-
- sundry debtors	**2,010**	1,579	**36**	34
Other receivables	**3,060**	104,714	**1,048**	1,961
	99,597	197,106	**1,579**	2,551
Non-current				
Trade receivables:				
- non-related parties	**15,221**	13,328	**610**	640
Other receivables:				
- joint venture companies (non-trade)	**1,484**	-	**-**	-
Loans to:				
- subsidiaries (unsecured)	**-**	-	**782,745**	745,329
- associated companies (unsecured)	**4,375**	39	**-**	-
- joint venture companies (unsecured)	**107,719**	-	**-**	-
Less: Share of loss of an associated company taken against loan to the associated company	**(19)**	(19)	**-**	-
	128,780	13,348	**783,355**	745,969
Total trade and other receivables	**228,377**	210,454	**784,934**	748,520

(a) An impairment of receivables of $60,000 (2015: write-back of allowance for impairment of receivables of $21,000) has been included in the income statement.

(b) The non-trade amounts due from subsidiaries and joint venture companies are unsecured, interest-free and repayable on demand. The non-current loans to subsidiaries, associated companies and joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the reporting period.

(c) The loans to joint venture companies that are subordinated to the secured bank loans of the respective joint venture companies are as follows:

	The Group	
	2016	2015
	$'000	$'000
Loans subordinated to secured bank loans:		
- Loans to joint venture companies	**94,235**	70,027

12. Trade and other receivables (continued)

(d) The fair values of non-current trade and other receivables are computed based on cash flows discounted using market borrowing rates. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group		The Company		Borrowing rates	
	2016	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**%**	%
Loans to subsidiaries:						
- Floating rate	**-**	-	**-**	9,754	**-**	2.9
- Interest-free	**-**	-	**763,307**	714,926	**2.5**	2.9
Loans to associated companies:						
- Interest-free	**4,262**	39	**-**	-	**2.7**	2.9
Loans to joint venture companies:						
- Floating rate	**107,719**	-	**-**	-	**2.3**	-
	111,981	39	**763,307**	724,680		

13. Development properties

	The Group	
	2016	2015
	$'000	$'000
Completed properties	**31,878**	40,251
Development properties in progress	**1,142,342**	1,444,041
	1,174,220	1,484,292

Details of development properties in progress are as follows:

Land costs	**1,341,514**	1,580,170
Development costs	**317,903**	196,590
Property taxes, interests and overheads	**106,136**	88,487
	1,765,553	1,865,247
Development profits recognised	**92,842**	62,491
Less: Progress billings	**(716,053)**	(483,697)
	1,142,342	1,444,041

(a) Development properties in progress where revenue is recognised as construction progresses are as follows:

	The Group	
	2016	2015
	$'000	$'000
Aggregate costs incurred and development profits recognised	**1,708,794**	1,746,423
Less: Progress billings	**(716,053)**	(483,697)
	992,741	1,262,726

(b) Borrowing costs of $29,868,000 (2015: $31,772,000) (Note 7) arising on financing specifically entered into for the development of properties were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to $992,741,000 (2015: $1,262,726,000) [Note 24(b)].

13. Development properties (continued)

(d) Details of the Group's development properties in progress are as follows:

Property	Tenure of land	Stage of completion	Expected completion date	Site area/gross floor area (sq m)	Effective interest in property
Riverbank@Fernvale A residential development comprising 555 units of condominium apartments	99-year leasehold	99.3%	1st Quarter 2017	16,604/49,812	100%
Botanique at Bartley A residential development comprising 797 units of condominium apartments	99-year leasehold	46.5%	1st Quarter 2019	20,078/61,839	100%
Principal Garden A residential development comprising 663 units of condominium apartments	99-year leasehold	29.4%	4th Quarter 2018	24,964/57,668	70%
Bishopsgate site A residential development with proposed 160 units of apartments within a mixed development in London, The United Kingdom	Freehold	-	2nd Quarter 2020	3,200/52,255	100%

(e) Details of the Group's completed properties are as follows:

Property	Tenure of land	Net saleable area (sq m)	Effective interest in property
The Esplanade (Hai He Hua Ding) 29 unsold office units within a mixed development in Tianjin, The People's Republic of China	40-year leasehold	10,356	100%

14. Inventories

	The Group	
	2016	2015
	$'000	$'000
Food and beverages	**640**	691
Other supplies	**11**	43
	651	734

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $43,090,000 (2015: $40,055,000).

15. Available-for-sale financial assets

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**804,872**	988,786	**619,647**	760,262
Scrip dividends from an available-for-sale financial asset	**13,113**	7,419	**9,857**	5,576
Fair value gains/(losses) recognised in other comprehensive income [Note 31(b)]	**37,066**	(191,333)	**28,606**	(146,191)
At the end of the financial year	**855,051**	804,872	**658,110**	619,647

15. Available-for-sale financial assets (continued)

At the end of the reporting period, available-for-sale financial assets included the following:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Listed securities:				
- Equity shares - Singapore	**807,667**	759,213	**610,726**	573,988
Unlisted securities:				
- Equity shares - Singapore	**47,384**	45,659	**47,384**	45,659
	855,051	804,872	**658,110**	619,647

16. Other assets

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Deposits	**1,626**	1,102	**27**	19
Prepayments	**15,367**	14,516	**215**	180
	16,993	15,618	**242**	199

17. Investments in associated companies

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Equity investments at cost:				
At the beginning of the financial year			**162,737**	162,259
Liquidation of an associated company			**-**	(500)
Scrip dividends from an associated company			**988**	978
At the end of the financial year			**163,725**	162,737
At the beginning of the financial year	**3,279,632**	3,104,327		
Additions	**20,376**	23,543		
Share of profit, net of tax	**130,849**	136,553		
Share of acquisition of interests from non-controlling shareholders	**110**	837		
Share of other comprehensive income of associated companies, net of tax [Note 31(a) and (e)]	**(4,569)**	2,516		
Distribution upon liquidation of associated companies	**(1,100)**	(3,150)		
Dividends received, net of tax	**(7,323)**	(7,145)		
Currency translation differences	**(8,148)**	22,151		
At the end of the financial year	**3,409,827**	3,279,632		

17. Investments in associated companies (continued)

(a) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2016 %	2015 %	Accounting year end
United Industrial Corporation Limited ("UIC") [Note (c) below]	Property investment, development and management and information technology related products and services	Singapore	**2.34 by UOL and 42.26 by UEI**	2.34 by UOL and 41.94 by UEI	31 December
Marina Centre Holdings Pte Ltd	Hotelier and property investment	Singapore	**22.67 by UOL**	22.67 by UOL	31 December
City Square Hotel Co. Ltd.*	Hotelier	Myanmar	**20 by PPHH**	20 by PPHH	31 December
Aquamarina Hotel Private Limited	Hotelier	Singapore	**25 by UEI**	25 by UEI	31 December
Shanghai Jin Peng Realty Co. Ltd**	Property development	The People's Republic of China	**40 by UCI**	40 by UCI	31 December
Pilkon Development Company Limited***	Investment holding	The British Virgin Islands	**39.35 by PPHG**	39.35 by PPHG	31 December
PPHR (Thailand) Company Limited~	Marketing agent	Thailand	**48.97 by PPH**	48.97 by PPH	31 December
Brendale Pte Ltd	Dormant	Singapore	**30 by UOL**	30 by UOL	31 December
Ardenis Pte Ltd	Dormant	Singapore	**35 by UOD**	35 by UOD	31 December
Peak Venture Pte. Ltd.^	Dormant	Singapore	**40 by UCI**	40 by UCI	31 December
Nassim Park Developments Pte. Ltd.	Liquidated	Singapore	**-**	50 by UOL	31 December
Premier Land Development Pte. Ltd.	Liquidated	Singapore	**-**	50 by UVI	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.

* Audited by Win Thin & Associates.
** Audited by a PricewaterhouseCoopers firm outside Singapore.
*** Not required to be audited under the laws of the country of incorporation.
~ Audited by Thana-Ake Advisory Limited, Thailand.
^ Audited by KPMG LLP, Singapore.

The associated companies not audited by PricewaterhouseCoopers LLP Singapore are not significant associated companies as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2016.

The associated companies are, in the opinion of the directors, not material to the Group except for UIC which is listed on the Singapore Stock Exchange. UIC with Singapore Land Limited as its subsidiary is one of Singapore's biggest office landlords and the Group's investment in UIC allows the Group to benefit from its significant exposure to quality commercial assets in the Singapore Central Business District.

17. Investments in associated companies (continued)

(b) As at 31 December 2016, the carrying amounts and published price quotations of UIC are as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Carrying amount	**2,791,307**	2,648,436	**51,942**	50,954
Published price quotation	**1,753,190**	1,791,702	**92,189**	94,816

The fair value measurement based on published price quotations is classified within Level 1 of the fair value hierarchy.

No impairment in value of investment in UIC is required as the Group's share of the recoverable amount of UIC after considering its unrecognised revaluation surplus on property, plant and equipment, is higher than the carrying amount.

(c) During the financial year, the Group increased its shareholding interests in UIC from 622,118,863 ordinary shares (44.28%) to 632,920,400 ordinary shares (44.60%). The increase in shareholdings arose from (i) the acquisition of an additional 4,013,600 ordinary shares by UEI; and (ii) the election by the Company and UEI to receive 359,151 ordinary shares and 6,428,786 ordinary shares respectively, under the UIC Scrip Dividend Scheme in lieu of cash dividend at an issue price of S$2.75 per share.

(d) Summarised financial information of UIC

	2016	2015
	$'000	$'000
Current assets	**1,231,792**	1,296,145
Includes:		
- Cash and cash equivalents	**86,508**	82,054
Non-current assets	**7,390,011**	7,242,313
Current liabilities	**(1,463,205)**	(865,715)
Includes:		
- Financial liabilities (excluding trade payables)	**(1,229,148)**	(638,775)
- Other liabilities	**(46,345)**	(45,486)
Non-current liabilities	**(123,536)**	(891,724)
Includes:		
- Financial liabilities (excluding trade payables)	**(12,480)**	(768,377)
- Other liabilities	**(54,275)**	(50,050)
Net assets	**7,035,062**	6,781,019
Revenue	**1,036,584**	807,199
Interest income	**3,929**	4,289
Expenses includes:		
- Depreciation	**(24,068)**	(23,750)
- Interest expense	**(9,204)**	(12,591)
Profit before tax	**328,215**	330,085
Income tax expense	**(49,560)**	(39,294)
Profit after tax	**278,655**	290,791
Other comprehensive (loss)/income	**(11,997)**	5,964
Total comprehensive income	**266,658**	296,755
Dividends received from UIC	**18,667**	18,361

17. Investments in associated companies (continued)

(d) Summarised financial information of UIC (continued)

The information above reflects the amounts presented in the financial statements of UIC (and not the Group's share of those amounts). No adjustments for differences in accounting policies between the Group and UIC were necessary. There were no contingent liabilities relating to the Group's interest in UIC as at 31 December 2016.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in UIC:

	2016 $'000	2015 $'000
Net assets attributable to equity holders of the Company		
At 1 January	**6,781,019**	6,498,067
Profit for the year	**278,655**	290,791
Other comprehensive (loss)/income	**(11,997)**	5,964
Movement in share capital	**38,677**	40,455
Movement in reserves	**424**	423
Effect of purchase of shares from non-controlling shareholders	**(455)**	(3,741)
Dividends paid	**(51,261)**	(50,940)
At 31 December	**7,035,062**	6,781,019
Less: Amounts attributable to non-controlling interests	**(803,115)**	(821,552)
	6,231,947	5,959,467
Interest in UIC (44.60%) (2015: 44.28%)	**2,779,448**	2,638,852
Revaluation gains of hotel properties recognised during step acquisitions	**11,859**	9,584
Carrying value	**2,791,307**	2,648,436

(e) The aggregate of the Group's share in the net profit and total comprehensive income of other immaterial associated companies and their carrying amounts are as follows:

	2016 $'000	2015 $'000
Net profit and total comprehensive income	**1,859**	21,578
Carrying value	**618,520**	631,196

(f) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities relating to borrowings of an associated company in which the Group is severally liable (Note 33) amounted to $2,856,000 (2015: $3,883,000).

18. Investments in joint venture companies

	The Group	
	2016	2015
	$'000	$'000
At the beginning of the financial year	**86,349**	57,232
Additions	**23,311**	-
Share of profit, net of tax	**1,087**	29,117
Dividends received, net of tax	**(33,000)**	-
At the end of the financial year	**77,747**	86,349

(a) The joint venture companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2016 %	Equity holding 2015 %	Accounting year end
United Venture Development (Bedok) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
United Venture Development (Thomson) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
United Venture Development (Clementi) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
UVD (Projects) Pte. Ltd. ^	Property development	Singapore	**50 by UVI**	-	31 December
United Venture Investments (HI) Pte. Ltd. ^	Property investment	United Kingdom/ Singapore	**50 by UVI**	-	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture companies.
^ Newly incorporated during the financial year.

(b) There is no share of joint venture companies' contingent liabilities incurred jointly with other investors. Contingent liabilities relating to capital commitments of joint venture companies in which the Group is severally liable amounted to $77,376,000 (2015: $7,961,000).

19. Investments in subsidiaries

	The Company	
	2016	2015
	$'000	$'000
Unlisted investments at cost	**1,807,295**	1,807,295
Less accumulated impairment charge:		
At the beginning of the financial year	**(6,581)**	(6,581)
Impairment charge for the financial year	**(26,875)**	-
Write-back of impairment charge for the financial year	**5,337**	-
	(28,119)	(6,581)
At the end of the financial year	**1,779,176**	1,800,714

(a) Impairment charge

Impairment charges and write-back of impairment charges were made to adjust the carrying values of certain of the Company's unlisted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

19. Investments in subsidiaries (continued)

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016 $'000	2015 $'000	**2016 %**	2015 %	**2016 %**	2015 %
Held by the Company								
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	**690,038**	690,038	**100**	100	**-**	-
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	**50,000**	50,000	**100**	100	**-**	-
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	**75,000**	75,000	**100**	100	**-**	-
UOL Property Investments Pte Ltd	Property investment	Singapore	**76,006**	76,006	**100**	100	**-**	-
Novena Square Investments Ltd ("NSI")	Property investment	Singapore	**162,000**	162,000	**60**	60	**40**	40
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60**	60	**40**	40
UOL Development Pte Ltd	Property development	Singapore	**20,000**	20,000	**100**	100	**-**	-
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	**41,436**	41,436	**100**	100	**-**	-
Kings & Queens Development Pte. Ltd.	Liquidated	Singapore	**-**	-	**-**	70	**-**	30
Duchess Walk Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70	**30**	30
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60	**40**	40
UOL Residential Development Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Development (Sengkang) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Development (Bartley) Pte. Ltd.	Property development	Singapore	**30,500**	30,500	**100**	100	**-**	-
UOL Management Services Pte Ltd	Property management services and property investment	Singapore	**2,041**	2,041	**100**	100	**-**	-
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	**115**	115	**100**	100	**-**	-
UOL Treasury Services Pte. Ltd.	Treasury services	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**480,000**	480,000	**100**	100	**-**	-
UOL Overseas Development Pte. Ltd. ("UOD")	Investment holding	Singapore	**50,000**	50,000	**100**	100	**-**	-
UOL Capital Investments Pte. Ltd. ("UCI")	Investment holding	Singapore	**52,000**	52,000	**100**	100	**-**	-
UOL Venture Investments Pte. Ltd. ("UVI")	Investment holding	Singapore	**2,651**	2,651	**100**	100	**-**	-
Secure Venture Investments Limited ("SVIL")***	Investment holding	Hong Kong	**28,208**	28,208	**100**	100	**-**	-
UOL Ventures Pte. Ltd.^	Dormant	Singapore	**~**	-	**100**	-	**-**	-
			1,807,295	1,807,295				

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2016 %	2015 %	Proportion of ordinary shares held by non-controlling interests 2016 %	2015 %
Held by subsidiaries						
Secure Venture Development (Alexandra) Pte. Ltd.	Property development	Singapore	**70 by UVI**	70 by UVI	**30**	30
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD	**45**	45
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD	**-**	-
Suasana Simfoni Sdn. Bhd.*	Under liquidation	Malaysia	**60 by UCI**	60 by UCI	**40**	40
Tianjin UOL Xiwang Real Estate Development Co., Ltd.* [Note (f) below]	Property development, hotelier and property investment	The People's Republic of China	**100 by UCI**	90 by UCI	**-**	10
UOL Business Consulting (Shanghai) Co., Ltd.@	Project management services	The People's Republic of China	**100 by UCI**	100 by UCI	**-**	-
United Venture Investment (Thomson) Pte. Ltd.	Dormant	Singapore	**60 by UVI**	60 by UVI	**40**	40
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL	**-**	-
Success Venture Investments (Jersey) Limited ("SVIJ")#	Investment holding	Jersey	**100 by UOD**	100 by UOD	**-**	-
Success Venture Development (Jersey) Limited ("SVDJ")#	Dormant	Jersey	**100 by UOD**	100 by UOD	**-**	-
Success Venture Nominees (No. 1) Limited #	Dormant	United Kingdom	**100 by SVIJ**	100 by SVIJ	**-**	-
Pan Pacific London Hotel Limited#	Dormant	United Kingdom	**100 by ULH**	100 by ULH	**-**	-
UOL Development (UK) Limited*	Property development	United Kingdom	**100 by UVI**	100 by UVI	**-**	-
Success Venture Property Investments Limited^	Property investment	United Kingdom/ Hong Kong	**100 by UOD**	-	**-**	-
Parkroyal Kitchener Hotel Pte. Ltd.	Hotelier	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal Pickering Hotel Pte. Ltd.	Hotelier and property investment	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal Serviced Residences Pte. Ltd.	Management of serviced suites	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
United Lifestyle Holdings Pte Ltd ("ULH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
St Gregory Spa Pte Ltd	Management and operator of health and beauty retreats and facilities	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Dou Hua Restaurants Pte Ltd	Operator of restaurants	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific Shared Services Centre Pte. Ltd.	Provision of accounting services to hotels and serviced suites within the Group	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Garden Plaza Company Limited*	Hotelier	Vietnam	**100 by PPHG**	100 by PPHG	**-**	-
Success City Pty Limited*	Hotelier	Australia	**100 by PPHG**	100 by PPHG	**-**	-

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2016 %	2015 %	Proportion of ordinary shares held by non-controlling interests 2016 %	2015 %
Held by subsidiaries (continued)						
Success Venture Investments (Australia) Ltd ("SVIA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**-**	-
Success Venture Pty Limited*	Trustee company	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture Investments (WA) Limited ("SVIWA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**-**	-
HPL Properties (Malaysia) Sdn. Bhd. ("HPM")*	Investment holding	Malaysia	**100 by PPHG**	100 by PPHG	**-**	-
President Hotel Sdn Berhad ("PHSB")*	Hotelier	Malaysia	**66.67 by HPM and 33.33 by PPHG**	66.67 by HPM and 33.33 by PPHG	**-**	-
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**-**	-
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**-**	-
Hotel Investments (Suzhou) Pte. Ltd. ("HIS")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Suzhou Wugong Hotel Co., Ltd*	Hotelier	The People's Republic of China	**100 by HIS**	100 by HIS	**-**	-
Hotel Investments (Hanoi) Pte. Ltd.("HIH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Westlake International Company*	Hotelier	Vietnam	**75 by HIH**	75 by HIH	**25**	25
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Yangon Hotel Limited**	Hotelier	Myanmar	**100 by YIPL**	100 by YIPL	**-**	-
Pan Pacific Hospitality Holdings Pte. Ltd. ("PPHH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific Hospitality Pte. Ltd. ("PPH")	Manage and operate serviced suites and investment holding	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR")	Hotel manager and operator	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific (Shanghai) Hotels Management Co., Ltd.@	Hotel manager and operator	The People's Republic of China	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific Hotels and Resorts America, Inc. ("PPHRA")#	Hotel manager and operator	United States of America	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific Hotels and Resorts Seattle Limited Liability Co#	Hotel manager and operator	United States of America	**100 by PPHRA**	100 by PPHRA	**-**	-
PT. Pan Pacific Hotels & Resorts Indonesia****	Hotel manager and operator	Indonesia	**99 by PPHR and 1 by PPHRA**	99 by PPHR and 1 by PPHRA	**-**	-

19. Investments in subsidiaries (continued)

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Proportion of units held by the Group 2016 %	Proportion of units held by the Group 2015 %	Proportion of units held by non-controlling interests 2016 %	Proportion of units held by non-controlling interests 2015 %
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100 by SVIWA**	100 by SVIWA	**-**	-
Heron Plaza Property Unit Trust ("HPPUT")	Investment holding	Jersey	**60 by SVIJ and 40 by SVDJ**	60 by SVIJ and 40 by SVDJ	**-**	-

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.

~ Less than $1,000.
* Audited by PricewaterhouseCoopers firms outside Singapore.
** Audited by Win Thin & Associates.
*** Audited by RSM Nelson Wheeler.
**** Audited by Kanaka Puradiredja, Robert Yogi Dan Suhartono.
@ Audited by Shanghai LSC Certified Public Accountants Co., Ltd.
# Not required to be audited under the laws of the country of incorporation.
^ Newly incorporated during the financial year.

The subsidiaries not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant subsidiaries as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2016.

The non-controlling interests for subsidiaries are, in the opinion of the directors, not material to the Group except for those of NSI.

(d) Carrying value of non-controlling interests

	2016 $'000	2015 $'000
NSI	**382,393**	371,773
Other subsidiaries with immaterial non-controlling interests	**125,817**	135,168

(e) Summarised financial information of NSI, presented before inter-company eliminations:

	2016 $'000	2015 $'000
Current		
Assets	**1,586**	1,397
Liabilities	**(12,094)**	(14,127)
Total current net liabilities	**(10,508)**	(12,730)
Non-current		
Assets	**983,232**	958,635
Liabilities	**(16,742)**	(16,472)
Total non-current net assets	**966,490**	942,163
Net assets	**955,982**	929,433

19. Investments in subsidiaries (continued)

(e) Summarised financial information of NSI, presented before inter-company eliminations: (continued)

	2016 $'000	2015 $'000
Revenue	**48,104**	45,679
Profit before income tax	**37,925**	50,831
Income tax expense	**(6,375)**	(6,108)
Profit after tax and total comprehensive income	**31,550**	44,723
Total comprehensive income allocated to non-controlling interests	**12,620**	17,889
Dividends paid to non-controlling interests	**2,000**	2,000

	2016 $'000	2015 $'000
Cash flows from operating activities		
Cash generated from operations	**36,353**	27,330
Income tax paid	**(5,697)**	(6,277)
Net cash generated from operating activities	**30,656**	21,053
Net cash used in investing activities	**(23,668)**	(710)
Net cash used in financing activities	**(7,004)**	(20,432)
Net decrease in cash and cash equivalents	**(16)**	(89)
Cash and cash equivalents at beginning of year	**453**	542
Cash and cash equivalents at end of year	**437**	453

(f) On 17 March 2016, a wholly-owned subsidiary of the Group, UOL Capital Investments Pte. Ltd. ("UCI"), acquired Tianjin Xiwang Real Estate Construction and Developments Co., Ltd's 10% stake in Tianjin UOL Xiwang Real Estate Development Co., Ltd. ("Tianjin UOL Xiwang"), for an aggregate cash consideration of RMB93.0 million pursuant to a conditional equity transfer agreement. With the acquisition, Tianjin UOL Xiwang is now a wholly-owned subsidiary of the Company (held through UCI).

20. Investment properties

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
At the beginning of the financial year	**4,134,897**	4,080,214	**421,500**	409,800
Currency translation differences	**(13,329)**	(10,803)	**-**	-
Additions	**2,446**	1,242	**-**	-
Acquisition via business combination (Note 38)	**185,283**	-	**-**	-
Adjustments upon finalisation of costs for completed projects	**-**	(5,086)	**-**	-
Transfer from development properties	**-**	7,239	**-**	-
Transfer from hotel properties	**-**	1,189	**-**	-
Fair value (losses)/gains recognised in income statement	**(9,700)**	60,902	**-**	11,700
At the end of the financial year	**4,299,597**	4,134,897	**421,500**	421,500

(a) The investment properties are leased to non-related parties [Note 34(c)] and related parties [Note 36(a)] under operating leases.

(b) Bank borrowings are secured on certain investment properties of the Group amounting to $1,416,062,000 (2015: $1,607,477,000) [Note 24(b)].

20. Investment properties (continued)

(c) The following amounts are recognised in the income statements:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Rental income (Note 4)	**225,038**	219,391	**18,795**	17,679
Direct operating expenses arising from investment properties that generated rental income	**34,919**	34,247	**2,669**	2,589

The Group and the Company do not have any investment properties that do not generate rental income.

(e) The details of the Group's investment properties at 31 December 2016 were:

		Tenure of land
Faber House	- retained interests in a 12-storey office building and a 48-lot carpark at Orchard Road, Singapore	Freehold
Odeon Towers	- a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
United Square	- a retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Novena Square	- retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	- retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites) at Beach Road, Singapore	99-year lease from 1968
	- a 15-storey building comprising 180 units of serviced suites (Pan Pacific Serviced Suites Beach Road) above the existing carpark block at Beach Road, Singapore	99-year lease from 1968
Pan Pacific Serviced Suites Orchard	- a 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road, Singapore	Freehold
One Upper Pickering	- a 15-storey office building with a roof terrace within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
OneKM	- a 3-storey commercial podium with a basement located within a commercial/residential development at Tanjong Katong Road, Singapore	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	- a 31-storey serviced suite with 287 units and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	- a 3-storey retail mall with basement carparks located within a commercial/residential development in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007
110 High Holborn	- a retail-cum-office building comprising basement and 1st storey retail space, a 9 storey office block with basement carpark and bicycle storage at the junction of A40 High Holborn and Proctor Street, London, United Kingdom	Part freehold and part 999-leasehold from 1999

20. Investment properties (continued)

(f) Fair value hierarchy - Recurring fair value measurements

	The Group Fair value measurements using significant unobservable inputs (Level 3)	
	2016	2015
	$'000	$'000
Description		
Singapore:		
- Shops	**1,328,100**	1,335,900
- Offices	**2,300,170**	2,301,520
- Serviced Suites	**353,996**	352,790
Malaysia:		
- Serviced Suites	**72,466**	74,110
The People's Republic of China:		
- Shops	**47,326**	48,776
- Carpark	**20,837**	21,801
United Kingdom:		
- Shops	**24,033**	-
- Offices	**151,760**	-
- Carpark	**909**	-

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties semi-annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the Group Chief Executive and the Chief Financial Officer and are presented at the relevant Board meetings for approval.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

(i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square foot.

(ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.

(iii) the Income Method approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

20. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2016 $'000	2015 $'000	Valuation technique(s)	Unobservable inputs[@]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Singapore						
Shops	**1,328,100**	1,335,900	Direct Comparison Method	- Adopted value per square foot	$1,420 to $2,455 ($2,139) [2015: $1,440 to $2,459 ($2,177)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	5% (5%) [2015: 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	**2,300,170**	2,301,520	Direct Comparison Method	- Adopted value per square foot	$1,400 to $2,594 ($2,403) [2015: $1,505 to $2,548 ($2,384)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	4% (4%) [2015: 4% (4%)]	The lower the capitalisation rate, the higher the fair value.
Serviced Suites	**353,996**	352,790	Discounted Cash Flow Method	- Growth rate	3% to 4% (3%) [2015: 4% (4%)]	The higher the growth rate, the higher the fair value.
				- Discount rate	7% to 8% (7%) [2015: 7% to 8% (7%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				- Capitalisation rate	4% to 5% (5%) [2015: 5% (5%)]	
			#Direct Comparison Method	- Adopted value per square foot	$1,111 ($1,111) [2015: $1,107 ($1,107)]	The higher the adopted value, the higher the fair value.
			#Income Method	- Capitalisation rate	6% (6%) [2015: 6% (6%)]	The lower the capitalisation rate, the higher the fair value.
Malaysia						
Serviced Suites	**72,466**	74,110	Discounted Cash Flow Method	- Growth rate	5% (5%) [2015: 6% (6%)]	The higher the growth rate, the higher the fair value.
				- Discount rate	9% (9%) [2015: 9% (9%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				- Capitalisation rate	7% (7%) [2015: 7% (7%)]	

20. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December 2016 $'000	Fair value as at 31 December 2015 $'000	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
The People's Republic of China						
Shops	**47,326**	48,776	Direct Comparison Method	- Adopted value per square foot	$415 ($415) [2015: $436 ($436)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	5.5% (5.5%) [2015: 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Carpark	**20,837**	21,801	Direct Comparison Method	- Adopted value per square foot	$112 ($112) [2015: $115 ($115)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	4% (4%) [2015: 3.5% (3.5%)]	The lower the capitalisation rate, the higher the fair value.
United Kingdom						
Shops	**24,033**	-	Income Method	- Capitalisation rate	5% to 6%	The lower the capitalisation rate, the higher the fair value.
Offices	**151,760**	-	Income Method	- Capitalisation rate	5% to 6%	The lower the capitalisation rate, the higher the fair value.
Carpark	**909**	-	Income Method	- Capitalisation rate	6%	The lower the capitalisation rate, the higher the fair value.

Only applicable for PARKROYAL Serviced Suites which is situated inside The Plaza (Block A).
@ There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the capitalisation rate and the growth rate.

The valuations are estimated by independent professional valuers based on market conditions as at 31 December 2016. The estimates are largely consistent with the budgets and other financial projections developed internally by the Group based on management's experience and knowledge of market conditions.

21. Property, plant and equipment

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Properties under development $'000	Renovation in progress $'000	Total $'000
The Group								
Cost								
At 1 January 2016	174,849	214,340	719,388	557,349	2,266	60,323	12,932	1,741,447
Currency translation differences	350	1,375	(5,159)	(2,274)	6	(8,181)	282	(13,601)
Additions	-	5,917	222	32,682	68	20,526	4,476	63,891
Transfer from development properties	-	-	-	-	-	19,499	-	19,499
Disposals/write-offs	-	(817)	(397)	(9,324)	-	-	-	(10,538)
Reclassification	-	12,033	-	2,569	-	-	(14,602)	-
At 31 December 2016	175,199	232,848	714,054	581,002	2,340	92,167	3,088	1,800,698
Accumulated depreciation and impairment								
At 1 January 2016	-	75,026	144,801	304,491	1,595	37,000	-	562,913
Currency translation differences	-	449	(2,145)	(534)	13	(5,584)	-	(7,801)
Charge for the financial year	-	5,368	12,471	47,161	242	-	-	65,242
Disposals/write-offs	-	(274)	(250)	(8,627)	-	-	-	(9,151)
Write-back of impairment charge (Note 8)	-	-	(2,741)	-	-	-	-	(2,741)
Impairment charge (Note 8)	-	-	-	-	-	26,700	-	26,700
At 31 December 2016	-	80,569	152,136	342,491	1,850	58,116	-	635,162
Net book value at 31 December 2016	**175,199**	**152,279**	**561,918**	**238,511**	**490**	**34,051**	**3,088**	**1,165,536**
Cost								
At 1 January 2015	178,480	227,611	721,720	543,384	2,196	60,323	4,477	1,738,191
Currency translation differences	(3,631)	(12,113)	(2,580)	(10,453)	(15)	-	(11)	(28,803)
Additions	-	81	435	38,709	156	-	12,346	51,727
Adjustments upon finalisation of costs for developed properties	-	-	(621)	-	-	-	-	(621)
Transfer (to)/from investment properties	-	-	(3,602)	2,413	-	-	-	(1,189)
Disposals/write-offs	-	(978)	(127)	(16,617)	(71)	-	(65)	(17,858)
Reclassification	-	(261)	4,163	(87)	-	-	(3,815)	-
At 31 December 2015	174,849	214,340	719,388	557,349	2,266	60,323	12,932	1,741,447
Accumulated depreciation and impairment								
At 1 January 2015	-	74,423	140,199	280,933	1,456	-	-	497,011
Currency translation differences	-	(3,755)	480	(8,170)	(24)	-	-	(11,469)
Charge for the financial year	-	4,667	12,736	46,681	234	-	-	64,318
Disposals/write-offs	-	(303)	(81)	(14,959)	(71)	-	-	(15,414)
Write-back of impairment charge (Note 8)	-	-	(11,757)	-	-	-	-	(11,757)
Impairment charge (Note 8)	-	-	3,224	-	-	37,000	-	40,224
Reclassification	-	(6)	-	6	-	-	-	-
At 31 December 2015	-	75,026	144,801	304,491	1,595	37,000	-	562,913
Net book value at 31 December 2015	**174,849**	**139,314**	**574,587**	**252,858**	**671**	**23,323**	**12,932**	**1,178,534**

21. Property, plant and equipment (continued)

The Company	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Renovation in progress $'000	Total $'000
Cost				
At 1 January 2016	5,305	100	-	5,405
Additions	312	-	37	349
Disposals/write-offs	(44)	-	-	(44)
At 31 December 2016	5,573	100	37	5,710
Accumulated depreciation				
At 1 January 2016	4,237	55	-	4,292
Charge for the financial year	433	20	-	453
Disposals/write-offs	(44)	-	-	(44)
At 31 December 2016	4,626	75	-	4,701
Net book value at 31 December 2016	**947**	**25**	37	**1,009**
Cost				
At 1 January 2015	5,078	100	-	5,178
Additions	321	-	-	321
Disposals/write-offs	(94)	-	-	(94)
At 31 December 2015	5,305	100	-	5,405
Accumulated depreciation				
At 1 January 2015	3,794	35	-	3,829
Charge for the financial year	536	20	-	556
Disposals/write-offs	(93)	-	-	(93)
At 31 December 2015	4,237	55	-	4,292
Net book value at 31 December 2015	**1,068**	**45**	**-**	**1,113**

(a) At 31 December 2016, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $2,234,329,000 (2015: $2,185,998,000) and the net book value was $1,140,647,000 (2015: $1,168,922,000). The valuations were carried out by firms of independent professional valuers on an open market existing use basis. The surplus on valuation of these hotel properties amounting to $1,093,397,000 (2015: $1,017,076,000) has not been incorporated in the financial statements.

The fair values derived using the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value are within Level 3 of the fair values hierarchy. The key assumptions to determine the fair value include capitalisation rate, growth rate and discount rate.

(b) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 24(b)] amounting to $478,854,000 (2015: $938,904,000).

(c) The carrying amount of leasehold land and building held under finance leases was $3,906,000 (2015: $3,819,000) (Note 25) at the end of the reporting period.

21. Property, plant and equipment (continued)

(d) The details of the Group's properties in property, plant and equipment at 31 December 2016 were:

			Tenure of land	Remaining lease term
PARKROYAL on Beach Road	-	a 346-room hotel at Beach Road, Singapore	99-year lease from 1968	51 years
PARKROYAL on Kitchener Road	-	a 532-room hotel at Kitchener Road, Singapore	Freehold	-
PARKROYAL on Pickering	-	a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	91 years
Pan Pacific Orchard	-	a 206-room hotel at Claymore Road, Singapore	Freehold	-
Eunos Warehouse Complex	-	retained interests in 2 units of a 4-storey flatted warehouse at Kaki Bukit Road, Singapore	60-year lease from 1982	26 years
PARKROYAL Darling Harbour, Sydney	-	a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	-
PARKROYAL Parramatta	-	a 286-room hotel at Parramatta, Phillip Street, New South Wales, Australia	Freehold	-
Pan Pacific Perth	-	a 486-room hotel and carpark at Adelaide Terrace, Perth, Australia	Freehold	-
PARKROYAL Kuala Lumpur and President House	-	a 426-room hotel and a 6-storey podium office block at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Freehold	-
	-	a 320-lot carpark at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Leasehold expiring in 2080	64 years
PARKROYAL Penang Resort	-	a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	-
PARKROYAL Saigon	-	a 186-room hotel and 6-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	27 years
Pan Pacific Hanoi (formerly known as Sofitel Plaza Hanoi)	-	a 265-room hotel and 56 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	25 years
Pan Pacific Suzhou	-	a 480-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	28 years
Pan Pacific Xiamen	-	a 329-room hotel and 25 serviced apartments at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	45 years
Pan Pacific Tianjin	-	a 289-room hotel and 30 serviced apartments in Tianjin, The People's Republic of China	40-year lease from 2007	31 years
PARKROYAL Yangon	-	a 319-room hotel and 14 serviced suites at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	50-year lease from 1998	32 years
PARKROYAL Melbourne Airport	-	a 276-room hotel opposite Melbourne Airport, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	31+48 years
Proposed hotel at Bishopsgate site	-	a proposed hotel with an estimated 237 rooms with a commercial component at Bishopsgate in the City of London	Freehold	-

21. Property, plant and equipment (continued)

(e) The impairment charge for the financial year was in respect of the hotel property under development at Bishopsgate, London for an amount of $26,700,000 (2015: $37,000,000). The write-back of impairment charge for the financial year of $2,741,000 (2015: impairment charge of $3,224,000) was for Pan Pacific Tianjin.

The write-back of impairment charge in 2015 was in respect of PARKROYAL Melbourne Airport for an amount of $11,757,000.

The impairment charge for the hotel property under development at Bishopsgate, London arose from difference between the recoverable amount and the estimated total development cost of the hotel. The recoverable amount represents 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. Certain assumptions and judgement were applied to estimate the gross development value of the hotel as if it is completed and operational. The terminal capitalisation rate and discount rate used were 5.5% (2015: 5.5%) and 7.5% (2015: 8.0%) respectively.

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 $26,700,000 for the current financial year. Management has estimated the total development costs in consultation with quantity surveyors and other professional consultants. Judgement was exercised in this process as there is significant cost to complete and to be contracted for as at 31 December 2016.

22. Intangibles

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trademarks [Note (a) below]	**7,995**	8,722	**-**	-
Computer software costs [Note (b) below]	**1,131**	1,246	**-**	14
Contract acquisition costs [Note (c) below]	**4,033**	2,166	**-**	-
Goodwill arising on consolidation [Note (d) below]	**11,202**	11,202	**-**	-
	24,361	23,336	**-**	14

(a) Trademarks

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cost				
At the beginning and end of the financial year	**14,806**	14,806	**-**	-
Accumulated amortisation				
At the beginning of the financial year	**6,084**	5,357	**-**	-
Amortisation for the financial year	**727**	727	**-**	-
At the end of the financial year	**6,811**	6,084	**-**	-
Net book value	**7,995**	8,722	**-**	-

22. Intangibles (continued)

(b) Computer software costs

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cost				
At the beginning of the financial year	**8,579**	8,686	1,461	1,440
Currency translation differences	**102**	(116)	**-**	-
Additions	**34**	9	**-**	21
Disposals	**(22)**	-	**-**	-
At the end of the financial year	**8,693**	8,579	**1,461**	1,461
Accumulated amortisation				
At the beginning of the financial year	**7,333**	5,827	**1,447**	1,122
Currency translation differences	**1**	(121)	**-**	-
Amortisation for the financial year	**250**	1,627	**14**	325
Disposals	**(22)**	-	**-**	-
At the end of the financial year	**7,562**	7,333	**1,461**	1,447
Net book value	**1,131**	1,246	**-**	14

(c) Contract acquisition costs

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cost				
At the beginning of the financial year	**3,907**	3,360	**-**	-
Currency translation differences	**6**	(14)	**-**	-
Additions	**2,252**	561	**-**	-
At the end of the financial year	**6,165**	3,907	**-**	-
Accumulated amortisation				
At the beginning of the financial year	**1,741**	1,193	**-**	-
Currency translation differences	**6**	(11)	**-**	-
Amortisation for the financial year	**385**	559	**-**	-
At the end of the financial year	**2,132**	1,741	**-**	-
Net book value	**4,033**	2,166	**-**	-

(d) Goodwill arising on consolidation

	The Group	
	2016	2015
	$'000	$'000
At the beginning and end of the financial year	**11,202**	11,202

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segment. A segment-level summary of the goodwill allocation is analysed as follows:

	Hotel operations	
	2016	2015
	$'000	$'000
Singapore	**10,371**	10,371
Malaysia	**831**	831
	11,202	11,202

22. Intangibles (continued)

(d) Goodwill arising on consolidation (continued)

The recoverable amount of the above CGU was determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair values were determined by independent professional valuers using the cash flows projections of 5 to 10 years (2015: 5 to 10 years) which were prepared based on the expected future market trend.

Key assumptions used for fair value less cost to sell calculations:

	Malaysia	Singapore
	%	%
2016		
Growth rate	**3.3**	**4.8**
Discount rate	**9.0**	**7.7**
2015		
Growth rate	2.7	4.7
Discount rate	9.0	7.8

23. Trade and other payables

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- non-related parties	**69,542**	63,945	**951**	1,061
Other payables:				
- rental and other deposits	**32,479**	27,381	**666**	659
- accrued interest payable	**5,935**	7,401	**1,056**	1,229
- retention monies	**10,863**	16,955	**46**	38
- accrued development expenditure	**4,105**	36,619	**-**	-
- accruals for completed projects	**11,000**	16,964	**-**	-
- accrued operating expenses	**56,722**	57,608	**8,493**	8,252
- sundry creditors	**7,856**	6,761	**2,938**	2,703
- deferred revenue	**4,623**	4,687	**-**	-
- subsidiaries (non-trade)	**-**	-	**1,164**	2,028
- non-controlling shareholders (non-trade)	**-**	1	**-**	-
	133,583	174,377	**14,363**	14,909
Loans from subsidiaries		-	**549,005**	381,817
	203,125	238,322	**564,319**	397,787
Non-current				
Deferred revenue	**105,361**	109,566	**-**	-
Rental deposits	**29,442**	33,644	**4,491**	4,279
Retention monies	**18,551**	10,716	**-**	-
Accrued interest payable to non-controlling shareholder	**3,659**	2,101	**-**	-
	157,013	156,027	**4,491**	4,279
Total trade and other payables	**360,138**	394,349	**568,810**	402,066

(a) The loans from subsidiaries and non-trade amounts due to subsidiaries and non-controlling shareholders are unsecured, interest-free and repayable on demand.

(b) The carrying amounts of rental deposits and retention monies approximate their fair values.

(c) Deferred revenue relates to advance rental in respect of an operating lease and the amount is recognised in the income statement on a straight-line basis over the lease term.

24. Borrowings

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current				
Bank loans (secured)	**111,995**	91,854	**-**	-
Bank loans (unsecured)	**541,434**	431,485	**140,559**	179,403
3.043% unsecured fixed rate notes due 2017 [Note (ai) below]	**74,974**	-	**74,974**	-
Finance lease liabilities (Note 25)	**272**	266	**-**	-
	728,675	523,605	**215,533**	179,403
Non-current				
Bank loans (secured)	**567,118**	1,024,677	**-**	-
Bank loans (unsecured)	**633,084**	705,648	**176,417**	207,434
3.043% unsecured fixed rate notes due 2017 [Note (ai) below]	**-**	74,899	**-**	74,899
2.50% unsecured fixed rate notes due 2018 [Note (aii) below]	**174,803**	174,646	**-**	-
2.50% unsecured fixed rate notes due 2020 [Note (aii) below]	**239,120**	-	**-**	-
Finance lease liabilities (Note 25)	**3,634**	3,553	**-**	-
	1,617,759	1,983,423	**176,417**	282,333
Total borrowings	**2,346,434**	2,507,028	**391,950**	461,736

(a) Medium term notes

(i) On 1 July 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the "2010 Programme"). Under the 2010 Programme, the Company may issue Notes (the "Notes") denominated in Singapore Dollars and/or any other currencies agreed with the dealers. The Notes may be issued on a syndicated or non-syndicated basis and will rank pari passu with all other unsecured obligations. Each series of Notes may be issued in one or more tranches, on the same or different terms such as issue dates, interest rates, maturities, etc. as agreed between the Company and the relevant dealers.

(ii) On 3 November 2014, a wholly-owned subsidiary of the Group established a S$1 billion Multicurrency Medium Term Note Programme (the "2014 Programme") with similar terms as the 2010 Programme. The 2014 Programme is unconditionally and irrevocably guaranteed by the Company.

(b) Securities granted

The bank loans are secured by mortgages on certain subsidiaries' bank deposits, hotel properties, investment properties and development properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of bank deposits, hotel properties, investment properties and development properties which have been pledged as securities are as follows:

	The Group	
	2016	2015
	$'000	$'000
Bank deposits	**200**	3,852
Hotel properties	**478,854**	938,904
Investment properties	**1,416,062**	1,607,477
Development properties	**992,741**	1,262,726
	2,887,857	3,812,959

24. **Borrowings** (continued)

(c) Effective interest rates

The weighted average effective interest rates of floating rate borrowings at the end of the reporting period were as follows:

The Group

	2016					2015				
	SGD %	**USD %**	**RMB %**	**GBP %**	**AUD %**	SGD %	USD %	RMB %	GBP %	AUD %
Bank loans (secured)	**1.6**	**-**	**5.0**	**-**	**3.2**	2.2	-	5.0	-	3.6
Bank loans (unsecured)	**1.6**	**2.1**	**-**	**1.6**	**2.4**	2.1	1.4	-	2.2	-

The Company

	2016		2015	
	GBP %	**SGD %**	GBP %	SGD %
Bank loans (unsecured)	**1.8**	**-**	-	1.6

(d) The fair values of non-current secured and unsecured bank loans approximate their carrying values except for the unsecured fixed rate notes. The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group				The Company			
	2016 $'000	2015 $'000	**2016 %**	2015 %	**2016 $'000**	2015 $'000	**2016 %**	2015 %
3.043% unsecured fixed rate notes due 2017	**75,000**	75,024	**3.0**	3.0	**75,000**	75,024	**3.0**	3.0
2.50% unsecured fixed rate notes due 2018	**174,874**	172,347	**2.6**	3.2	**-**	-	**-**	-
2.5% unsecured fixed rate notes due 2020	**239,320**	-	**3.1**	-	**-**	-	**-**	-
	489,194	247,371			**75,000**	75,024		

25. **Finance lease liabilities**

The Group leases certain leasehold land and building from non-related parties under finance leases. The lease approximates the useful life of the building and the lease agreement has renewal clauses at the end of the lease term.

	The Group	
	2016 $'000	2015 $'000
Minimum lease payments due		
- Not later than one year	**273**	267
- Between one and five years	**1,091**	1,067
- Later than five years	**20,329**	20,141
	21,693	21,475
Less: Future finance charges	**(17,787)**	(17,656)
Present value of finance lease liabilities	**3,906**	3,819

25. Finance lease liabilities (continued)

The present values of finance lease liabilities are analysed as follows:

	The Group	
	2016 $'000	2015 $'000
Not later than one year (Note 24)	**272**	266
Later than one year (Note 24)		
- Between one and five years	**1,086**	1,063
- Later than five years	**2,548**	2,490
	3,634	3,553
Total	**3,906**	3,819

26. Derivative financial instrument

	The Group			The Company		
	Contract notional amount	Fair value		Contract notional amount	Fair value	
		Asset	Liability		Asset	Liability
	$'000	$'000	$'000	$'000	$'000	$'000
2016						
Cash flow hedges						
- Interest rate swaps	377,590	207	(4,272)	177,590	-	(3,596)
Less: Current portion	-	-	-	-	-	-
Non-current portion	**377,590**	**207**	**(4,272)**	**177,590**	**-**	**(3,596)**
2015						
Cash flow hedges						
- Interest rate swaps	359,120	1,338	(978)	209,120	-	(978)
Less: Current portion	(150,000)	(1,338)	-	-	-	-
Non-current portion	209,120	-	(978)	209,120	-	(978)

The cash flow hedges - interest rate swaps are transacted to hedge variable interest expense on borrowings payable between October 2018 and April 2019 (2015: October 2016 and April 2019). Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

27. Loans from non-controlling shareholder of a subsidiary (unsecured)

The loan from non-controlling shareholder of a subsidiary of $63,009,000 (2015: $63,009,000) bears interest at 1.5% (2015: 1.5%) per annum over the bank quoted three-month swap rate on the first business day of each quarter of the calendar year and the effective interest rate as at the end of the reporting period was 2.23% (2015: 2.97%) per annum. The loan, including accrued interest payable, is subordinated to the bank loan of the subsidiary, has no fixed terms of repayment and is not expected to be repaid within the next twelve months from the end of the reporting period. The fair value of the loan from non-controlling shareholder approximate its carrying value.

28. Provision for retirement benefits

	The Group	
	2016	2015
	$'000	$'000
Non-current	**4,927**	3,854

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent valuation was on 7 February 2017.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group	
	2016	2015
	$'000	$'000
At the beginning of the financial year	**3,854**	3,813
Benefits paid	**(16)**	-
Current service cost	**327**	317
Interest on obligation	**277**	260
Actuarial loss	**561**	43
Currency translation differences	**(76)**	(579)
At the end of the financial year	**4,927**	3,854

(c) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group	
	2016	2015
	%	%
Discount rate	**5.4**	5.8
Future salary increase	**6.9**	6.9
Inflation rate	**3.5**	3.5
Normal retirement age (years)		
- Male	**60**	60
- Female	**60**	60

29. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- to be recovered within one year	**(1,287)**	(1,082)	**-**	-
- to be recovered after one year	**(2,617)**	(3,620)	**-**	-
	(3,904)	(4,702)	**-**	-
Deferred income tax liabilities				
- to be settled within one year	**7,571**	13,869	**-**	-
- to be settled after one year	**85,726**	75,290	**2,960**	3,490
	93,297	89,159	**2,960**	3,490

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**84,457**	170,641	**3,490**	100,118
Currency translation differences	**(293)**	(2,466)	**-**	-
Tax charge/(credit) to:				
- income statement [Note 9(a)]	**4,106**	11,416	**(85)**	(135)
- other comprehensive income [Note 31(b),(f)]	**(807)**	(96,370)	**(445)**	(96,493)
Group tax relief	**1,850**	2,175	**-**	-
Under/(over) provision in prior financial year [Note 9(a)]	**80**	(939)	**-**	-
At the end of the financial year	**89,393**	84,457	**2,960**	3,490

Deferred income tax (charged)/credited against other comprehensive income (Note 31) during the financial year are as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Fair value reserves [Note 31(b)]	**-**	(96,327)	**-**	(96,327)
Hedging reserve [Note 31(f)]	**(807)**	(43)	**(445)**	(166)
	(807)	(96,370)	**(445)**	(96,493)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $58,927,000 (2015: $23,615,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. Tax losses incurred by subsidiaries of $58,927,000 (2015: $23,615,000) can be carried forward for a period of up to five years subsequent to the year of the loss.

29. Deferred income taxes (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets $'000	Fair value gains on derivative financial instruments $'000	Accelerated tax depreciation $'000	Fair value gains on hotel properties and investment properties $'000	Unremitted foreign income, interest and dividends $'000	Development profit $'000	Other temporary differences $'000	Total $'000
2016								
At the beginning of the financial year	-	227	52,226	19,224	1,284	16,271	778	90,010
Currency translation differences	-	-	61	(349)	-	-	11	(277)
Tax charge/(credit) to income statement	-	-	3,892	(128)	(65)	2,535	(296)	5,938
Tax credit to other comprehensive income	-	(362)	-	-	-	-	-	(362)
At the end of the financial year	**-**	**(135)**	**56,179**	**18,747**	**1,219**	**18,806**	**493**	**95,309**
2015								
At the beginning of the financial year	98,766	104	47,198	20,010	1,006	9,220	(1,666)	174,638
Currency translation differences	-	-	(2,632)	(8)	-	-	168	(2,472)
Tax (credit)/charge to income statement	(2,439)	-	7,660	(778)	278	7,051	2,276	14,048
Tax (credit)/charge to other comprehensive income	(96,327)	123	-	-	-	-	-	(96,204)
At the end of the financial year	-	227	52,226	19,224	1,284	16,271	778	90,010

Deferred income tax assets

	Fair value losses on derivative financial instruments $'000	Excess of depreciation over capital allowances $'000	Tax losses $'000	Provisions $'000	Total $'000
2016					
At the beginning of the financial year	(166)	(1,825)	(2,836)	(726)	(5,553)
Currency translation differences	-	-	(16)	-	(16)
Tax (credit)/charge to income statement	-	-	(2,201)	449	(1,752)
Tax credit to other comprehensive income	(445)	-	-	-	(445)
Group tax relief	-	-	1,840	10	1,850
At the end of the financial year	**(611)**	**(1,825)**	**(3,213)**	**(267)**	**(5,916)**
2015					
At the beginning of the financial year	-	(1,961)	(2,025)	(11)	(3,997)
Currency translation differences	-	-	6	-	6
Tax credit to income statement	-	-	(2,856)	(715)	(3,571)
Tax credit to other comprehensive income	(166)	-	-	-	(166)
Group tax relief	-	136	2,039	-	2,175
At the end of the financial year	(166)	(1,825)	(2,836)	(726)	(5,553)

29. Deferred income taxes (continued)

The Company

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Total $'000
2016			
At the beginning of the financial year	-	3,656	3,656
Tax credit to income statement	-	(85)	(85)
At the end of the financial year	**-**	**3,571**	**3,571**
2015			
At the beginning of the financial year	96,327	3,791	100,118
Tax credit to income statement	-	(135)	(135)
Tax credit to other comprehensive income	(96,327)	-	(96,327)
At the end of the financial year	-	3,656	3,656

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2016		
At the beginning of the financial year	(166)	(166)
Tax credit to other comprehensive income	(445)	(445)
At the end of the financial year	**(611)**	**(611)**
2015		
At the beginning of the financial year	-	-
Tax credit to other comprehensive income	(166)	(166)
At the end of the financial year	(166)	(166)

30. Share capital of UOL Group Limited

	Number of shares '000	Amount $'000
2016		
At the beginning of the financial year	796,219	1,216,099
Proceeds from shares issued:		
- to holders of share options	222	1,095
Issue of shares under scrip dividend scheme	9,741	55,138
Shares cancelled upon buy-back	(1,571)	(2,479)
At the end of the financial year	**804,611**	**1,269,853**
2015		
At the beginning of the financial year	787,226	1,151,512
Proceeds from shares issued:		
- to holders of share options	1,438	7,926
Issue of shares under scrip dividend scheme	7,555	56,661
At the end of the financial year	796,219	1,216,099

30. Share capital of UOL Group Limited (continued)

(a) All issued ordinary shares have no par value and are fully paid.

(b) During the financial year, the Company issued 222,000 (2015: 1,438,000) ordinary shares pursuant to the options under the UOL 2000 and 2012 Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

UOL Group Executives' Share Option Scheme

The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

On 11 March 2016, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,224,000 ordinary shares in the Company (known as "the 2016 Options") at the exercise price of $5.87per ordinary share. 1,224,000 options granted were accepted.

Statutory information regarding the 2016 Options is as follows:

(i) The option period begins on 11 March 2017 and expires on 10 March 2026 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

30. Share capital of UOL Group Limited (continued)

UOL Group Executives' Share Option Scheme (continued)

Movements in the number of ordinary shares outstanding under options at the end of the financial year and their exercise prices were as follows:

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2016							
2007 Options	204,000	-	(202,000)	-	2,000	4.91	16.03.2008 to 15.03.2017
2008 Options	130,000	-	-	(18,000)	112,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	-	-	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	304,000	-	-	-	304,000	3.95	05.03.2011 to 04.03.2020
2011 Options	346,000	-	(6,000)	-	340,000	4.62	04.03.2012 to 03.03.2021
2012 Options	655,000	-	(14,000)	-	641,000	5.40	23.08.2013 to 22.08.2022
2013 Options	853,000	-	-	(66,000)	787,000	6.55	08.03.2014 to 07.03.2023
2014 Options	795,000	-	-	(96,000)	699,000	6.10	12.03.2015 to 11.03.2024
2015 Options	1,225,000	-	-	(120,000)	1,105,000	7.67	11.03.2016 to 10.03.2025
2016 Options	-	1,224,000	-	(95,000)	1,129,000	5.87	11.03.2017 to 10.03.2026
	4,574,000	**1,224,000**	(222,000)	(395,000)	5,181,000		
2015							
2006 Options	100,000	-	(100,000)	-	-	3.21	18.05.2007 to 17.05.2016
2007 Options	306,000	-	(102,000)	-	204,000	4.91	16.03.2008 to 15.03.2017
2008 Options	200,000	-	(70,000)	-	130,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	-	-	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	309,000	-	(5,000)	-	304,000	3.95	05.03.2011 to 04.03.2020
2011 Options	400,000	-	(54,000)	-	346,000	4.62	04.03.2012 to 03.03.2021
2012 Options	1,073,000	-	(418,000)	-	655,000	5.40	23.08.2013 to 22.08.2022
2013 Options	1,113,000	-	(260,000)	-	853,000	6.55	08.03.2014 to 07.03.2023
2014 Options	1,224,000	-	(429,000)	-	795,000	6.10	12.03.2015 to 11.03.2024
2015 Options	-	1,253,000	-	(28,000)	1,225,000	7.67	11.03.2016 to 10.03.2025
	4,787,000	**1,253,000**	**(1,438,000)**	**(28,000)**	**4,574,000**		

Out of the outstanding options for 5,181,000 (2015: 4,574,000) shares, options for 4,052,000 (2015: 3,349,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $5.77 (2015: $7.21) per share.

The fair value of options granted on 11 March 2016 (2015: 11 March 2015), determined using the Trinomial Tree Model was $1,077,000 (2015: $1,366,000). The significant inputs into the model were share price of $5.88 (2015: $7.47) at the grant date, exercise price of $5.87 (2015: $7.67), standard deviation of expected share price returns of 19.53% (2015: 18.71%), option life from 11 March 2017 to 10 March 2026 (2015: 11 March 2016 to 10 March 2025), annual risk-free interest rate of 2.12% (2015: 2.17%) and dividend yield of 2.79% (2015: 2.15%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

31. Reserves

	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
Composition:				
Share option reserve [Note (a) below]	**17,097**	15,806	**15,314**	14,211
Fair value reserve [Note (b) below]	**587,562**	550,496	**490,217**	461,611
Asset revaluation reserve [Note (c) below]	**42,978**	42,976	**-**	-
Capital reserves [Note (d) below]	**293,580**	293,580	**-**	-
Currency translation reserve [Note (e) below]	**(25,428)**	(13,291)	**-**	-
Hedging reserve [Note (f) below]	**(3,642)**	299	**(2,985)**	(812)
Others	**-**	-	**598**	598
	912,147	889,866	**503,144**	475,608

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
At the beginning of the financial year	**15,806**	14,260	**14,211**	12,851
Employee share option scheme:				
- Value of employee services	**1,103**	1,360	**1,103**	1,360
Share of associated company (Note 17)	**188**	186	**-**	-
At the end of the financial year	**17,097**	15,806	**15,314**	14,211

(b) Fair value reserve

	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
At the beginning of the financial year	**550,496**	645,502	**461,611**	511,475
Fair value gains/(losses) on available-for-sale financial assets (Note 15)	**37,066**	(191,333)	**28,606**	(146,191)
Deferred tax on fair value gains (Note 29)	**-**	96,327	**-**	96,327
	37,066	(95,006)	**28,606**	(49,864)
At the end of the financial year	**587,562**	550,496	**490,217**	461,611

(c) Asset revaluation reserve

	The Group 2016 $'000	The Group 2015 $'000
At the beginning of the financial year	**42,976**	42,958
Share of an associated company's acquisition of interests from non-controlling shareholders (Note 17)	**2**	18
At the end of the financial year	**42,978**	42,976

The asset revaluation reserve of the Group does not take into account the surplus of $1,093,397,000 (2015: $1,017,076,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

31. Reserves (continued)

(d) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2016	2015
	$'000	$'000
Transfer from asset revaluation reserve for bonus issue of shares by a subsidiary	**55,846**	55,846
Share premium in a subsidiary attributable to the Group	**13,360**	13,360
Goodwill on consolidation	**997**	997
Acquisitions of associated companies (See below)	**223,377**	223,377
	293,580	293,580

The capital reserves arising from the acquisitions of associated companies relate to the increase in the fair value of identifiable net assets and liabilities of the investee companies attributable to the Group's previously held interest in those investee companies on the date they became associated companies.

(e) Currency translation reserve

	The Group	
	2016	2015
	$'000	$'000
At the beginning of the financial year	**(13,291)**	(19,777)
Net currency translation differences of financial statements of foreign subsidiaries and an associated company	**(7,210)**	3,946
Share of an associated company's acquisition of interests from non-controlling shareholders (Note 17)	**-**	7
Share of an associated company's other comprehensive (loss)/income (Note 17)	**(4,757)**	2,330
	(11,967)	6,283
Less: Amount attributable to non-controlling interests	**(170)**	203
	(12,137)	6,486
At the end of the financial year	**(25,428)**	(13,291)

(f) Hedging reserve

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**299**	509	**(812)**	-
Fair value losses	**(6,639)**	(536)	**(3,831)**	(1,524)
Deferred tax on fair value (Note 29)	**807**	43	**445**	166
	(5,832)	(493)	**(3,386)**	(1,358)
Transfer to income statement				
- Finance expense (Note 7)	**1,891**	283	**1,213**	546
	(3,941)	(210)	**(2,173)**	(812)
At the end of the financial year	**(3,642)**	299	**(2,985)**	(812)

The hedging reserve comprised the effective portion of the accumulated net change in the fair value of interest rate swaps for hedged transactions that had not occurred.

32. Dividends

	The Group and the Company	
	2016	2015
	$'000	$'000
Final one-tier dividend paid in respect of the previous financial year of 15.0 cents (2015: 15.0 cents) per share	**119,416**	118,176

At the forthcoming Annual General Meeting on 26 April 2017, a final one-tier dividend of 15.0 cents per share amounting to a total of $120,692,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2017.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to $1,274,293,000 (2015: $927,132,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for an amount of $25,439,000 (2015: $90,132,000) which was denominated in United States Dollar, an amount of $161,439,000 (2015: nil) which was denominated in Pound Sterling and an amount of $18,015,000 (2015: nil) which was denominated in Australian Dollar.

At the end of the reporting period, the Group has given a guarantee of $2,856,000 (2015: $3,883,000) in respect of banking facilities granted to an associated company.

The Company has also given undertakings to provide financial support to certain subsidiaries.

The directors are of the view that no material losses will arise from these contingent liabilities.

34. Commitments

(a) Capital and other commitments

Expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group	
	2016	2015
	$'000	$'000
Expenditure contracted for:		
- property, plant and equipment	**83,947**	30,564
- development properties	**289,795**	455,225
	373,742	485,789

34. **Commitments** (continued)

(b) Operating lease commitments – where a group company is a lessee

The Group leases various premises from non-related parties and subsidiaries under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are analysed as follows:

	The Group	
	2016	2015
	$'000	$'000
Not later than one year	**3,143**	1,756
Later than one year but not later than five years	**6,417**	4,555
Later than five years	**25,245**	23,376
	34,805	29,687

(c) Operating lease commitments – where a group company is a lessor

The Group and the Company lease out retail and office space to non-related parties under non-cancellable operating agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are analysed as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Not later than one year	**161,886**	158,675	**18,059**	17,404
Later than one year but not later than five years	**248,596**	259,697	**27,457**	36,049
Later than five years	**93,544**	121,270	**2,318**	5,451
	504,026	539,642	**47,834**	58,904

34. **Commitments** (continued)

(c) Operating lease commitments – where a group company is a lessor (continued)

The future minimum lease payments receivable under non-cancellable operating leases exclude the portion of lease payments receivable which are computed based on a percentage of the revenue of some of the lessees. The contingent lease payments received during the financial year and recognised in the Group's and the Company's revenue from property investments were $3,479,000 (2015: $3,692,000) and $138,000 (2015: $139,000) respectively.

35. Financial risk management

Financial risk factors

The Board of Directors provides guidance for overall risk management. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as interest rate swaps, currency forwards and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

The Group operates in the Asia Pacific region and in the United Kingdom. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Pound Sterling ("GBP").

The Group has a number of investments in foreign subsidiaries, associated companies and a joint venture company whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries, associated companies and a joint venture company in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC"), Vietnam and the United Kingdom are managed through borrowings, as far as is reasonably practical, in foreign currencies which broadly match those in which the net assets are denominated or in currencies that are freely convertible.

35. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
2016								
Financial assets								
Cash and bank balances	197,993	16,238	25,424	15,869	35,386	3,773	6,829	301,512
Trade and other receivables	201,126	7,200	11,154	1,163	2,588	2,042	3,104	228,377
Receivables from subsidiaries	491,496	17,649	-	-	-	274,998	-	784,143
Derivative financial instrument	207	-	-	-	-	-	-	207
Other assets - deposits	1,110	28	2	218	24	-	244	1,626
	891,932	41,115	36,580	17,250	37,998	280,813	10,177	1,315,865
Financial liabilities								
Borrowings	(1,697,689)	(25,439)	(103,713)	-	(40,005)	(479,588)	-	(2,346,434)
Trade and other payables	(193,622)	(3,635)	(14,254)	(7,621)	(21,749)	(1,593)	(7,680)	(250,154)
Payables to subsidiaries	(491,496)	(17,649)	-	-	-	(274,998)	-	(784,143)
Derivative financial instrument	(4,272)	-	-	-	-	-	-	(4,272)
Loans from non-controlling shareholders of subsidiaries	(63,009)	-	-	-	-	-	-	(63,009)
	(2,450,088)	(46,723)	(117,967)	(7,621)	(61,754)	(756,179)	(7,680)	(3,448,012)
Net financial (liabilities)/assets	(1,558,156)	(5,608)	(81,387)	9,629	(23,756)	(475,366)	2,497	(2,132,147)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	1,518,936	(5,637)	81,529	(9,655)	23,745	475,366	(2,375)	2,081,909
Add: Firm commitments and highly probable forecast transactions in foreign currencies	243,831	-	1,729	12,300	-	115,526	356	373,742
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(243,831)	-	(1,729)	(12,300)	-	(115,526)	(356)	(373,742)
Currency exposure	**(39,220)**	**(11,245)**	**142**	**(26)**	**(11)**	**-**	**122**	**(50,238)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
2015								
Financial assets								
Cash and bank balances	194,814	17,426	10,595	25,432	19,796	1,664	6,671	276,398
Trade and other receivables	187,850	7,910	5,586	1,805	1,772	3,688	1,843	210,454
Receivables from subsidiaries	475,469	22,646	-	-	-	249,480	-	747,595
Derivative financial instrument	1,338	-	-	-	-	-	-	1,338
Other assets - deposits	573	23	22	209	28	-	247	1,102
	860,044	48,005	16,203	27,446	21,596	254,832	8,761	1,236,887
Financial liabilities								
Borrowings	(2,031,151)	(90,132)	(83,799)	-	(49,623)	(252,323)	-	(2,507,028)
Trade and other payables	(217,241)	(4,141)	(15,401)	(6,579)	(30,315)	(58)	(6,361)	(280,096)
Payables to subsidiaries	(475,469)	(22,646)	-	-	-	(249,480)	-	(747,595)
Derivative financial instrument	(978)	-	-	-	-	-	-	(978)
Loans from non-controlling shareholders of subsidiaries	(63,009)	-	-	-	-	-	-	(63,009)
	(2,787,848)	(116,919)	(99,200)	(6,579)	(79,938)	(501,861)	(6,361)	(3,598,706)
Net financial (liabilities)/assets	(1,927,804)	(68,914)	(82,997)	20,867	(58,342)	(247,029)	2,400	(2,361,819)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	1,927,810	(12,238)	83,475	(20,803)	58,353	247,029	(2,311)	2,281,315
Add: Firm commitments and highly probable forecast transactions in foreign currencies	424,889	33	14,744	353	-	45,557	213	485,789
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(424,889)	(33)	(14,744)	(353)	-	(45,557)	(213)	(485,789)
Currency exposure	**6**	**(81,152)**	**478**	**64**	**11**	**-**	**89**	**(80,504)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group does not have significant exposure to currency risk other than USD. Assuming that the USD changes against SGD by 5% (2015: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group Increase/(Decrease)	
	2016	2015
	$'000	$'000
USD against SGD		
- strengthens	**(467)**	(3,368)
- weakens	**467**	3,368

The Company's revenue, purchases, receivables and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for the following:

	USD	GBP
	$'000	$'000
The Company		
2016		
Financial assets		
Loans to subsidiaries	17,649	274,998
Financial liabilities		
Bank borrowings	-	(318,149)
Currency exposure	**17,649**	**(43,151)**
2015		
Financial assets		
Loans to subsidiaries	22,646	249,480
Financial liabilities		
Bank borrowings	-	(252,323)
Currency exposure	**22,646**	**(2,843)**

Assuming that the USD and GBP changes against SGD by 5% (2015: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax of the Company will be as follows:

	The Company Increase/(Decrease)	
	2016	2015
	$'000	$'000
USD against SGD		
- strengthens	**732**	940
- weakens	**(732)**	(940)
GBP against SGD		
- strengthens	**(1,791)**	(118)
- weakens	**1,791**	118

35. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group and the Company are exposed to equity securities price risk due to their investments in quoted securities listed in Singapore, which have been classified in the consolidated statement of financial position as available-for-sale financial assets.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2016, if prices for equity securities listed in Singapore change by 10% (2015: 10%) with all other variables being held constant, the fair value reserve will be higher/lower by $80,767,000 (2015: $75,921,000) and $61,073,000 (2015: $57,399,000) for the Group and the Company respectively.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group and the Company monitor closely the changes in interest rates on borrowings and when appropriate, manage their exposure to changes in interest rates by entering into borrowings on a fixed rate basis over a longer term.

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD, USD and GBP. If the SGD, USD and GBP interest rates increase/decrease by 1% (2015: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by $7,953,000 (2015: $12,903,000) and $2,220,000 (2015: $2,412,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are loans and receivables which include cash and bank balances. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient security such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

Credit exposure to an individual customer or counterparty is generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and by Group management.

The Group's and the Company's maximum exposure to credit risk on corporate guarantees provided to banks on subsidiaries' loans are disclosed in Note 33.

35. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk of trade and other receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**206,984**	195,032	**766,453**	725,129
Australia	**11,031**	5,147	**13**	17
Vietnam	**2,506**	1,234	**92**	103
Malaysia	**1,189**	1,742	**3**	3
PRC	**2,514**	1,706	**18,373**	23,268
Myanmar	**1,202**	1,080	**-**	-
Others	**2,951**	4,513	**-**	-
	228,377	210,454	**784,934**	748,520
By operating segments				
Property development	**151,057**	167,415	**297,278**	251,500
Property investments	**20,838**	16,273	**35,086**	35,114
Hotel operations	**16,725**	18,973	**18,882**	33,278
Management services	**39,757**	7,793	**97**	179
Investments	**-**	-	**433,591**	428,449
	228,377	210,454	**784,934**	748,520

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

(ii) Financial assets that are past due and/or impaired

The age analysis of trade and other receivables past due but not impaired is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Past due 0 to 3 months	**4,996**	7,607	**17**	26
Past due 3 to 6 months	**1,533**	2,670	**-**	265
Past due over 6 months	**3,102**	2,460	**48**	-
	9,631	12,737	**65**	291

35. **Financial risk management** (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Gross amount	**416**	359	**-**	-
Less: Allowance for impairment	**(416)**	(359)	**-**	-
	-	-	**-**	-
Beginning of financial year	**359**	444	**-**	-
Currency translation difference	**-**	-	**-**	-
Allowance made/(write-back of allowance) – net	**60**	(21)	**-**	-
Allowance utilised	**(3)**	(64)	**-**	-
End of financial year	**416**	359	**-**	-

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000
The Group			
2016			
Trade and other payables	198,502	22,205	29,447
Derivative financial instrument	3,149	2,155	486
Borrowings	759,738	889,009	775,345
Loans from non-controlling shareholders of subsidiaries	-	-	65,818
Financial guarantees for borrowings of associated companies	-	-	2,856
	961,389	**913,369**	**873,952**
2015			
Trade and other payables	233,635	22,392	24,069
Derivative financial instrument	779	779	1,005
Borrowings	621,577	703,540	1,375,181
Loans from non-controlling shareholders of subsidiaries	-	-	67,778
Financial guarantees for borrowings of associated companies	-	3,883	-
	855,991	730,594	1,468,033
The Company			
2016			
Trade and other payables	564,319	2,779	1,712
Derivative financial instrument	1,688	1,688	486
Borrowings	221,982	5,504	179,138
Financial guarantees for borrowings of subsidiaries and associated companies	401,101	375,000	498,193
	1,189,090	**384,971**	**679,529**
2015			
Trade and other payables	397,787	793	3,486
Derivative financial instrument	399	399	514
Borrowings	188,416	82,287	217,483
Financial guarantees for borrowings of subsidiaries and associated companies	252,132	400,000	275,000
	838,734	483,479	496,483

35. Financial risk management (continued)

(c) Liquidity risk (continued)

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and aim to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may, subject to the necessary approvals from the shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under their note issuance programmes to maintain a gearing ratio of not exceeding 200% (2015: 200%). The Group's and the Company's strategies, which were unchanged from 2015, are to maintain a gearing ratio below 150%.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

	The Group		The Company	
	2016	2015	**2016**	2015
Net debt ($'000)	**2,107,931**	2,293,639	**390,270**	460,190
Total equity ($'000)	**8,635,364**	8,401,116	**2,841,222**	2,886,515
Gearing ratio	**24%**	27%	**14%**	16%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2015.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 20 for disclosure of the investment properties that are measured at fair value.

35. Financial risk management (continued)

(e) Fair value measurements (continued)

2016	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
Assets				
Available-for-sale financial assets				
- Equity securities	807,667	-	47,384	855,051
- Derivative financial instrument	-	207	-	207
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(4,272)	-	(4,272)
The Company				
Assets				
Available-for-sale financial assets				
- Equity securities	610,726	-	47,384	658,110
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(3,596)	-	(3,596)
2015				
The Group				
Assets				
Available-for-sale financial assets				
- Equity securities	759,213	-	45,659	804,872
- Derivative financial instrument	-	1,338	-	1,338
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(978)	-	(978)
The Company				
Assets				
Available-for-sale financial assets				
- Equity securities	573,988	-	45,659	619,647
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(978)	-	(978)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. These investments are classified as Level 2. The fair value of certain unquoted available-for-sale financial assets is calculated using the net asset value method.

Other available-for-sale financial assets of the Group and the Company where the fair value is calculated using a significant unobservable input is classified as Level 3. In the valuation model, the net asset value of the available-for-sale financial assets is multiplied by a discount factor. The discount factor is derived from the average of quoted prices of a basket of similar instruments against their net asset value. The discount factor applied for 2016 was 27% (2015: 30%). If the discount factor increases/decreases by 5% points (2015: 5% points), the fair value of the Level 3 unquoted available-for-sale financial assets will decrease/increase by $3,241,000 (2015: $3,283,000).

35. Financial risk management (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

	The Group and the Company	
	2016	2015
	$'000	$'000
At the beginning of the financial year	**45,659**	54,809
Fair value gains/(losses) recognised in other comprehensive income	**1,725**	(9,150)
At the end of the financial year	**47,384**	45,659

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2016 and 2015.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 15 and Note 26 to the financial statements, except for the following:

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Loans and receivables	**531,515**	487,954	**786,641**	750,085
Financial liabilities at amortised cost	**2,659,597**	2,850,133	**960,760**	863,802

36. Related party transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant transactions between the Group and related parties during the financial year on terms agreed between the parties concerned:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Transactions with directors and their associates				
Proceeds from sale of development properties	**621**	1,425	**-**	-
Rental received	**450**	846	**355**	531
Interest paid/payable on shareholder's loan	**1,558**	1,537	**-**	-
Commission paid for sale of development properties	**908**	713	**-**	-
Transactions with associated companies and joint venture companies				
Fees received for management of development properties	**449**	185	**-**	-
Fees received for management of hotels	**7,909**	8,234	**-**	-
Fees received for operation of spas	**53**	95	**-**	-
Sale of gift vouchers	**104**	251	**-**	-
Accounting and corporate secretarial fee received	**387**	360	**20**	80
Commission received	**46**	40	**-**	-
Interest receivable on loans to joint venture companies	**3,324**	3,879	**-**	-
Purchase and maintenance of computers and software	**884**	209	**187**	133
Expenses for hotel and function room facilities	**230**	165	**-**	-

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2016	2015
	$'000	$'000
Salaries and other short-term employee benefits	**5,884**	5,918
Directors' fees	**710**	659
Post-employment benefits – contribution to CPF	**135**	125
Share options granted	**234**	323
	6,963	7,025

Total compensation to directors of the Company included in above amounted to $2,946,000 (2015: $2,950,000).

37. Group segmental information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and two other Board members of the Company.

For management purposes, the Group is organised into business segments based on their products and services as follows:

- Property development – development of properties for sale.
- Property investment – leasing of commercial properties and serviced suites.
- Hotel operations – operation of owned hotels.
- Investments – investment in quoted and unquoted available-for-sale financial assets.
- Management services – provision of hotel management services under the "Pan Pacific" and PARKROYAL brands and project management and related services.

The property development activities of the Group are concentrated in Singapore, PRC and the United Kingdom while the property investment activities are concentrated in Singapore.

The hotel operations of the Group are located in Singapore, Australia, Vietnam, Malaysia, PRC and Myammar and key asset and profit contributions are from the hotels in Singapore and Australia. The Group also has a hotel property under development in the United Kingdom.

The Group's quoted and unquoted available-for-sale financial assets relates to equity shares in Singapore.

The management services segment is not significant to the Group and have been included in the "others" segment column.

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2016 is as follows:

	Property development				Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Malaysia	PRC	United Kingdom		Singapore	Australia	Others^			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
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)
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 companies	3,365	-	-	-	(2,278)	-	-	-	-	-	1,087
Segment assets	1,353,034	2,645	258,528	152,298	7,543,301	637,275	281,905	403,648	855,072	52,970	11,540,676
Unallocated assets											17,464
Total assets											11,558,140
Total assets include:											
Investment in associated companies	263	-	188,724	-	3,156,172	46,200	-	8,108	-	10,360	3,409,827
Investment in joint venture companies	58,714	-	-	-	19,033	-	-	-	-	-	77,747
Additions during the financial year to:											
- property, plant and equipment	-	-	-	-	1,869	6,044	24,340	31,238	-	400	63,891
- investment properties	-	-	-	-	187,729	-	-	-	-	-	187,729
- intangibles	-	-	-	-	-	-	-	34	-	2,252	2,286
Segment liabilities	598,663	117	52,897	147,797	322,118	131,872	100,269	31,135	90	14,312	1,399,270
Unallocated liabilities											1,523,506
Total liabilities											2,922,776

* Included within are Malaysia, PRC and United Kingdom operating segments which are not reportable segments individually.
^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2015 is as follows:

	Property development				Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Malaysia	PRC	United Kingdom		Singapore	Australia	Others^			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
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
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
Segment assets	1,518,090	3,072	259,246	193,036	7,191,167	646,235	249,705	555,645	804,884	43,229	11,464,309
Unallocated assets											36,972
Total assets											11,501,281
Total assets include:											
Investment in associated companies	1,214	-	198,530	-	3,020,448	43,945	-	7,460	-	8,035	3,279,632
Investment in joint venture companies	86,349	-	-	-	-	-	-	-	-	-	86,349
Additions during the financial year to:											
- property, plant and equipment	-	-	-	-	1,600	8,836	24,797	16,198	-	296	51,727
- investment properties	-	-	-	-	1,242	-	-	-	-	-	1,242
- intangibles	-	-	-	-	-	-	-	-	-	570	570
Segment liabilities	911,426	149	71,603	159,519	217,721	136,642	96,568	228,190	88	17,777	1,839,683
Unallocated liabilities											1,260,482
Total liabilities											3,100,165

* Included within are Malaysia and PRC operating segments which are not reportable segments individually.
^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

37. Group segmental information (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2016 $'000	2015 $'000
Adjusted EBITDA for reportable segments	**492,564**	538,674
Depreciation and amortisation	**(66,604)**	(67,231)
Other losses	**(23,275)**	(22,036)
Fair value (losses)/gains on investment properties	**(9,700)**	60,902
Unallocated costs	**(14,183)**	(14,311)
Finance income	**5,406**	6,039
Finance expense	**(30,292)**	(41,664)
Profit before income tax	**353,916**	460,373

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of these financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Exco monitors the development properties, property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than tangible and intangible assets at corporate level and current and deferred income tax assets.

	2016 $'000	2015 $'000
Segment assets for reportable segments	**11,540,676**	11,464,309
Unallocated:		
Cash and bank balances	**12,393**	29,865
Derivative financial instruments	**207**	1,338
Receivables and other assets	**243**	199
Current income tax assets	**157**	125
Property, plant and equipment	**560**	729
Intangibles	**-**	14
Deferred income tax assets	**3,904**	4,702
	11,558,140	11,501,281

37. Group segmental information (continued)

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of these financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accruals for expenses and borrowings at corporate level, current and deferred income tax liabilities and derivative financial instruments.

	2016	2015
	$'000	$'000
Segment liabilities for reportable segments	**1,399,270**	1,839,683
Unallocated:		
Other payables	**16,720**	15,060
Current income tax liabilities	**50,699**	41,788
Borrowings	**1,358,518**	1,113,497
Derivative financial instruments	**4,272**	978
Deferred income tax liabilities	**93,297**	89,159
	2,922,776	3,100,165

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings and management services. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's five business segments operate in seven main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments and investment holdings. The Group also engages in the provision of management services in Singapore and in various overseas locations.

The main activities in Australia, Vietnam, Malaysia, PRC and Myanmar consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in PRC and the United Kingdom.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2016	2015
	$'000	$'000
Singapore	**1,156,986**	1,003,533
Australia	**122,297**	114,712
Malaysia	**47,212**	49,097
PRC	**53,194**	55,582
Vietnam	**31,856**	31,972
Myanmar	**20,735**	20,835
Others	**8,459**	3,018
	1,440,739	1,278,749

37. Group segmental information (continued)

Geographical information (continued)

	Non-current assets	
	2016	2015
	$'000	$'000
Singapore	**7,768,177**	7,764,404
Australia	**256,675**	234,944
Vietnam	**90,221**	40,362
Malaysia	**141,941**	145,580
PRC	**440,078**	469,281
Myanmar	**49,132**	22,884
United Kingdom	**228,941**	23,379
Others	**1,903**	1,914
	8,977,068	8,702,748

There is no single external customer who contributes 10 per cent or more of the Group's revenue during the financial years ended 31 December 2016 and 2015.

38. Business combination

The Group completed the acquisition of a property investment business in London, 110 High Holborn on 15 June 2016, via its wholly owned subsidiary Success Venture Property Investments Limited, whose principal activity is that of property investment.

The transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations and details of the consideration paid and the asset acquired, at the acquisition date, are as follows:

		$'000
(a)	Purchase consideration:	
	Cash paid and consideration transferred for the business	**181,749**
(b)	Effect on cash flows of the Group:	
	Cash paid and cash outflow on acquisition	**181,749**

		At fair value $'000
(c)	Identifiable assets acquired and liabilities assumed:	
	Investment property (Note 20)	185,283
	Total identifiable net assets	**185,283**
	Less: Gain on purchase (Note 8)	(3,518)
	Exchange differences	(16)
	Consideration transferred for the business	**181,749**

38. Business combination (continued)

(d) Acquisition-related costs

Acquisition-related costs of $10,234,000 are shown as 'Other losses' in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

(e) Revenue and profit contribution

The acquired business contributed revenue of $4,943,000 and net profit of $3,577,000 to the Group from the period from 16 June 2016 to 31 December 2016.

Had the acquired business been consolidated from 1 January 2016, consolidated revenue and consolidated profit for the year ended 31 December 2016 would have been $1,444,922,000 and $308,696,000 respectively.

(f) Gain on purchase

The gain on purchase of $3,518,000 from the acquisition is attributable to the difference between the fair value of the investment property at acquisition date and the consideration for the property and is recorded in the consolidated income statement (Note 8).

39. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 and which the Group has not early adopted:

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

39. New or revised accounting standards and interpretations (continued)

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018) (continued)

  Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified that the Group is likely to be affected by the accounting for certain costs incurred in fulfilling a contract where certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  The financial assets held by the Group include:

  - equity instruments currently classified as AFS for which fair value through OCI election is available; and
  - debt instruments classified as loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

  Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

39. New or revised accounting standards and interpretations (continued)

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018) (continued)

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $34,805,000 (Note 34). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The Group does not expect the standards to have material impact to the financial statements.

40. Subsequent events

(a) On 23 January 2017, a wholly-owned subsidiary, UOL Ventures Pte. Ltd. ("UVPL") was granted an option by Sin Lian Huat Co. (Pte.) Ltd to acquire a property known as 45 Amber Road, Singapore at a consideration of $156,000,000. The option was exercised by UVPL on 3 February 2017.

(b) On 16 February 2017, a wholly-owned subsidiary, Pan Pacific Hospitality Pte. Ltd. ("PPH"), acquired an additional 20% shareholding interest in City Square Hotel Co. Ltd ("CSH"), comprising 6,951,600 ordinary shares at US$1.2877 per share for an aggregate cash consideration of US$8,951,600 from Shwe Taung Junction City Development Co., Ltd. ("STJCD"). CSH was incorporated in Myanmar as a joint venture company between PPH and the STJCD for the purpose of developing and owning the proposed 348-room Pan Pacific Yangon, a component of the Junction City mixed-use development along Shwedagon Pagoda Road in Yangon, Myanmar.

41. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 24 February 2017.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UOL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The information in this Appendix V has been reproduced from the audited consolidated financial statements of UOL Group Limited and its subsidiaries for the financial year ended 31 December 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

UOL GROUP LIMITED

(Incorporated in Singapore. Registration Number: 196300438C)

AND ITS SUBSIDIARIES

ANNUAL REPORT

For the financial year ended 31 December 2017

UOL GROUP LIMITED
(Incorporated in Singapore. Registration Number: 196300438C)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2017

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

The directors have pleasure in submitting this statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2017 and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 13 to 113 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Wee Cho Yaw - Chairman
Wee Ee Lim - Deputy Chairman
Gwee Lian Kheng - Group Chief Executive
Low Weng Keong
Wee Sin Tho
Tan Tiong Cheng
Wee Ee-chao
Pongsak Hoontrakul
Poon Hon Thang Samuel

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 2 to 4 of this statement.

Directors' interests in shares or debentures

(a) The directors holding office at 31 December 2017 are also the directors holding office at the date of this statement. Their interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2017	At 1.1.2017	**At 31.12.2017**	At 1.1.2017
UOL Group Limited ("UOL")				
- Ordinary Shares				
Wee Cho Yaw	**3,661,566**	3,661,566	**298,355,597***	271,082,870*
Wee Ee Lim	**260,975**	260,975	**110,875,315**	110,875,315
Gwee Lian Kheng	**830,596**	616,330	**-**	-
Low Weng Keong	**30,694**	30,000	**-**	-
Wee Sin Tho	**105,950**	105,950	**-**	-
Tan Tiong Cheng	**115,528***	112,915	**-**	-
Wee Ee-chao	**31,735***	31,735*	**111,150,885***	111,150,885*
Pongsak Hoontrakul	**21,005***	20,530*	**-**	-
- Executives' Share Options				
Gwee Lian Kheng	**720,000**	900,000	**-**	-

* Includes shares registered in the name of nominees.

Directors' interests in shares or debentures (continued)

(b) The directors' interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings at 21 January 2018, were the same as those at 31 December 2017 except for the following:

	Holdings registered in name of director	
	At 21.1.2018	At 31.12.2017
UOL		
- Executives' Share Options		
Gwee Lian Kheng	**600,000**	720,000

(c) Pursuant to Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw is deemed to be interested in the shares of the subsidiaries of the Company.

(d) Save as disclosed above, none of the other directors holding office at 31 December 2017 has any interest in the ordinary shares and Executives' Share Options of the Company and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Share options

UOL Group Executives' Share Option Scheme

(a) The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

(b) Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

(c) On 10 March 2017, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,366,000 ordinary shares in the Company (known as "the 2017 Options") at the exercise price of $6.61 per ordinary share. 1,366,000 options granted were accepted by the executives, including Gwee Lian Kheng. The total fair value of the options granted was estimated to be $1,544,000 using the Trinomial Tree Model.

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

The details of the options accepted are as follows:

	No. of employees	At exercise price of $6.61 per share
Executive Director	1	120,000
Other Executives	59	1,246,000
	60	1,366,000

(d) Statutory information regarding the 2017 Options is as follows:

(i) The option period begins on 10 March 2018 and expires on 9 March 2027 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Details of options granted in previous financial years were set out in the Directors' Statement for the respective financial years.

(e) Other information required by the Singapore Exchange Securities Trading Limited:

Pursuant to Rule 852 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is reported that during the financial year:

(i) The Remuneration Committee, comprising the following directors, administers the 2012 Scheme:

Wee Sin Tho	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Low Weng Keong	Member	(Independent)

(ii) The details of options granted to a director of the Company, Gwee Lian Kheng, under the 2000 and 2012 Scheme are as follows:

Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2016	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2017	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2017	Aggregate options outstanding at 31.12.2017
1,680,000	120,000	1,800,000	1,080,000	720,000

(iii) Save as disclosed above, no options have been granted to controlling shareholders or their associates, parent group employees, and no employee has received 5% or more of the total options available under the 2012 Scheme. No options were granted at a discount during the financial year.

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

Outstanding Share Options

At 31 December 2017, the holders of the Executives' Share Options include a director of the Company as disclosed under "Directors' interests in shares or debentures".

The holders of the Executives' Share Options have no right to participate by virtue of the options in any share issue of any other company in the Group.

During the financial year, 2,233,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2007 Options	2,000	4.91
2008 Options	112,000	3.68
2009 Options	52,000	1.65
2010 Options	280,000	3.95
2011 Options	219,000	4.62
2012 Options	403,000	5.40
2013 Options	218,000	6.55
2014 Options	215,000	6.10
2015 Options	158,000	7.67
2016 Options	574,000	5.87
	2,233,000	

Unissued ordinary shares under options at 31 December 2017 comprise:

Executives' Share Options	At 1.1.2017	Options granted in 2017	Options exercised	Options forfeited	At 31.12.2017	Exercise/ Subscription price/$	Option period
2007 Options	2,000	-	(2,000)	-	-	4.91	16.03.2008 to 15.03.2017
2008 Options	112,000	-	(112,000)	-	-	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	(52,000)	-	10,000	1.65	06.03.2010 to 05.03.2019
2010 Options	304,000	-	(280,000)	-	24,000	3.95	05.03.2011 to 04.03.2020
2011 Options	340,000	-	(219,000)	-	121,000	4.62	04.03.2012 to 03.03.2021
2012 Options	641,000	-	(403,000)	-	238,000	5.40	23.08.2013 to 22.08.2022
2013 Options	787,000	-	(218,000)	-	569,000	6.55	08.03.2014 to 07.03.2023
2014 Options	699,000	-	(215,000)	-	484,000	6.10	12.03.2015 to 11.03.2024
2015 Options	1,105,000	-	(158,000)	(116,000)	831,000	7.67	11.03.2016 to 10.03.2025
2016 Options	1,129,000	-	(574,000)	-	555,000	5.87	11.03.2017 to 10.03.2026
2017 Options	-	1,366,000	-	(74,000)	1,292,000	6.61	10.03.2018 to 09.03.2027
	5,181,000	1,366,000	(2,233,000)	(190,000)	4,124,000		

Audit & Risk Committee

The Audit & Risk Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Tan Tiong Cheng

Non-independent and non-executive director
Wee Ee Lim

The Audit & Risk Committee carries out the functions set out in the Companies Act (Cap.50). The terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the scope and results of the internal audit procedures and proposals for improvements in internal controls, the cost effectiveness, independence and objectivity of the independent auditor and interested persons transactions.

In performing the functions, the Audit & Risk Committee has met with the internal and independent auditors and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The Audit & Risk Committee has nominated PricewaterhouseCoopers LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

WEE CHO YAW	GWEE LIAN KHENG
Chairman	Director

27 February 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UOL GROUP LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of UOL Group Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated income statement of the Group for the year ended 31 December 2017;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the statements of financial position of the Group and of the Company as at 31 December 2017;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Valuation of investment properties Refer to Note 3(b) (Key accounting estimates, assumptions and judgements) and Note 20 (Investment properties) to the financial statements. As at 31 December 2017, the carrying value of the Group's investment properties stated at fair value based on independent external valuation of $10.9 billion accounted for 56% of the Group's total assets. The valuation of the investment properties is significant to our audit due to the use of estimates in the valuation techniques based on certain key assumptions. The key assumptions include adopted value per square foot and capitalisation rates for shops and offices and growth rates, discount rates and capitalisation rates for serviced suites. These assumptions are dependent on the prevailing market conditions.	Our audit procedures focused on the valuation process and included the following: • assessed the competency and independence of the professional valuers engaged by the Group; • discussed the key assumptions and critical judgemental areas with the professional valuers and understood the approaches taken by them in determining the valuation of each investment property; • checked, on a sample basis, the accuracy of underlying lease and financial information provided to the valuers; and • assessed the reasonableness of the adopted value per square foot, discount rates, capitalisation rates and growth rates assumptions by benchmarking the rates against specific property data, comparables and prior year's inputs. We also assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuers. The external valuers are members of recognised bodies for professional valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>*Valuation of development properties and revenue and cost of sales recognition from sales of development properties*</u>	
Refer to Note 13 (Development properties) to the financial statements. As at 31 December 2017, the carrying value of the Group's development properties of $2.9 billion accounted for 15% of the Group's total assets. The Group did not record any impairment charge for development properties for the financial year then ended. For the year ended 31 December 2017, revenue from sales of development properties recognised as construction progresses of $1,164 million accounted for 55% of the Group's total revenue and the corresponding cost of sales of $964.8 million accounted for 69% of the Group's total cost of sales. No foreseeable loss arising from total development cost exceeding total revenue has been recognised as expense for the financial year then ended. The determination of the carrying value and whether to recognise any impairment charge for development properties is highly dependent on the estimated cost to complete each development and the estimated selling price as disclosed in Note 2.5. Significant estimation uncertainty is involved in estimating the costs of each development. Management also utilised a number of different assumptions which were highly subjective to determine the estimated selling prices which are impacted by market demand for properties and local government policies. These estimates and assumptions impact the carrying value of development properties, and the revenue and cost of sales recognised from sales of development properties.	In assessing valuation of development properties, we focused on development projects with slower than expected sales or low margins. Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used included the following: • compared actual cost incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of cost to complete by substantiating costs that have been committed to quotations from and contracts with suppliers; • discussed with the project managers the basis for the estimated cost to complete and challenged the underlying assumptions by benchmarking against the Group's past projects; and • evaluated the competency and capabilities of the quantity surveyors used by management for the certification of proportion of construction cost to date. We have also challenged management's key assumptions relating to the estimated selling prices by comparing against comparable market data and market price trends, taking into consideration the economic conditions in the respective countries where the Group has development properties. We have evaluated the sensitivity of the margins to changes in sales prices. We have also recomputed the percentage of completion as at the reporting date to assess the appropriateness of the revenue and cost of sales recognised from sales of development properties. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>Accounting for acquisition of controlling interest in United Industrial Corporation Limited ("UIC") and purchase price allocation</u>	
Refer to Note 3(c) and 3(d) (Key accounting estimates, assumptions and judgments) and Note 38 (Business combinations) to the financial statements. On 31 August 2017, the Group increased its equity interest in UIC from 44.77% to 48.96%. Although the Group holds less than 50% of the total share capital of UIC, management had assessed under Financial Reporting Standard ("FRS") 110 Consolidated Financial Statements that the Group's shareholding interest of 48.96% allows it to exercise de facto control over UIC. Significant judgement is involved in the determination of control, including the extent of the Group's voting rights against the remaining shareholders, and its ability to appoint members of UIC's Board of Directors. Following the acquisition, FRS 103 Business Combinations requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition. A net gain from bargain purchase of $542.1 million was recognised as disclosed in Note 38 to the financial statements. Estimating the fair values of the identifiable assets acquired and liabilities assumed, including intangible assets, requires the use of significant judgement and assumptions on the valuation inputs and external market conditions that affect fair value. The key assumptions include the adopted value per square foot, discount rates, capitalisation rates for investment properties and hotel properties, as well as estimated selling prices for development properties.	We evaluated management's conclusion that the Group has de facto control over UIC by examining information relating to the composition of the shareholders and Board of Directors of UIC. We also examined minutes of annual shareholder meetings of UIC and evaluated the Group's representation at past shareholder meetings and the rights of shareholders to vote on key matters, including the right to appointment and re-elect the Board of Directors. We have discussed with management and their external experts on the purchase price allocation, and engaged our valuation specialists to assist in the audit of the purchase price allocation. Our audit procedures included the following: • checked the purchase consideration for the acquisition; • discussed the key assumptions and critical judgemental areas with management and the professional valuers, and understood the approaches taken by them in deriving the allocated values of assets acquired and liabilities assumed, including intangible assets identified; and • compared the methodologies and key assumptions used in deriving the allocated values of assets acquired and liabilities assumed to generally accepted market practices and market data relevant to the assets and liabilities being acquired. We tested the accuracy of all material accounting entries recorded in relation to the acquisition and reviewed the disclosures relating to the Group's acquisition of shares in UIC in Note 38 to the financial statements. We also tested the accuracy of the Group's year-end consolidation of UIC and the associated and joint venture companies jointly held by UOL Group and UIC Group. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable. We also found the accounting entries recorded in relation to the acquisition and the year-end consolidation to be accurate, and disclosures in the financial statements to be adequate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UOL GROUP LIMITED
(continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UOL GROUP LIMITED (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UOL GROUP LIMITED (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Lay See.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 27 February 2018

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2017

	Note	The Group 2017 $'000	2016 $'000
Revenue	4	**2,103,152**	1,440,739
Cost of sales		**(1,403,111)**	(955,729)
Gross profit		**700,041**	485,010
Other income			
- Finance income	4	**11,666**	5,406
- Miscellaneous income	4	**19,255**	17,175
Expenses			
- Marketing and distribution		**(91,514)**	(63,374)
- Administrative		**(99,342)**	(77,660)
- Finance	7	**(37,942)**	(30,292)
- Other operating		**(110,986)**	(81,310)
Share of profit of associated companies		**103,158**	130,849
Share of profit of joint venture companies		**14,461**	1,087
		508,797	386,891
Other gains/(losses)	8	**524,615**	(23,275)
Fair value gains/(losses) on investment properties	20	**15,593**	(9,700)
Profit before income tax		**1,049,005**	353,916
Income tax expense	9(a)	**(62,015)**	(48,316)
Net profit		**986,990**	305,600
Attributable to:			
Equity holders of the Company		**891,009**	287,040
Non-controlling interests		**95,981**	18,560
		986,990	305,600
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10		
- Basic		**108.82**	35.82
- Diluted		**108.75**	35.81

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	The Group 2017 $'000	The Group 2016 $'000
Net profit		**986,990**	305,600
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
- Fair value gains	31(b)	**256,882**	37,066
Cash flow hedges	31(f)	**2,997**	(3,941)
Currency translation differences arising from consolidation of foreign operations	31(e)	**(16,691)**	(7,210)
Share of other comprehensive loss of an associated company	31(a),(e)	**(845)**	(4,569)
Other comprehensive income, net of tax		**242,343**	21,346
Total comprehensive income		**1,229,333**	326,946
Total comprehensive income attributable to:			
Equity holders of the Company		**1,133,611**	308,216
Non-controlling interests		**95,722**	18,730
		1,229,333	326,946

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY
As at 31 December 2017

	Note	The Group 2017 $'000	The Group 2016 $'000	The Company 2017 $'000	The Company 2016 $'000
ASSETS					
Current assets					
Cash and bank balances	11	**816,446**	301,512	**16,294**	1,680
Trade and other receivables	12	**395,299**	99,597	**3,566**	1,579
Derivative financial instrument	26	**14**	-	**-**	-
Development properties	13	**2,872,188**	1,174,220	**-**	-
Inventories	14	**4,991**	651	**-**	-
Other assets	16	**66,183**	16,993	**303**	242
Current income tax assets	9(b)	**220**	157	**-**	-
		4,155,341	1,593,130	**20,163**	3,501
Non-current assets					
Trade and other receivables	12	**92,924**	128,780	**1,152,269**	783,355
Derivative financial instrument	26	**1,538**	207	**-**	-
Available-for-sale financial assets	15	**1,131,702**	855,051	**865,966**	658,110
Investments in associated companies	17	**285,511**	3,409,827	**-**	163,725
Investments in joint venture companies	18	**970**	77,747	**-**	-
Investments in subsidiaries	19	**-**	-	**1,943,625**	1,779,176
Investment properties	20	**10,917,340**	4,299,597	**431,100**	421,500
Property, plant and equipment	21	**2,856,164**	1,165,536	**1,570**	1,009
Intangibles	22	**180,951**	24,361	**284**	-
Deferred income tax assets	29	**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	23	**927,594**	203,125	**859,583**	564,319
Current income tax liabilities	9(b)	**109,186**	50,699	**1,423**	1,838
Borrowings	24	**972,814**	728,675	**142,251**	215,533
Derivative financial instrument	26	**377**	-	**-**	-
		2,009,971	982,499	**1,003,257**	781,690
Non-current liabilities					
Trade and other payables	23	**214,879**	157,013	**2,310**	4,491
Borrowings	24	**2,811,161**	1,617,759	**179,040**	176,417
Derivative financial instrument	26	**1,708**	4,272	**1,708**	3,596
Loan from non-controlling shareholder of a subsidiary (unsecured)	27	**63,009**	63,009	**-**	-
Provision for retirement benefits	28	**5,621**	4,927	**-**	-
Deferred income tax liabilities	29	**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
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	**1,549,744**	1,269,853	**1,549,744**	1,269,853
Reserves	31	**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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2017

	Note	Attributable to equity holders of the Company					
		Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2017							
Beginning of financial year		**1,269,853**	**912,147**	**5,945,154**	**8,127,154**	**508,210**	**8,635,364**
Profit for the year		-	-	891,009	891,009	95,981	986,990
Other comprehensive income for the year		-	242,602	-	242,602	(259)	242,343
Total comprehensive income for the year		**-**	**242,602**	**891,009**	**1,133,611**	**95,722**	**1,229,333**
Employee share option scheme							
- Value of employee services	31(a)	-	1,407	-	1,407	35	1,442
- Proceeds from shares issued	30	12,122	-	-	12,122	-	12,122
Dividends	32	-	-	(120,716)	(120,716)	(3,775)	(124,491)
Issue of shares for the acquisition of shares in a subsidiary	30	219,000	-	-	219,000	-	219,000
Issue of shares under scrip dividend scheme	30	48,769	-	-	48,769	-	48,769
Acquisition of interests from non-controlling shareholders		-	-	27,092	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	(3,319)	4,172,394	4,169,075
Total transactions with owners, recognised directly in equity		**279,891**	**(247,477)**	**151,941**	**184,355**	**4,097,239**	**4,281,594**
End of financial year		**1,549,744**	**907,272**	**6,988,104**	**9,445,120**	**4,701,171**	**14,146,291**
2016							
Beginning of financial year		1,216,099	889,866	5,788,210	7,894,175	506,941	8,401,116
Profit for the year		-	-	287,040	287,040	18,560	305,600
Other comprehensive income for the year		-	21,176	-	21,176	170	21,346
Total comprehensive income for the year		-	21,176	287,040	308,216	18,730	326,946
Employee share option scheme							
- Value of employee services	31(a)	-	1,103	-	1,103	-	1,103
- Proceeds from shares issued	30	1,095	-	-	1,095	-	1,095
Dividends	32	-	-	(119,416)	(119,416)	(2,000)	(121,416)
Issue of shares under scrip dividend scheme	30	55,138	-	-	55,138	-	55,138
Shares cancelled upon buy-back		(2,479)	-	(6,384)	(8,863)	-	(8,863)
Acquisition of interests from non-controlling shareholder		-	-	(4,404)	(4,404)	(15,461)	(19,865)
Share of an associated company's acquisition of interests from non-controlling shareholders		-	2	108	110	-	110
Total transactions with owners, recognised directly in equity		53,754	1,105	(130,096)	(75,237)	(17,461)	(92,698)
End of financial year		1,269,853	912,147	5,945,154	8,127,154	508,210	8,635,364

An analysis of movements in each category within "Reserves" is presented in Note 31.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2017

	2017 **$'000**	2016 $'000
Cash flows from operating activities		
Net profit	**986,990**	305,600
Adjustments for		
- Income tax expense	**62,015**	48,316
- Depreciation and amortisation	**131,277**	66,604
- Allowance for impairment of loans and receivables - net	**133**	60
- Share of profit of associated companies	**(103,158)**	(130,849)
- Share of profit of joint venture companies	**(14,461)**	(1,087)
- Unrealised translation losses/(gains)	**6,463**	(69)
- Net provision for retirement benefits	**589**	1,165
- Employee share option expense	**1,442**	1,102
- Dividend income 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
- Property, plant and equipment written off and net loss on disposals	**1,611**	1,152
- Negative goodwill on acquisition of interests in an associated company	**(2,814)**	(7,400)
- Negative goodwill on acquisition of subsidiaries, net of loss on derecognition of associated and joint venture companies	**(542,076)**	-
- 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	**(93,362)**	13,593
- Development properties	**474,814**	244,626
- Inventories	**(749)**	83
- Payables	**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	**(22,651)**	(36,287)
Payment to non-controlling shareholder for purchase of shares in a subsidiary	**(45,035)**	(19,865)
Loans to an associated company and joint venture companies	**(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 (Note 38)	**474,358**	-
Acquisition of a business (Note 38)	**(264,437)**	(181,749)
Purchase of property, plant and equipment and investment properties	**(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)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2017

	Note	**2017 $'000**	2016 $'000
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		**2,178,036**	1,459,712
Repayment of borrowings		**(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	11(c)	**816,446**	301,312

Reconciliation of liabilities arising from financing activities

	1 January 2017 $'000	Principal and interest payments $'000	Non-cash changes $'000			31 December 2017 $'000
			Acquisition	Interest expense	Foreign exchange movement	
Medium term notes	491,655	(86,507)	-	11,593	-	416,741
Bank borrowings	1,856,809	(224,597)	1,670,738	51,888	17,719	3,372,557
Loan from minority shareholder	66,667	-	-	1,507	-	68,174
Finance lease liabilities	3,906	(277)	-	275	(20)	3,884

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

UOL Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is as follows:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activities of the Company are investments in properties, subsidiaries, associated companies and listed and unlisted securities. The principal activities of its subsidiaries are set out in Note 19.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain key accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of properties and goods and the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Revenue from property development – sale of development properties

Revenue from sale of properties held for sale in respect of sale and purchase agreements entered into prior to completion of construction is recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - Agreements for the Construction of Real Estate, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the estimated total construction costs. No revenue is recognised for unsold units.

For sales of overseas development properties, the Group recognises revenue upon the transfer of significant risks and rewards of ownership on a completed contract basis.

(b) Revenue from hotel ownership and operations

Revenue from the ownership and operation of hotels is recognised at the point at which the accommodation and related services are provided.

(c) Revenue from hotel and other management services

Revenue from hotel and other management services includes property and project management fees, hotel management fees, franchise fees and other related fees.

(i) Property and project management fees

Property and project management fees are recognised when services are rendered under the terms of the contract.

(ii) Hotel management fees

Management fees earned from hotels managed by the Group, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability.

2. **Significant accounting policies** (continued)

2.2 Revenue recognition (continued)

(c) *Revenue from hotel and other management services* (continued)

(iii) Franchise fees

Franchise fees received in connection with licensing of the Group's brand names, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the agreement. The Group generally charges franchise fees as a percentage of hotel revenue.

(iv) Other related fees

Other related fees earned from hotels managed by the Group are recognised when services are rendered under the terms of the contract.

(d) *Interest income*

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(f) *Revenue from property investments - rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(g) *Revenue from information technology operations*

Revenue from sale of computer hardware and software is recognised when the Group has transferred significant risks and rewards of ownership of the products to the customer on delivery and the customer has accepted the products. Revenue from the rendering of services is recognised when the service is rendered, by reference to completion of specific transaction assessed on the basis of the actual service provided as a proportion to the total services to be performed.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of financial position for the Group and the Company. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from purchase. Please refer to the paragraph "Intangibles – Goodwill on acquisition" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies and joint venture companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture companies are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint venture companies (continued)

(i) Acquisitions

Investments in associated companies and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies or joint venture companies represents the excess of the cost of acquisition of the associated company or joint venture company over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies and joint venture companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture company equals to or exceeds its interest in the associated company or joint venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company or joint venture company. If the associated company or joint venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies and joint venture companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the income statement.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint venture companies* (continued)

(iii) *Disposals* (continued)

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in associated companies and joint venture companies in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Certain leasehold land and buildings comprising hotel properties were subsequently revalued in 1985, in accordance with a valuation carried out by an independent professional firm of valuers on their existing use basis. However, a decision was then made that future valuations of hotel properties would not be recognised in the financial statements.

Freehold land is subsequently carried at cost less accumulated impairment losses. Leasehold land and buildings are subsequently carried at cost or valuation less accumulated depreciation and accumulated impairment losses.

(ii) *Properties under development*

Hotel property under development is carried at cost less accumulated impairment losses until construction is completed at which time depreciation will commence over its estimated useful life.

(iii) *Other property, plant and equipment*

Plant, equipment, furniture and fittings and motor vehicles are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iv) *Component of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the properties under development. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation

Freehold land, properties under development and renovation in progress are not depreciated. Leasehold land is amortised evenly over the term of the lease. Please refer to Note 21(d) for the lease period of each property.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	45 to 93 years
Plant, equipment, furniture and fittings	3 to 20 years
Motor vehicles	5 to 7 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(d) Disposals

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that item is transferred to retained earnings directly.

2.5 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

2. Significant accounting policies (continued)

2.5 Development properties (continued)

The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to estimated total construction costs. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as development properties under “current assets”. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under “trade and other payables”.

Overseas properties held for sale are stated at cost and payments received for purchases prior to completion are included in current liabilities as “monies received in advance”.

Refer to Note 2.2(a) for revenue recognition of properties for sale under development.

2.6 Intangibles

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference (“negative goodwill”) is recognised directly in the income statement as a gain from purchase.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated companies and joint venture companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint venture companies include the carrying amount of goodwill relating to the entity sold.

(b) Acquired trademarks

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 10 to 20 years.

2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(c) Acquired computer software costs

Acquired computer software costs are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software under development is not amortised. Other computer software costs are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful life of 3 to 5 years.

(d) Contract acquisition costs

Directly attributable costs incurred in the securing of management contracts or franchise agreements are capitalised as intangibles. These costs do not represent a physical asset which the Group has legal title to. They represent costs incurred to obtain a legal contractual right.

The directly attributable costs are amortised to the income statement using the straight-line method over the number of years of the management contract or franchise agreement they relate to, which is generally within 5 to 10 years. They are also reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revision are recognised in the income statement when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2. Significant accounting policies (continued)

2.8 Investment properties

Investment properties include those land and buildings or portions of buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.9 Investments in subsidiaries, associated companies and joint venture companies

Investments in subsidiaries, associated companies and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

2. **Significant accounting policies** (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Intangibles*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint venture companies

Intangibles, property, plant and equipment and investments in subsidiaries, associated companies and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "cash and bank balances" and deposits within "other assets" on the statement of financial position.

2. Significant accounting policies (continued)

(a) Classification (continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(b) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) Measurement

Financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve.

(d) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

2. **Significant accounting policies** (continued)

2.11 Financial assets (continued)

(d) *Impairment* (continued)

(i) *Loans and receivables* (continued)

The impairment allowance is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.11(d)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in the fair value reserve is reclassified to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through the income statement.

(e) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs, in the Company's statement of financial position except when the fair value is determined to be insignificant.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2. Significant accounting policies (continued)

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has derivative financial instruments which are designated as cash flow hedges and derivative financial instruments which do not qualify for hedge accounting.

2. **Significant accounting policies** (continued)

2.15 Derivative financial instruments and hedging activities (continued)

Cash flow hedge - Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

(a) When the Group is the lessee:

The Group leases certain property, plant and equipment under finance leases and operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

2. Significant accounting policies (continued)

(a) When the Group is the lessee:

(i) Lessee – Finance leases

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

(b) When the Group is the lessor:

The Group leases certain investment properties under operating leases to non-related parties.

Lessor – Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

2.18 <u>Inventories</u>

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 <u>Income taxes</u>

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. Significant accounting policies (continued)

2.19 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint venture companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for deductible temporary differences and tax losses where deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.20 Provisions

Provisions for legal claims, asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

2. **Significant accounting policies** (continued)

2.20 Provisions (continued)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise, except for changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately.

2.21 Employee compensation

(a) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefit plans are either defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to the length of service and earnings over the employees' period of employment; that benefit is discounted to determine the present value. The discount rate is the market yield at the end of reporting period on high quality corporate bonds or government bonds. Provision for employee retirement benefits is made in the financial statements so as to provide for the accrued liability at year end. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision for the defined benefit plan is not likely to be significant.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(a) *Post-employment benefits* (continued)

Defined benefit plans (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan under the 2012 Share Option Scheme. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(b) *Transactions and balances* (continued)

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within “finance income” or “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “miscellaneous income”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities’ financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, highly liquid short-term deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts and exclude bank deposits pledged as security. Bank overdrafts are presented as current borrowings on the statement of financial position.

2. Significant accounting policies (continued)

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.26 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Key accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Classification of the Group's serviced suites as investment property or property, plant and equipment

Management applies judgement in determining the classification of the serviced suites owned by the Group. The key criteria used to distinguish the Group's serviced suites which are classified as investment properties and its other properties classified as property, plant and equipment, is the level of services provided to tenants of the serviced suites.

The Group's serviced suites have been classified as investment properties and the carrying amount at the end of the reporting period was $426,548,000 (2016: $426,463,000).

(b) Fair values of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the income statement. In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, growth rate and discount rate. In relying on the valuation reports, management has assessed that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 20.

3. Key accounting estimates, assumptions and judgements (continued)

(c) Acquisition of subsidiaries

The initial accounting on the acquisition of subsidiaries involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of development property backlog, development properties, property, plant and equipment and investment properties are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values will impact the carrying amount of these assets acquired.

(d) Control without majority equity interest and voting power

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate.

On 31 August 2017, the Group completed the acquisition of 60,000,000 United Industrial Corporation Limited ("UIC") Shares in consideration of which 27,272,727 new UOL Shares were issued and allotted to a subsidiary of Haw Par Corporation Limited. As a result of this acquisition, the Group's aggregate interest in UIC increased to 701,048,530 UIC Shares or 48.96 % of UIC's issued share capital.

The management assessed whether or not the Group has control over UIC based on whether it has the practical ability to direct the relevant activities of UIC. In exercising its judgement, management considers the historical representation at previous shareholders' meetings and the relative size and dispersion of the shareholdings owned by the other shareholders. Management concluded that the Group has sufficient interest to exert control over UIC and therefore has consolidated UIC into the financial statements for the year ended 31 December 2017. Summarised financial information of UIC is disclosed in Note 19. Information about acquisition of subsidiaries during the year are disclosed in Note 38.

(e) Other estimates and judgements applied

The Group, on its own or in reliance on third party experts, also applies estimates, assumptions and judgements in the following areas:

(i) the level of impairment of value of hotel properties;
(ii) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of development properties; and
(iii) the determination of the fair values of unquoted available-for-sale financial assets.

These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

4. Revenue, finance income and miscellaneous income

	The Group	
	2017	2016
	$'000	$'000
Revenue from property development		
- recognised on a completed contract basis	**2,704**	7,708
- recognised as construction progresses	**1,164,025**	726,226
	1,166,729	733,934
Revenue from property investments	**327,065**	225,038
Revenue from hotel ownership and operations	**526,221**	429,613
Revenue from management services and technologies	**53,369**	21,973
Dividend income from available-for-sale financial assets	**29,768**	30,181
Total revenue	**2,103,152**	1,440,739
Interest income		
- fixed deposits with financial institutions	**5,623**	1,827
- loans to joint venture companies	**2,077**	3,324
- others	**265**	255
	7,965	5,406
Currency exchange gains - net	**3,701**	-
Finance income	**11,666**	5,406
Miscellaneous income	**19,255**	17,175
	2,134,073	1,463,320

5. Expenses by nature

	The Group	
	2017	2016
	$'000	$'000
Cost of inventories sold	**77,878**	43,090
Depreciation of property, plant and equipment (Note 21)	**105,946**	65,242
Amortisation of intangibles [Note 22(a),(b),(c),(d)]	**25,331**	1,362
Total depreciation and amortisation	**131,277**	66,604
Hospitality expenses	**86,803**	73,857
Property, plant and equipment written off and net loss on disposals	**1,611**	1,152
Auditors' remuneration paid/payable to:		
- auditor of the Company	**985**	856
- other auditors	**690**	647
Other fees paid/payable to:		
- auditor of the Company	**287**	93
- other auditors	**258**	204
Employees compensation (Note 6)	**228,176**	188,556
Rent paid to other parties	**3,605**	2,741
Heat, light and power	**25,074**	20,742
Property tax	**36,462**	27,771
Development cost included in cost of sales	**964,848**	652,936
Advertising and promotion	**46,544**	46,733
Management fees	**5,202**	610
IT related expenses	**2,316**	1,837
Repairs and maintenance	**38,848**	29,921
Allowance of loans and receivables - net	**133**	60
Other expenses	**53,956**	19,663
Total cost of sales, marketing and distribution, administrative and other operating expenses	**1,704,953**	1,178,073

6. Employees compensation

	The Group	
	2017	2016
	$'000	$'000
Wages and salaries	**208,956**	172,641
Employer's contribution to defined contribution plans including Central Provident Fund	**17,189**	13,648
Retirement benefits	**589**	1,165
Share options granted to directors and employees	**1,442**	1,102
	228,176	188,556

7. Finance expense

	The Group	
	2017	2016
	$'000	$'000
Interest expense:		
- bank loans, notes and overdrafts	**55,910**	51,858
- loans from non-controlling shareholders of subsidiaries	**1,506**	1,558
- finance lease liabilities	**275**	268
- bank facility fees	**4,168**	3,549
	61,859	57,233
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	**3,385**	1,891
Less:		
Borrowing costs capitalised in development properties [Note 13(c)]	**(27,302)**	(29,868)
	37,942	29,256
Currency exchange losses – net	**-**	1,036
	37,942	30,292

8. Other gains/(losses)

	The Group	
	2017	2016
	$'000	$'000
Negative goodwill on acquisition of subsidiaries, net of loss on derecognition of associated and joint venture companies (Note 38)	**542,076**	-
Negative goodwill on acquisition of interests in an associated company	**2,814**	7,400
Gain on purchase of a business	**-**	3,518
Acquisition costs of a business	**(15,172)**	(10,234)
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)
	524,615	(23,275)

9. Income taxes

(a) Income tax expense

	The Group	
	2017	2016
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax [Note (b) below]		
- Singapore	**58,589**	36,901
- Foreign	**7,154**	8,125
- Withholding tax paid	**456**	582
	66,199	45,608
Deferred income tax (Note 29)	**(1,184)**	4,106
	65,015	49,714
- (Over)/under provision in prior financial years:		
Current income tax [Note (b) below]		
- Singapore	**(4,659)**	(1,487)
- Foreign	**1,565**	9
	(3,094)	(1,478)
Deferred income tax (Note 29)	**94**	80
	(3,000)	(1,398)
	62,015	48,316

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:

	The Group	
	2017	2016
	$'000	$'000
Profit before income tax	**1,049,005**	353,916
Share of profit of associated companies, net of tax	**(103,158)**	(130,849)
Share of profit of joint venture companies, net of tax	**(14,461)**	(1,087)
Profit before tax and share of profit of associated companies and joint venture companies	**931,386**	221,980
Tax calculated at a tax rate of 17% (2016: 17%)	**158,336**	37,737
Effects of:		
- Singapore statutory stepped income exemption	**(620)**	(538)
- Tax rebates	**(771)**	(397)
- Different tax rates in other countries	**2,613**	1,134
- Income not subject to tax	**(112,307)**	(10,735)
- Expenses not deductible for tax purposes	**19,086**	16,971
- Utilisation of previously unrecognised tax losses	**(1,219)**	(9)
- Deferred tax assets not recognised in the current financial year	**(103)**	5,551
- Over provision in prior financial years	**(3,000)**	(1,398)
Tax charge	**62,015**	48,316

9. Income taxes (continued)

(b) Movements in current income tax (assets)/liabilities

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**50,542**	41,663
Currency translation differences	**(98)**	74
Income tax paid	**(61,325)**	(33,475)
Tax expense on profit [Note (a) above]		
- current financial year	**66,199**	45,608
- Group tax relief	**(442)**	(1,850)
- over provision in prior financial years	**(3,094)**	(1,478)
Acquisition of subsidiaries (Note 38)	**57,184**	-
At the end of the financial year	**108,966**	50,542
Comprise:		
Current income tax assets	**(220)**	(157)
Current income tax liabilities	**109,186**	50,699
	108,966	50,542

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2017	2016
Net profit attributable to equity holders of the Company ($'000)	**891,009**	287,040
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**818,811**	801,252
Basic earnings per share (cents per share)	**108.82**	35.82

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2017, the Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

10. Earnings per share (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company are calculated as follows:

	2017	2016
Net profit attributable to equity holders of the Company ($'000)	**891,009**	287,040
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**818,811**	801,252
Adjustments for share options ('000)	**543**	276
Weighted average number of ordinary shares for diluted earnings per share ('000)	**819,354**	801,528
Diluted earnings per share (cents per share)	**108.75**	35.81

11. Cash and bank balances

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**356,264**	111,141	**16,281**	468
Fixed deposits with financial institutions	**460,182**	190,371	**13**	1,212
	816,446	301,512	**16,294**	1,680

(a) Included in cash and bank balances of the Group is an amount of $237,205,000 (2016: $161,822,000) maintained in Project accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules (1997 Ed.).

(b) Included in cash and bank balances of the Group is an amount of $5,911,000 (2016: $851,000) maintained in maintenance fund accounts for completed development properties. The funds in the maintenance fund accounts can only be applied for the upkeep of the completed development properties.

(c) For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2017	2016
	$'000	$'000
Cash and bank balances (as above)	**816,446**	301,512
Less: Bank deposits pledged as security [Note 24(b)]	**-**	(200)
Cash and cash equivalents per consolidated statement of cash flows	**816,446**	301,312

11. Cash and bank balances (continued)

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 12 months (2016: 11 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2017	2016	**2017**	2016
	%	%	**%**	%
Singapore Dollar	**1.1**	0.5	**0.2**	0.2
United States Dollar	**1.2**	-	**-**	-
Pound Sterling	**0.5**	0.7	**-**	-
Australian Dollar	**1.0**	0.9	**-**	-
Malaysian Ringgit	**3.2**	3.2	**-**	-
Vietnamese Dong	**2.7**	3.7	**-**	-
Chinese Renminbi	**1.5**	1.7	**-**	-
Indonesian Rupiah	**3.0**	6.5	**-**	-

(e) Acquisition of subsidiaries and a business

Please refer to Note 38 for the effects of acquisition of subsidiaries and a business on the cash flows of the Group.

12. Trade and other receivables

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables:				
- non-related parties	**383,710**	96,953	**36**	121
- subsidiaries	**-**	-	**414**	410
- associated companies	**150**	-	**-**	-
Less: Allowance for impairment of receivables				
- non-related parties	**(1,056)**	(416)	**-**	-
Trade receivables - net	**382,804**	96,537	**450**	531
Other receivables:				
- subsidiaries (non-trade)	**-**	-	**2,988**	989
- joint venture companies (non-trade)	**94**	1,050	**82**	23
- sundry debtors	**12,401**	2,010	**46**	36
Other receivables	**12,495**	3,060	**3,116**	1,048
	395,299	99,597	**3,566**	1,579
Non-current				
Trade receivables:				
- non-related parties	**17,783**	15,221	**468**	610
Other receivables:				
- joint venture companies (non-trade)	**-**	1,484	**-**	-
Loans to:				
- subsidiaries (unsecured)	**-**	-	**1,151,801**	782,745
- associated companies (unsecured)	**22,646**	4,375	**-**	-
- joint venture companies (unsecured)	**52,495**	107,719	**-**	-
Less: Share of loss of an associated company taken against loan to the associated company	**-**	(19)	**-**	-
	92,924	128,780	**1,152,269**	783,355
Total trade and other receivables	**488,223**	228,377	**1,155,835**	784,934

12. Trade and other receivables (continued)

(a) An impairment of receivables of $133,000 (2016: $60,000) has been included in the income statement.

(b) Included within trade receivables are the balance of sales consideration to be billed for properties held for sale that has obtained temporary occupation permit.

(c) The non-trade amounts due from subsidiaries and joint venture companies are unsecured, interest-free and repayable on demand. The non-current loans to subsidiaries, associated companies and joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the reporting period.

(d) The loans to joint venture companies that are subordinated to the secured bank loans of the respective joint venture companies are as follows:

	The Group	
	2017	2016
	$'000	$'000
Loans subordinated to secured bank loans:		
- Loans to joint venture companies	**52,495**	94,235

(e) The fair values of non-current trade and other receivables are computed based on cash flows discounted using market borrowing rates. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group		The Company		Borrowing rates	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000	**%**	%
Loans to subsidiaries:						
- Interest-free	**-**	-	**1,125,369**	763,307	**2.3**	2.5
Loans to associated companies:						
- Interest-free	**18,510**	4,262	**-**	-	**3.1**	2.7
Loans to joint venture companies:						
- Floating rate	**52,495**	107,719	**-**	-	**2.6**	2.3
	71,005	111,981	**1,125,369**	763,307		

13. Development properties

	The Group	
	2017	2016
	$'000	$'000
Completed properties	**399,786**	31,878
Development properties in progress	**2,472,402**	1,142,342
	2,872,188	1,174,220

(a) Development properties in progress where revenue is recognised as construction progresses are as follows:

	The Group	
	2017	2016
	$'000	$'000
Aggregate costs incurred and development profits recognised	**2,603,822**	1,708,794
Less: Progress billings	**(1,011,886)**	(716,053)
	1,591,936	992,741

Progress billings relating to properties held for sale sold but accounted for using the completion of construction method has been included in "deferred revenue" under current trade and other payables.

13. Development properties (continued)

(b) Borrowing costs of $27,302,000 (2016: $29,868,000) (Note 7) arising on financing specifically entered into for the development of properties were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to $1,582,031,000 (2016: $992,741,000) [Note 24(b)].

(d) Details of the Group's development properties in progress are as follows:

Property	Tenure of land	Stage of completion	Expected completion date	Site area/gross floor area (sq m)	Effective interest in property
Botanique at Bartley A residential development comprising 797 units of condominium apartments	99-year leasehold	77.8%	1st Quarter 2019	20,078/61,839	100%
Principal Garden A residential development comprising 663 units of condominium apartments	99-year leasehold	74.3%	4th Quarter 2018	24,964/57,668	70%
Bishopsgate site A residential development with proposed 160 units of apartments within a mixed development in London, The United Kingdom	Freehold	13.4%	2nd Quarter 2020	3,200/53,528	100%
The Clement Canopy A residential development comprising 505 units of condominium apartments	99-year leasehold	57.3%	2nd Quarter 2019	13,038/50,196	74.9%
Potong Pasir Avenue 1 site A residential development comprising 729 units of condominium apartments	99-year leasehold	-	2nd Quarter 2021	18,711/52,391	74.9%
Amber 45 A residential development comprising 139 units of condominium apartments	Freehold	1.0%	2nd Quarter 2020	6,490/14,992	100%
Park Eleven A proposed mixed-use development comprising 398 residential apartments, with a retail component in Shanghai	70-year leasehold	99.0%	3rd Quarter 2018	39,540/135,339	54.9%

(e) Details of the Group's completed properties are as follows:

Property	Tenure of land	Net saleable area (sq m)	Effective interest in property
The Esplanade (Hai He Hua Ding) 29 unsold office units within a mixed development in Tianjin, The People's Republic of China	40-year leasehold	10,235	100%
The Excellency (Chengdu) 5 unsold units in two residential towers of 51 storeys each at the junction of Dacisi Road and Tian Xian Qiao Road North	70-year leasehold	3,136	49.7%
Mon Jervois 29 unsold units in a 109-unit condominium development at Jervois Road	99-year leasehold	5,129	49.7%
Pollen & Bleu 26 unsold units in a 106-unit condominium development at Farrer Drive	99-year leasehold	2,651	49.7%
V on Shenton 81 unsold units in a 510-unit condominium development at Shenton Way, part of a mixed residential and commercial development at Shenton Way	99-year leasehold	12,620	49.7%

14. Inventories

	The Group 2017 $'000	The Group 2016 $'000
Food and beverages	**1,189**	640
Other supplies	**3,802**	11
	4,991	651

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $77,878,000 (2016: $43,090,000).

15. Available-for-sale financial assets

	The Group 2017 $'000	The Group 2016 $'000	The Company 2017 $'000	The Company 2016 $'000
At the beginning of the financial year	**855,051**	804,872	**658,110**	619,647
Scrip dividends from an available-for-sale financial asset	**13,404**	13,113	**10,076**	9,857
Acquisition of subsidiaries (Note 38)	**6,365**	-	**-**	-
Fair value gains recognised in other comprehensive income [Note 31(b)]	**256,882**	37,066	**197,780**	28,606
At the end of the financial year	**1,131,702**	855,051	**865,966**	658,110

At the end of the reporting period, available-for-sale financial assets included the following:

	The Group 2017 $'000	The Group 2016 $'000	The Company 2017 $'000	The Company 2016 $'000
Listed securities:				
- Equity shares - Singapore	**1,062,758**	807,667	**803,387**	610,726
Unlisted securities:				
- Equity shares - Singapore	**62,579**	47,384	**62,579**	47,384
- Equity shares - China	**6,365**	-	**-**	-
	1,131,702	855,051	**865,966**	658,110

16. Other assets

	The Group 2017 $'000	The Group 2016 $'000	The Company 2017 $'000	The Company 2016 $'000
Deposits	**12,385**	1,626	**21**	27
Prepayments	**53,798**	15,367	**282**	215
	66,183	16,993	**303**	242

17. Investments in associated companies

	The Company 2017 $'000	The Company 2016 $'000
Equity investments at cost:		
At the beginning of the financial year	**163,725**	162,737
Liquidation of associated companies	**(300)**	-
Scrip dividends from an associated company	**999**	988
De-recognition of associated companies due to step acquisition	**(164,424)**	-
At the end of the financial year	**-**	163,725

17. Investments in associated companies (continued)

(a) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2017 %	Equity holding 2016 %	Accounting year end
United Industrial Corporation Limited ("UIC") (Note 38)	Property investment, development and management and information technology related products and services	Singapore	**-&**	2.34 by UOL and 42.26 by UEI	31 December
Marina Centre Holdings Pte Ltd (Note 38)	Hotelier and property investment	Singapore	**-&**	22.67 by UOL	31 December
Aquamarina Hotel Private Limited (Note 38)	Hotelier	Singapore	**-&**	25 by UEI	31 December
Shanghai Jin Peng Realty Co. Ltd* (Note 38)	Property development	The People's Republic of China	**-&**	40 by UCI	31 December
Peak Venture Pte. Ltd.^	Dormant	Singapore	**-&**	40 by UCI	31 December
Marina Bay Hotel Private Limited	Hotelier	Singapore	**50 by MCH**	-	31 December
Avenue Park Development Pte. Ltd.	Property development	Singapore	**48 by SLD**	-	31 December
Tianjin Yan Yuan International Hotel^	Hotel investment	The People's Republic of China	**20 by ABCC 16 by NW**	-	31 December
City Square Hotel Co. Ltd.^	Hotelier	Myanmar	**40 by PPHH**	20 by PPHH	31 December
Pilkon Development Company Limited**	Investment holding	The British Virgin Islands	**39.35 by PPHG**	39.35 by PPHG	31 December
PPHR (Thailand) Company Limited^	Marketing agent	Thailand	**48.97 by PPH**	48.97 by PPH	31 December
Brendale Pte Ltd	Liquidated	Singapore	**-**	30 by UOL	31 December
Ardenis Pte Ltd	Liquidated	Singapore	**-**	35 by UOD	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.

* Audited by a PricewaterhouseCoopers firm outside Singapore.

** Not required to be audited under the laws of the country of incorporation.

^ Audited by other auditors. The associated companies not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant associated companies as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

& During the financial year, the Group increased its shareholding interests in UIC (Note 38) which resulted in these entities becoming subsidiaries of the Group. Accordingly, the Group's equity interests in these entities as at 31 December 2017 are as disclosed in Note 19.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2017.

The associated companies are, in the opinion of the directors, not material to the Group except for UIC in 2016 and up to 30 August 2017. UIC which is listed on the Singapore Stock Exchange and has Singapore Land Limited as its subsidiary, is one of Singapore's biggest office landlords and the Group's investment in UIC allows the Group to benefit from its significant exposure to quality commercial assets in the Singapore Central Business District.

17. Investments in associated companies (continued)

(b) As at 31 December 2016, the carrying amounts and published price quotations of UIC are as follows:

	The Group 2016 $'000	The Company 2016 $'000
Carrying amount	2,791,307	51,942
Published price quotation	1,753,190	92,189

The fair value measurement based on published price quotations was classified within Level 1 of the fair value hierarchy.

No impairment in value of investment in UIC was required in 2016 as the Group's share of the recoverable amount of UIC after considering its unrecognised revaluation surplus on property, plant and equipment, was higher than the carrying amount.

(c) Summarised financial information of UIC as an associated company in 2016

	2016 $'000
Current assets	1,231,792
Includes:	
- Cash and cash equivalents	86,508
Non-current assets	7,390,011
Current liabilities	(1,463,205)
Includes:	
- Financial liabilities (excluding trade payables)	(1,229,148)
- Other liabilities	(46,345)
Non-current liabilities	(123,536)
Includes:	
- Financial liabilities (excluding trade payables)	(12,480)
- Other liabilities	(54,275)
Net assets	7,035,062
Revenue	1,036,584
Interest income	3,929
Expenses includes:	
- Depreciation	(24,068)
- Interest expense	(9,204)
Profit before tax	328,215
Income tax expense	(49,560)
Profit after tax	278,655
Other comprehensive loss	(11,997)
Total comprehensive income	266,658
Dividends received from UIC	18,667

The information above reflects the amounts presented in the financial statements of UIC (and not the Group's share of those amounts). No adjustments for differences in accounting policies between the Group and UIC were necessary. There were no contingent liabilities relating to the Group's interest in UIC as at 31 December 2016. Information on UIC for 2017 are included in Note 19.

17. **Investments in associated companies** (continued)

(c) Summarised financial information of UIC as an associated company in 2016 (continued)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in UIC:

	2016 $'000
Net assets attributable to equity holders of the Company	
At 1 January	6,781,019
Profit for the year	278,655
Other comprehensive loss	(11,997)
Movement in share capital	38,677
Movement in reserves	424
Effect of purchase of shares from non-controlling shareholders	(455)
Dividends paid	(51,261)
At 31 December	7,035,062
Less: Amounts attributable to non-controlling interests	(803,115)
	6,231,947
Interest in UIC (44.60%)	2,779,448
Revaluation gains of hotel properties recognised during step acquisitions	11,859
Carrying value	2,791,307

(d) The aggregate of the Group's share in the net profit and total comprehensive income of other immaterial associated companies and their carrying amounts in 2016 are as follows:

	2016 $'000
Net profit and total comprehensive income	1,859
Carrying value	618,520

(e) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities relating to borrowings of an associated company in which the Group is severally liable (Note 33) amounted to $1,857,000 (2016: $2,856,000).

18. Investments in joint venture companies

(a) The joint venture companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2017 %	Equity holding 2016 %	Accounting year end
United Venture Development (Bedok) Pte. Ltd. ("UVDB") (Note 38)	Property development	Singapore	**-**[&]	50 by UVI	31 December
United Venture Development (Thomson) Pte. Ltd. ("UVDT") (Note 38)	Property development	Singapore	**-**[&]	50 by UVI	31 December
United Venture Development (Clementi) Pte. Ltd. ("UVDC") (Note 38)	Property development	Singapore	**-**[&]	50 by UVI	31 December
UVD (Projects) Pte. Ltd. ("UVDP") (Note 38)	Property development	Singapore	**-**[&]	50 by UVI	31 December
United Venture Investments (HI) Pte. Ltd. ("UVIHI") (Note 38)	Property investment	United Kingdom/ Singapore	**-**[&]	50 by UVI	31 December
Secure Venture Development (No. 1) Pte. Ltd.^	Property development	Singapore	**50 by UVI**	-	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture companies.

^ Newly incorporated during the financial year.

& During the financial year, the Group increased its shareholding interests in UIC (Note 38) which resulted in these entities becoming subsidiaries of the Group. Accordingly, the Group's equity interests in these entities as at 31 December 2017 are as disclosed in Note 19.

(b) There is no share of joint venture companies' contingent liabilities incurred jointly with other investors. Contingent liabilities relating to capital commitments of joint venture companies in which the Group is severally liable amounted to $77,376,000 in 2016.

19. Investments in subsidiaries

	The Company 2017 $'000	The Company 2016 $'000
Listed investments at cost	**52,940**	**-**
Unlisted investments at cost	**1,920,779**	1,807,295
Less accumulated impairment charge:		
At the beginning of the financial year	**(28,119)**	(6,581)
Impairment charge for the financial year	**(1,975)**	(26,875)
Write-back of impairment charge for the financial year	**-**	5,337
	(30,094)	(28,119)
At the end of the financial year	**1,943,625**	1,779,176

19. Investments in subsidiaries (continued)

(a) Impairment charge

Impairment charges and write-back of impairment charges were made to adjust the carrying values of certain of the Company's unlisted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2017	2016	**2017**	2016	**2017**	2016
			$'000	$'000	**%**	%	**%**	%
Held by the Company								
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	**690,038**	690,038	**100**	100	**-**	-
United Industrial Corporation Limited ("UIC") (Note 38)	Property investment, development and management and information technology related products and services	Singapore	**52,940**	-	**2.35 by UOL and 47.49 by UEI**	See Note 17	**50.16**	-
Marina Centre Holdings Pte Ltd (Note 38)	Hotelier and property investment	Singapore	**111,484**	-	**22.67 by UOL 18.67 by SKR 10.00 by PSPL 5.33 by SLP and 19.07 by SLD**	See Note 17	**50.95**	-
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	**50,000**	50,000	**100**	100	**-**	-
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	**75,000**	75,000	**100**	100	**-**	-
UOL Property Investments Pte Ltd	Property investment	Singapore	**76,006**	76,006	**100**	100	**-**	-
Novena Square Investments Ltd ("NSI")	Property investment	Singapore	**162,000**	162,000	**60 by UOL 20 by SLP**	60	**30.06**	40
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60 by UOL 20 by SLP**	60	**30.06**	40
UOL Development Pte Ltd	Property development	Singapore	**20,000**	20,000	**100**	100	**-**	-
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	**41,436**	41,436	**100**	100	**-**	-
Duchess Walk Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70	**30**	30
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60	**40**	40
UOL Residential Development Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2017 $'000	Cost of investment 2016 $'000	Proportion of ordinary shares held by the Group 2017 %	Proportion of ordinary shares held by the Group 2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	Proportion of ordinary shares held by non-controlling interests 2016 %
UOL Development (Sengkang) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Development (Bartley) Pte. Ltd.	Property development	Singapore	**30,500**	30,500	**100**	100	**-**	-
UOL Management Services Pte Ltd	Property management services and property investment	Singapore	**2,041**	2,041	**100**	100	**-**	-
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	**115**	115	**100**	100	**-**	-
UOL Treasury Services Pte. Ltd.	Treasury services	Singapore	**1,000**	1,000	**100**	100	**-**	-
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**480,000**	480,000	**100**	100	**-**	-
UOL Overseas Development Pte. Ltd. ("UOD")	Investment holding	Singapore	**50,000**	50,000	**100**	100	**-**	-
UOL Capital Investments Pte. Ltd. ("UCI")	Investment holding	Singapore	**52,000**	52,000	**100**	100	**-**	-
UOL Venture Investments Pte. Ltd. ("UVI")	Investment holding	Singapore	**2,651**	2,651	**100**	100	**-**	-
Secure Venture Investments Limited ("SVIL")**	Investment holding	Hong Kong	**28,208**	28,208	**100**	100	**-**	-
UOL Development (Amber) Pte. Ltd. (formerly known as UOL Ventures Pte. Ltd.)	Property development	Singapore	**2,000**	~	**100**	100	**-**	-
UOL Ventures Holdings Pte. Ltd.^	Investment holding	Singapore	**~**	-	**100**	-	**-**	-
			1,973,719	1,807,295				

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2017 %	Proportion of ordinary shares held by the Group 2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	Proportion of ordinary shares held by non-controlling interests 2016 %
Held by subsidiaries						
UIC Development (Private) Limited ("UICD")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
UIC Enterprise Pte Ltd ("UICE")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
UIC Investment Pte Ltd ("UICI")	Property development	Singapore	**100 by UIC**	-	**50.16**	-
UIC Investments (Properties) Pte Ltd	Property investment	Singapore	**100 by UIC**	-	**50.16**	-
UIC Management Services Pte. Ltd.	Property management agents	Singapore	**100 by UIC**	-	**50.16**	-
Active Building & Civil Construction (1985) Pte. Ltd. ("ABCC")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
Networld Pte Ltd ("NW")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
UIC China Realty Pte. Ltd. ("UICCR")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
UIC Overseas Investments Pte. Ltd. ("UICOI")	Investment holding	Singapore	**100 by UIC**	-	**50.16**	-
UIC Homes Pte. Ltd. (formerly known as UIC China Resources Pte. Ltd.)@	Dormant	Singapore	**100 by UIC**	-	**50.16**	-

19. **Investments in subsidiaries** (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2017 %	2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	2016 %
Held by subsidiaries						
UIC Supplies Pte Ltd	Under liquidation	Singapore	**100 by UIC**	-	**50.16**	-
Networld Realty Pte Ltd	Under liquidation	Singapore	**100 by UIC**	-	**50.16**	-
UIC Commodities Pte Ltd@	Dormant	Singapore	**100 by UIC**	-	**50.16**	-
UIC Printedcircuits Pte Ltd@	Dormant	Singapore	**100 by UIC**	-	**50.16**	-
Union Commodities Pte Ltd@	Dormant	Singapore	**100 by UIC**	-	**50.16**	-
UIC Land Pte Ltd	Property investment	Singapore	**100 by UICD**	-	**50.16**	-
Singapore Land Limited (“SLL”)	Investment holding	Singapore	**78.88 by UICE 20.76 by UICD 0.037 by UICI**	-	**50.29**	-
Gateway Land Limited	Property investment	Singapore	**100 by SLL**	-	**50.29**	-
Realty Management Services (Pte) Ltd.	Property management agents	Singapore	**100 by SLL**	-	**50.29**	-
RMA-Land Development Private Ltd	Property investment	Singapore	**100 by SLL**	-	**50.29**	-
Shing Kwan Realty (Pte.) Limited (“SKR”)	Property investment and investment holding	Singapore	**100 by SLL**	-	**50.29**	-
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	**100 by SLL**	-	**50.29**	-
S.L. Development Pte. Limited (“SLD”)	Property investment and investment holding	Singapore	**100 by SLL**	-	**50.29**	-
Singland China Holdings Pte. Ltd. (“SCH”)	Investment holding	Singapore	**100 by SLL**	-	**50.29**	-
Singland Homes Pte. Ltd. (“SLH”)	Investment holding	Singapore	**100 by SLL**	-	**50.29**	-
S.L. Properties Limited (“SLP”)	Property investment and investment holding	Singapore	**100 by SLL**	-	**50.29**	-
S.L. Management Services Pte Limited	Under liquidation	Singapore	**100 by SLL**	-	**50.29**	-
Interpex Services Private Limited	Dormant	Singapore	**100 by SKR**	-	**50.29**	-
Alprop Pte Ltd	Property investment	Singapore	**50 by SLD 50 by UICD**	-	**50.29**	-
Ideal Homes Pte. Limited	Property development	Singapore	**100 by SLD**	-	**50.29**	-
Singland Development (Farrer Drive) Pte. Ltd.	Property development	Singapore	**100 by SLD**	-	**50.29**	-
Singland Development (Jervois) Pte. Ltd.	Property development	Singapore	**100 by SLD**	-	**50.29**	-
Singland (Chengdu) Development Co., Ltd.*	Property development	The People's Republic of China	**100 by SCH**	-	**50.29**	-
Singland Homes (Alexandra) Pte. Ltd.	Property development	Singapore	**100 by SLH**	-	**50.29**	-
Singland Homes (London 90) Pte. Ltd. @	Dormant	Singapore	**100 by SLH**	-	**50.29**	-
Pothonier Singapore Pte Ltd (“PSPL”)	Investment holding	Singapore	**100 by SLP**	-	**50.29**	-
Shenton Holdings Private Limited (“SH”)	Investment holding	Singapore	**100 by SLP**	-	**50.29**	-
S L Prime Properties Pte Ltd	Property investment	Singapore	**100 by SH**	-	**50.29**	-
S L Prime Realty Pte Ltd	Property investment	Singapore	**100 by SH**	-	**50.29**	-
UIC Technologies Pte Ltd (“UICT”)	Investment holding	Singapore	**60 by UIC**	-	**70.10**	-

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2017 %	2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	2016 %
Held by subsidiaries (continued)						
UIC Asian Computer Services Pte Ltd	Retailing of computer hardware and software	Singapore	**100 by UICT**	-	**70.10**	-
UIC Investments (Equities) Pte Ltd[@]	Dormant	Singapore	**100 by UICT**	-	**70.10**	-
Marina Management Services Pte Ltd	Property management agents	Singapore	**100 by MCH**	-	**50.95**	-
Hotel Marina City Private Limited	Hotelier	Singapore	**100 by MCH**	-	**50.95**	-
UIC JinTravel (Tianjin) Co., Ltd*	Property investment and trading	The People's Republic of China	**51 by UICCR**	-	**74.58**	-
Aquamarina Hotel Private Limited ("AHPL")	Hotelier	Singapore	**25 by UEI 50 by MCH**	See Note 17	**50.48**	-
Shanghai Jin Peng Realty Co. Ltd*("SJP")	Property development	The People's Republic of China	**40 by UCI 30 by SCH**	See Note 17	**45.09**	-
United Venture Development (Bedok) Pte. Ltd. ("UVDB")	Property development	Singapore	**50 by UVI 50 by SLD**	See Note 18	**25.14**	-
United Venture Development (Thomson) Pte. Ltd. ("UVDT")	Property development	Singapore	**50 by UVI 50 by SLH**	See Note 18	**25.14**	-
United Venture Development (Clementi) Pte. Ltd. ("UVDC")	Property development	Singapore	**50 by UVI 50 by SLH**	See Note 18	**25.14**	-
UVD (Projects) Pte. Ltd. ("UVDP")	Property development	Singapore	**50 by UVI 50 by SLH**	See Note 18	**25.14**	-
United Venture Development (No. 1) Pte. Ltd.^	Dormant	Singapore	**42.5 by UVI 42.5 by SLH**	-	**36.37**	-
United Venture Development (No. 2) Pte. Ltd. ^	Dormant	Singapore	**70 by UVI 30 by SLH**	-	**25.14**	-
United Venture Investments (HI) Pte. Ltd. ("UVIHI")	Property investment	United Kingdom/ Singapore	**50 by UVI 50 by UICOI**	See Note 18	**25.08**	-
Secure Venture Development (Alexandra) Pte. Ltd.	Property development	Singapore	**70 by UVI**	70 by UVI	**30**	30
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD	**45**	45
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD	**-**	-
Suasana Simfoni Sdn. Bhd.*	Under liquidation	Malaysia	**60 by UCI**	60 by UCI	**40**	40
Tianjin UOL Xiwang Real Estate Development Co., Ltd.* [Note (g) below]	Property development, hotelier and property investment	The People's Republic of China	**100 by UCI**	100 by UCI	**-**	-
UOL Business Consulting (Shanghai) Co., Ltd.**	Under liquidation	The People's Republic of China	**100 by UCI**	100 by UCI	**-**	-
United Venture Investment (Thomson) Pte. Ltd.	Dormant	Singapore	**60 by UVI 40 by SLD**	60 by UVI 40 by SLD	**20.11**	40
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL	**-**	-
Success Venture Investments (Jersey) Limited ("SVIJ")[#]	Investment holding	Jersey	**100 by UOD**	100 by UOD	**-**	-
Success Venture Development (Jersey) Limited ("SVDJ")[#]	Dormant	Jersey	**100 by UOD**	100 by UOD	**-**	-

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2017 %	2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	2016 %
Held by subsidiaries (continued)						
Success Venture Nominees (No. 1) Limited #	Dormant	United Kingdom	**100 by SVIJ**	100 by SVIJ	**-**	-
Pan Pacific London Hotel Limited#	Dormant	United Kingdom	**100 by ULH**	100 by ULH	**-**	-
UOL Development (UK) Limited*	Property development	United Kingdom	**100 by UVI**	100 by UVI	**-**	-
Success Venture Property Investments Limited	Property investment	United Kingdom/ Hong Kong	**100 by UOD**	100 by UOD	**-**	-
Peak Venture Pte. Ltd.**	Dormant	Singapore	**40 by UCI 30 by SCH**	-	**45.09**	-
Parkroyal Kitchener Hotel Pte. Ltd.	Hotelier	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal Pickering Hotel Pte. Ltd.	Hotelier and property investment	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal Serviced Residences Pte. Ltd.	Management of serviced suites	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
United Lifestyle Holdings Pte Ltd (“ULH”)	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
St Gregory Spa Pte Ltd	Management and operator of health and beauty retreats and facilities	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Dou Hua Restaurants Pte Ltd	Operator of restaurants	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific Shared Services Centre Pte. Ltd.	Provision of accounting services to hotels and serviced suites within the Group	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Parkroyal International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
PPHG Ventures Pte. Ltd.^	Dormant	Singapore	**100 by PPHG**	-	**-**	-
Garden Plaza Company Limited*	Hotelier	Vietnam	**100 by PPHG**	100 by PPHG	**-**	-
Success City Pty Limited*	Hotelier	Australia	**100 by PPHG**	100 by PPHG	**-**	-
Success Venture Investments (Australia) Ltd (“SVIA”)	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**-**	-
Success Venture Pty Limited*	Trustee company	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture Investments (WA) Limited (“SVIWA”)	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**-**	-
HPL Properties (Malaysia) Sdn. Bhd. (“HPM”)*	Investment holding	Malaysia	**100 by PPHG**	100 by PPHG	**-**	-
President Hotel Sdn Berhad (“PHSB”)*	Hotelier	Malaysia	**66.67 by HPM and 33.33 by PPHG**	66.67 by HPM and 33.33 by PPHG	**-**	-
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**-**	-
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**-**	-

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2017 %	2016 %	Proportion of ordinary shares held by non-controlling interests 2017 %	2016 %
Held by subsidiaries (continued)						
Hotel Investments (Suzhou) Pte. Ltd. ("HIS")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Suzhou Wugong Hotel Co., Ltd*	Hotelier	The People's Republic of China	**100 by HIS**	100 by HIS	**-**	-
Hotel Investments (Hanoi) Pte. Ltd. ("HIH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Westlake International Company*	Hotelier	Vietnam	**75 by HIH**	75 by HIH	**25**	25
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Yangon Hotel Limited**	Hotelier	Myanmar	**100 by YIPL**	100 by YIPL	**-**	-
Pan Pacific Hospitality Holdings Pte. Ltd. ("PPHH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**-**	-
Pan Pacific Hospitality Pte. Ltd. ("PPH")	Manage and operate serviced suites and investment holding	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR")	Hotel manager and operator	Singapore	**100 by PPHH**	100 by PPHH	**-**	-
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific (Shanghai) Hotels Management Co., Ltd.**	Hotel manager and operator	The People's Republic of China	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific Hotels and Resorts America, Inc. ("PPHRA")#	Hotel manager and operator	United States of America	**100 by PPHR**	100 by PPHR	**-**	-
Pan Pacific Hotels and Resorts Seattle Limited Liability Co#	Hotel manager and operator	United States of America	**100 by PPHRA**	100 by PPHRA	**-**	-
PT. Pan Pacific Hotels & Resorts Indonesia**	Hotel manager and operator	Indonesia	**99 by PPHR and 1 by PPHRA**	99 by PPHR and 1 by PPHRA	**-**	-

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Proportion of units held by the Group 2017 %	2016 %	Proportion of units held by non-controlling interests 2017 %	2016 %
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**-**	-
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100 by SVIWA**	100 by SVIWA	**-**	-
Success Venture (Melbourne) Unit Trust^,*	Hotelier	Australia	**100 by SVIWA**	-	**-**	-
Heron Plaza Property Unit Trust ("HPPUT") #	Investment holding	Jersey	**60 by SVIJ and 40 by SVDJ**	60 by SVIJ and 40 by SVDJ	**-**	-

19. Investments in subsidiaries (continued)

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.

~ Less than $1,000.
* Audited by PricewaterhouseCoopers firms outside Singapore.
** Audited by other auditors. The subsidiaries not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant subsidiaries as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.
# Not required to be audited under the laws of the country of incorporation.
^ Newly incorporated during the financial year.
@ Not required to be audited as these companies are considered dormant and exempted from audit under the Companies' Act.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2017.

The non-controlling interests for subsidiaries are, in the opinion of the directors, not material to the Group except for UIC and its subsidiary companies in 2017 and NSI in 2016.

(d) Carrying value of non-controlling interests

	2017 **$'000**	2016 $'000
UIC and its subsidiary companies ("UIC Group")	**4,084,273**	-
NSI	**-**	382,393
Other subsidiaries with immaterial non-controlling interests	**616,898**	125,817

(e) Summarised aggregate financial information of UIC Group for 2017 and NSI for 2016, presented before inter-company eliminations:

	UIC Group **2017** **$'000**	NSI 2016 $'000
Current		
Assets	**816,673**	1,586
Liabilities	**(315,978)**	(12,094)
Total current net liabilities	**500,695**	(10,508)
Non-current		
Assets	**7,442,478**	983,232
Liabilities	**(598,559)**	(16,742)
Total non-current net assets	**6,843,919**	966,490
Net assets	**7,344,614**	955,982
Revenue	**1,292,169**	48,104
Profit before income tax	**374,604**	37,925
Income tax expense	**(49,739)**	(6,375)
Profit after tax and total comprehensive income	**324,865**	31,550
Total comprehensive income allocated to non-controlling interests	**57,533**	12,620
Dividends paid to non-controlling interests	**23,536**	2,000

19. Investments in subsidiaries (continued)

(e) (continued)

	UIC Group 2017 $'000	NSI 2016 $'000
Cash flows from operating activities		
Cash generated from operations	**895,958**	36,353
Income tax paid	**(43,361)**	(5,697)
Net cash generated from operating activities	**852,597**	30,656
Net cash used in investing activities	**(36,605)**	(23,668)
Net cash used in financing activities	**(725,118)**	(7,004)
Net increase/(decrease) in cash and cash equivalents	**90,874**	(16)
Cash and cash equivalents at beginning of year	**86,508**	453
Cash and cash equivalents at end of year	**177,382**	437

(f) Acquisition of additional interest in a subsidiary

On 31 August 2017, the Group increased its shareholding interests in UIC (Note 38) which resulted in UIC becoming a subsidiary of the Group. From 1 September 2017 to 31 December 2017, the Group acquired an additional 12,701,520 shares in UIC for a purchase consideration of $42,012,000. The Group holds 49.84% of the equity share capital of UIC as at 31 December 2017. The carrying amount of the non-controlling interests in UIC and the common associated and joint venture companies of the Group and UIC Group prior to the acquisitions was $4,463,414,000. The Group derecognised non-controlling interests of $66,692,000 and recorded an increase in equity attributable to owners of the parent of $24,680,000. The effect of changes in the ownership interest of UIC on the equity attributable to owners of the Company during the year is summarised as follows:

	2017 $'000
Carrying amount of non-controlling interests acquired	**66,692**
Consideration paid to non-controlling interests	**(42,012)**
Excess of carrying amount over consideration paid recognised in parent's equity	**24,680**

(g) On 17 March 2016, a wholly-owned subsidiary of the Group, UOL Capital Investments Pte. Ltd. ("UCI"), acquired Tianjin Xiwang Real Estate Construction and Developments Co., Ltd's 10% stake in Tianjin UOL Xiwang Real Estate Development Co., Ltd. ("Tianjin UOL Xiwang"), for an aggregate cash consideration of RMB93.0 million pursuant to a conditional equity transfer agreement. With the acquisition, Tianjin UOL Xiwang became a wholly-owned subsidiary of the Company (held through UCI).

20. Investment properties

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**4,299,597**	4,134,897	**421,500**	421,500
Currency translation differences	**15,505**	(13,329)	**-**	-
Additions	**8,363**	2,446	**64**	-
Acquisition of a business (Note 38)	**-**	185,283	**-**	-
Acquisition of subsidiaries (Note 38)	**6,578,245**	-	**-**	-
Transfer from hotel properties	**37**	-	**37**	-
Fair value gains/(losses) recognised in income statement	**15,593**	(9,700)	**9,499**	-
At the end of the financial year	**10,917,340**	4,299,597	**431,100**	421,500

(a) The investment properties are leased to non-related parties [Note 34(c)] and related parties [Note 36(a)] under operating leases.

(b) Bank borrowings are secured on certain investment properties of the Group amounting to $1,430,773,000 (2016: $1,416,062,000) [Note 24(b)].

(c) The following amounts are recognised in the income statements:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Rental income (Note 4)	**327,065**	225,038	**19,026**	18,795
Direct operating expenses arising from investment properties that generated rental income	**62,164**	34,919	**2,308**	2,669

The Group and the Company do not have any investment properties that do not generate rental income.

(d) The details of the Group's investment properties at 31 December 2017 were:

		Tenure of land
Faber House	- retained interests in a 12-storey office building and a 48-lot carpark at Orchard Road, Singapore	Freehold
Odeon Towers	- a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
United Square	- a retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Novena Square	- retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	- retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites) at Beach Road, Singapore	99-year lease from 1968
	- a 15-storey building comprising 180 units of serviced suites (Pan Pacific Serviced Suites Beach Road) above the existing carpark block at Beach Road, Singapore	99-year lease from 1968

20. Investment properties (continued)

(d) The details of the Group's investment properties at 31 December 2017 were:

		Tenure of land
Pan Pacific Serviced Suites Orchard	- a 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road, Singapore	Freehold
One Upper Pickering	- a 15-storey office building with a roof terrace within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
OneKM	- a 3-storey commercial podium with a basement located within a commercial/residential development at Tanjong Katong Road, Singapore	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	- a 31-storey serviced suite with 287 units and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	- a 3-storey retail mall with basement carparks located within a commercial/residential development in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007
110 High Holborn	- a retail-cum-office building comprising basement and 1st storey retail space, a 9 storey office block with basement carpark and bicycle storage at the junction of A40 High Holborn and Proctor Street, London, United Kingdom	Part freehold and part 999-leasehold from 1999
120 Holborn Island	- Comprises 120 Holborn, an office building with retail units, a gym and club/restaurant on part basement, ground floor and mezzanine level with nine upper floors of office, and 100 Hatton Garden, which has retail units and two floors of office at 120 Holborn, Midtown, London, United Kingdom	Freehold
Stamford Court	- a 4-storey office building with shops at Stamford Road, Singapore	99-year lease from 1994
West Mall	- a retail and family entertainment complex at Bukit Batok Central Link, Singapore	99-year lease from 1995
Singapore Land Tower	- a 47-storey office building at Raffles Place, Singapore	999-year lease from 1826
Clifford Centre	- a 29-storey shopping cum office building at Raffles Place, Singapore	999-year lease from 1826
The Gateway	- two 37-storey office buildings at Beach Road, Singapore	99-year lease from 1982
SGX Centre 2	- a 29-storey office building at Shenton Way Singapore 068807	99-year lease from 1995
ABACUS Plaza	- a 8-storey office building at Tampines Central 1, Singapore	99-year lease from 1996
Tampines Plaza	- a 8-storey office building at Tampines Central 1, Singapore	99-year lease from 1996
Marina Square Retail Mall	- a 4-storey retail mall with a retail underpass at Raffles Boulevard, Singapore	99-year lease from 1980
UIC Building	- a 23-storey office tower which is part of a mixed residential and commercial development at Shenton Way, Singapore	99-year lease from 2011

20. Investment properties (continued)

(e) Fair value hierarchy - Recurring fair value measurements

	The Group Fair value measurements using significant unobservable inputs (Level 3)	
	2017	2016
	$'000	$'000
Description		
Singapore:		
- Shops	**2,805,440**	1,328,100
- Offices	**7,002,370**	2,300,170
- Serviced Suites	**353,308**	353,996
Malaysia:		
- Serviced Suites	**73,240**	72,466
The People's Republic of China:		
- Shops	**44,490**	47,326
- Carpark	**20,684**	20,837
United Kingdom:		
- Shops	**170,445**	24,033
- Offices	**447,363**	152,669

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties semi-annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the Group Chief Executive and the Chief Financial Officer and are presented at the relevant Board meetings for approval.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

(i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square foot.

(ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.

(iii) the Income Method approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

20. Investment properties (continued)

(e) Fair value hierarchy - Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2017 $'000	Fair value as at 31 December 2016 $'000	Valuation technique(s)	Unobservable inputs[@]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Singapore						
Shops	**2,805,440**	1,328,100	Direct Comparison Method	- Adopted value per square foot	$1,428 to $2,556 ($2,207) [2016: $1,420 to $2,455 ($2,139)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	4% to 5% (5%) [2016: 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	**7,002,370**	2,300,170	Direct Comparison Method	- Adopted value per square foot	$1,368 to $2,692 ($2,157) [2016: $1,400 to $2,594 ($2,403)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	3% to 4% (4%) [2016: 4% (4%)]	The lower the capitalisation rate, the higher the fair value.
Serviced Suites	**353,308**	353,996	Discounted Cash Flow Method	- Growth rate	3% (3%) [2016: 3% to 4% (3%)]	The higher the growth rate, the higher the fair value.
				- Discount rate	7% (7%) [2016: 7% to 8% (7%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				- Capitalisation rate	4% (4%) [2016: 4% to 5% (5%)]	
			[#]Direct Comparison Method	- Adopted value per square foot	$1,165 ($1,165) [2016: $1,111 ($1,111)]	The higher the adopted value, the higher the fair value.
			[#]Income Method	- Capitalisation rate	5% (5%) [2016: 6% (6%)]	The lower the capitalisation rate, the higher the fair value.

20. Investment properties (continued)

(e) Fair value hierarchy - Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December 2017 $'000	2016 $'000	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Malaysia						
Serviced Suites	**73,240**	72,466	Discounted Cash Flow Method	- Growth rate	5% (5%) [2016: 5% (5%)]	The higher the growth rate, the higher the fair value.
				- Discount rate	9% (9%) [2016: 9% (9%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				- Capitalisation rate	7% (7%) [2016: 7% (7%)]	
			Direct Comparison Method	- Adopted value per square foot	$370 ($370) [2016: nil]	The higher the adopted value, the higher the fair value.
The People's Republic of China						
Shops	**44,490**	47,326	Direct Comparison Method	- Adopted value per square foot	$411 ($411) [2016: $415 ($415)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	6% (6%) [2016: 6% (6%)]	The lower the capitalisation rate, the higher the fair value.
Carpark	**20,684**	20,837	Direct Comparison Method	- Adopted value per square foot	$110 ($110) [2016: $112 ($112)]	The higher the adopted value, the higher the fair value.
			Income Method	- Capitalisation rate	4% (4%) [2016: 4% (4%)]	The lower the capitalisation rate, the higher the fair value.
United Kingdom						
Shops	**170,445**	24,033	Income Method	- Capitalisation rate	5% to 6% (5%) [2016: 5% to 6% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	**447,363**	152,669	Income Method	- Capitalisation rate	5% to 7% (6%) [2016: 5% to 6% (6%)]	The lower the capitalisation rate, the higher the fair value.

Only applicable for PARKROYAL Serviced Suites which is situated inside The Plaza (Block A).
@ There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the capitalisation rate and the growth rate.

The valuations are estimated by independent professional valuers based on market conditions as at 31 December 2017. The estimates are largely consistent with the budgets and other financial projections developed internally by the Group based on management's experience and knowledge of market conditions.

21. Property, plant and equipment

The Group	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Properties under development $'000	Renovation in progress $'000	Total $'000
Cost								
At 1 January 2017	175,199	232,848	714,054	581,002	2,340	92,167	3,088	1,800,698
Currency translation differences	183	402	(17,218)	(8,525)	(53)	1,104	6	(24,101)
Additions	-	38	252	25,439	66	66,294	23,178	115,267
Acquisition of a business (Note 38)	-	-	253,435	11,002	-	-	-	264,437
Acquisition of subsidiaries (Note 38)	-	-	1,292,969	145,691	516	-	643	1,439,819
Transfer from development properties	-	-	-	-	-	-	(37)	(37)
Disposals/write-offs	-	(2,185)	(502)	(22,178)	(115)	-	(116)	(25,096)
Reclassification	-	-	-	17,270	-	-	(17,270)	-
At 31 December 2017	175,382	231,103	2,242,990	749,701	2,754	159,565	9,492	3,570,987
Accumulated depreciation and impairment								
At 1 January 2017	-	80,569	152,136	342,491	1,850	58,116	-	635,162
Currency translation differences	-	166	(3,331)	(5,437)	(37)	681	-	(7,958)
Charge for the financial year	-	25,007	21,542	58,995	402	-	-	105,946
Disposals/write-offs	-	(1,939)	(208)	(21,168)	(115)	-	-	(23,430)
Write-back of impairment charge (Note 8)	-	-	(8,947)	-	-	-	-	(8,947)
Impairment charge (Note 8)	-	-	-	-	-	14,050	-	14,050
At 31 December 2017	-	103,803	161,192	374,881	2,100	72,847	-	714,823
Net book value at 31 December 2017	**175,382**	**127,300**	**2,081,798**	**374,820**	**654**	**86,718**	**9,492**	**2,856,164**
Cost								
At 1 January 2016	174,849	214,340	719,388	557,349	2,266	60,323	12,932	1,741,447
Currency translation differences	350	1,375	(5,159)	(2,274)	6	(8,181)	282	(13,601)
Additions	-	5,917	222	32,682	68	20,526	4,476	63,891
Transfer from development properties	-	-	-	-	-	19,499	-	19,499
Disposals/write-offs	-	(817)	(397)	(9,324)	-	-	-	(10,538)
Reclassification	-	12,033	-	2,569	-	-	(14,602)	-
At 31 December 2016	175,199	232,848	714,054	581,002	2,340	92,167	3,088	1,800,698
Accumulated depreciation and impairment								
At 1 January 2016	-	75,026	144,801	304,491	1,595	37,000	-	562,913
Currency translation differences	-	449	(2,145)	(534)	13	(5,584)	-	(7,801)
Charge for the financial year	-	5,368	12,471	47,161	242	-	-	65,242
Disposals/write-offs	-	(274)	(250)	(8,627)	-	-	-	(9,151)
Write-back of impairment charge (Note 8)	-	-	(2,741)	-	-	-	-	(2,741)
Impairment charge (Note 8)	-	-	-	-	-	26,700	-	26,700
At 31 December 2016	-	80,569	152,136	342,491	1,850	58,116	-	635,162
Net book value at 31 December 2016	**175,199**	**152,279**	**561,918**	**238,511**	**490**	**34,051**	**3,088**	**1,165,536**

21. Property, plant and equipment (continued)

The Company	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Renovation in progress $'000	Total $'000
Cost				
At 1 January 2017	5,573	100	37	5,710
Additions	1,057	-	-	1,057
Disposals/write-offs	(865)	-	-	(865)
Transfer to investment property	-	-	(37)	(37)
At 31 December 2017	5,765	100	-	5,865
Accumulated depreciation				
At 1 January 2017	4,626	75	-	4,701
Charge for the financial year	387	20	-	407
Disposals/write-offs	(813)	-	-	(813)
At 31 December 2017	4,200	95	-	4,295
Net book value at 31 December 2017	**1,565**	**5**	**-**	**1,570**
Cost				
At 1 January 2016	5,305	100	-	5,405
Additions	312	-	37	349
Disposals/write-offs	(44)	-	-	(44)
At 31 December 2016	5,573	100	37	5,710
Accumulated depreciation				
At 1 January 2016	4,237	55	-	4,292
Charge for the financial year	433	20	-	453
Disposals/write-offs	(44)	-	-	(44)
At 31 December 2016	4,626	75	-	4,701
Net book value at 31 December 2016	**947**	**25**	**37**	**1,009**

(a) At 31 December 2017, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $4,094,147,000 (2016: $2,234,329,000) and the net book value was $2,681,282,000 (2016: $1,140,647,000). The valuations were carried out by firms of independent professional valuers on an open market existing use basis. The surplus on valuation of these hotel properties amounting to $1,412,865,000 (2016: $1,093,397,000) has not been incorporated in the financial statements.

The fair values derived using the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value are within Level 3 of the fair values hierarchy. The key assumptions to determine the fair value include capitalisation rate, growth rate and discount rate.

(b) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 24(b)] amounting to $684,793,000 (2016: $478,854,000).

(c) The carrying amount of leasehold land and building held under finance leases was $3,884,000 (2016: $3,906,000) (Note 25) at the end of the reporting period.

21. Property, plant and equipment (continued)

(d) The details of the Group's properties in property, plant and equipment at 31 December 2017 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	- a 346-room hotel at Beach Road, Singapore	99-year lease from 1968	50 years
PARKROYAL on Kitchener Road	- a 532-room hotel at Kitchener Road, Singapore	Freehold	-
PARKROYAL on Pickering	- a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	90 years
Pan Pacific Orchard	- a 206-room hotel at Claymore Road, Singapore	Freehold	-
Eunos Warehouse Complex	- retained interests in 3 units of a 4-storey flatted warehouse at Kaki Bukit Road, Singapore	60-year lease from 1982	25 years
PARKROYAL Darling Harbour, Sydney	- a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	-
PARKROYAL Parramatta	- a 286-room hotel at Parramatta, Phillip Street, New South Wales, Australia	Freehold	-
Pan Pacific Perth	- a 486-room hotel and carpark at Adelaide Terrace, Perth, Australia	Freehold	-
PARKROYAL Kuala Lumpur and President House	- a 426-room hotel and a 6-storey podium office block at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Freehold	-
	- a 320-lot carpark at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Leasehold expiring in 2080	63 years
PARKROYAL Penang Resort	- a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	-
PARKROYAL Saigon	- a 186-room hotel and 6-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	26 years
Pan Pacific Hanoi	- a 268-room hotel and 56 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	24 years
Pan Pacific Suzhou	- a 480-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	27 years
Pan Pacific Xiamen	- a 329-room hotel and 25 serviced apartments at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	44 years
Pan Pacific Tianjin	- a 289-room hotel and 30 serviced apartments in Tianjin, The People's Republic of China	40-year lease from 2007	30 years
PARKROYAL Yangon	- a 319-room hotel and 15 serviced suites at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	50-year lease from 1998	31 years
PARKROYAL Melbourne Airport	- a 276-room hotel opposite Melbourne Airport, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	30+49 years
Pan Pacific Melbourne	- a 396-room hotel at South Wharf, Victoria, Australia	99-year lease from 2009	91 years
Proposed hotel at Bishopsgate site	- a proposed hotel with an estimated 237 rooms with a commercial component at Bishopsgate in the City of London	Freehold	-
Pan Pacific Singapore	- a 790-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	62 years
Marina Mandarin	- a 575-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	62 years
Westin Tianjin	- a 275-room hotel in Tianjin, The People's Republic of China	50-year lease from 2005	37 years

21. Property, plant and equipment (continued)

(e) The impairment charge for the financial year was in respect of the hotel property under development at Bishopsgate, London for an amount of $14,050,000 (2016: $26,700,000). The write-back of impairment charge for the financial year of $8,947,000 (2016: $2,741,000) was for Pan Pacific Tianjin.

The impairment charge for the hotel property under development at Bishopsgate, London arose from difference between the recoverable amount and the estimated total development cost of the hotel. The recoverable amount represents 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. Certain assumptions and judgement were applied to estimate the gross development value of the hotel as if it is completed and operational. The terminal capitalisation rate and discount rate used were 5.5% (2016: 5.5%) and 7.5% (2016: 7.5%) respectively.

In 2017, there was an increase in total development cost estimate which resulted in the further impairment charge of $14,050,000 for the current financial year. Management has estimated the total development costs in consultation with quantity surveyors and other professional consultants. Certain judgement was exercised as there are costs to complete and to be contracted for as at 31 December 2017.

22. Intangibles

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Trademarks [Note (a) below]	**7,268**	7,995	**-**	-
Computer software costs [Note (b) below]	**1,478**	1,131	**284**	-
Contract acquisition costs [Note (c) below]	**4,266**	4,033	**-**	-
Development property backlog [Note (d) below]	**132,572**	-	**-**	-
Goodwill arising on consolidation [Note (e) below]	**35,367**	11,202	**-**	-
	180,951	24,361	**284**	-

(a) Trademarks

	The Group	
	2017	2016
	$'000	$'000
Cost		
At the beginning and end of the financial year	**14,806**	14,806
Accumulated amortisation		
At the beginning of the financial year	**6,811**	6,084
Amortisation for the financial year	**727**	727
At the end of the financial year	**7,538**	6,811
Net book value	**7,268**	7,995

22. Intangibles (continued)

(b) Computer software costs

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Cost				
At the beginning of the financial year	**8,693**	8,579	**1,461**	1,461
Currency translation differences	**(88)**	102	**-**	-
Additions	**494**	34	**348**	-
Disposals	**(371)**	(22)	**(364)**	-
At the end of the financial year	**8,728**	8,693	**1,445**	1,461
Accumulated amortisation				
At the beginning of the financial year	**7,562**	7,333	**1,461**	1,447
Currency translation differences	**(86)**	1	**-**	-
Amortisation for the financial year	**145**	250	**64**	14
Disposals	**(371)**	(22)	**(364)**	-
At the end of the financial year	**7,250**	7,562	**1,161**	1,461
Net book value	**1,478**	1,131	**284**	-

(c) Contract acquisition costs

	The Group	
	2017	2016
	$'000	$'000
Cost		
At the beginning of the financial year	**6,165**	3,907
Currency translation differences	**(2)**	6
Additions	**686**	2,252
At the end of the financial year	**6,849**	6,165
Accumulated amortisation		
At the beginning of the financial year	**2,132**	1,741
Currency translation differences	**(2)**	6
Amortisation for the financial year	**453**	385
At the end of the financial year	**2,583**	2,132
Net book value	**4,266**	4,033

(d) Development property backlog

	The Group	
	2017	2016
	$'000	$'000
Cost		
Additions	**156,578**	-
At the end of the financial year	**156,578**	-
Accumulated amortisation		
Amortisation for the financial year	**24,006**	-
At the end of the financial year	**24,006**	-
Net book value	**132,572**	-

Development property backlog relates to the recognition of fair value on sold development properties of acquired subsidiaries in accordance with FRS103 Business Combinations and will be amortised as and when such profits are recorded by the acquired subsidiaries.

22. Intangibles (continued)

(e) Goodwill arising on consolidation

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**11,202**	11,202
Acquisition of a business (Note 38)	**25,087**	-
Currency translation differences	**(922)**	-
At the end of financial year	**35,367**	11,202

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segment. A segment-level summary of the goodwill allocation is analysed as follows:

	Hotel operations	
	2017	2016
	$'000	$'000
Singapore	**10,371**	10,371
Malaysia	**831**	831
Australia	**24,165**	-
	35,367	11,202

The recoverable amount of the above CGUs were determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair values were determined by independent professional valuers using the cash flows projections of 5 to 10 years years (2016: 5 to 10 years) which were prepared based on the expected future market trend.

Key assumptions used for fair value less cost to sell calculations:

	Australia	Malaysia	Singapore
	%	%	%
2017			
Growth rate	**2.6**	**3.1**	**5.1**
Discount rate	**7.5**	**9.0**	**7.6**
2016			
Growth rate	-	3.3	4.8
Discount rate	-	9.0	7.7

23. Trade and other payables

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- non-related parties	**158,658**	69,542	**1,184**	951
Other payables:				
- rental and other deposits	**59,490**	32,479	**2,889**	666
- accrued interest payable	**9,377**	5,935	**697**	1,056
- retention monies	**41,516**	10,863	**49**	46
- accrued development expenditure	**19,810**	4,105	**-**	-
- accruals for completed projects	**66,139**	11,000	**-**	-
- accrued operating expenses	**119,008**	56,722	**9,165**	8,493
- sundry creditors	**17,648**	7,856	**3,065**	2,938
- deferred revenue	**435,948**	4,623	**-**	-
- subsidiaries (non-trade)	**-**	-	**1,434**	1,164
	768,936	133,583	**17,299**	14,363
Loans from subsidiaries	**-**	-	**841,100**	549,005
	927,594	203,125	**859,583**	564,319
Non-current				
Deferred revenue	**101,338**	105,361	**-**	-
Rental deposits	**82,959**	29,442	**2,310**	4,491
Retention monies	**25,416**	18,551	**-**	-
Accrued interest payable to non-controlling shareholder	**5,166**	3,659	**-**	-
	214,879	157,013	**2,310**	4,491
Total trade and other payables	**1,142,473**	360,138	**861,893**	568,810

(a) The loans from subsidiaries and non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

(b) The carrying amounts of rental deposits and retention monies approximate their fair values.

(c) Deferred revenue includes progress billings relating to properties held for sale sold but accounted for using the completion of construction method and advance rental in respect of an operating lease where amounts are recognised in the income statement on a straight-line basis over the lease term.

24. Borrowings

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current				
Bank loans (secured)	**255,109**	111,995	**-**	-
Bank loans (unsecured)	**542,474**	541,434	**142,251**	140,559
2.50% unsecured fixed rate notes due 2018 [Note (aii) below]	**174,961**	-	**-**	-
3.043% unsecured fixed rate notes due 2017 [Note (ai) below]	**-**	74,974	**-**	74,974
Finance lease liabilities (Note 25)	**270**	272	**-**	-
	972,814	728,675	**142,251**	215,533
Non-current				
Bank loans (secured)	**843,300**	567,118	**-**	-
Bank loans (unsecured)	**1,724,887**	633,084	**179,040**	176,417
2.50% unsecured fixed rate notes due 2018 [Note (aii) below]	**-**	174,803	**-**	-
2.50% unsecured fixed rate notes due 2020 [Note (aii) below]	**239,360**	239,120	**-**	-
Finance lease liabilities (Note 25)	**3,614**	3,634	**-**	-
	2,811,161	1,617,759	**179,040**	176,417
Total borrowings	**3,783,975**	2,346,434	**321,291**	391,950

(a) Medium term notes

(i) On 1 July 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the “2010 Programme”). Under the 2010 Programme, the Company may issue Notes (the “Notes”) denominated in Singapore Dollars and/or any other currencies agreed with the dealers. The Notes may be issued on a syndicated or non-syndicated basis and will rank pari passu with all other unsecured obligations. Each series of Notes may be issued in one or more tranches, on the same or different terms such as issue dates, interest rates, maturities, etc. as agreed between the Company and the relevant dealers.

(ii) On 3 November 2014, a wholly-owned subsidiary of the Group established a S$1 billion Multicurrency Medium Term Note Programme (the “2014 Programme”) with similar terms as the 2010 Programme. The 2014 Programme is unconditionally and irrevocably guaranteed by the Company.

(b) Securities granted

The bank loans are secured by mortgages on certain subsidiaries’ bank deposits, hotel properties, investment properties and development properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of bank deposits, hotel properties, investment properties and development properties which have been pledged as securities are as follows:

	The Group	
	2017	2016
	$'000	$'000
Bank deposits	**-**	200
Hotel properties	**684,793**	478,854
Investment properties	**1,430,773**	1,416,062
Development properties	**1,582,031**	992,741
	3,697,597	2,887,857

24. Borrowings (continued)

(c) Included within unsecured non-current bank loans are revolving credit loans drawn under various committed floating rate revolving credit facilities. The amounts advanced under the revolving credit facilities were included as non-current liabilities as the Group has the discretion to rollover the facilities for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure (Note 35(c)), the revolving credit facilities had been classified as current as the disclosures was based on actual contractual drawdowns to be repaid within a year.

(d) Effective interest rates

The weighted average effective interest rates of floating rate borrowings at the end of the reporting period were as follows:

The Group

	2017						2016				
	SGD %	**USD %**	**RMB %**	**GBP %**	**EUR %**	**AUD %**	SGD %	USD %	RMB %	GBP %	AUD %
Bank loans (secured)	**1.9**	**-**	**5.1**	**-**	**-**	**3.0**	1.6	-	5.0	-	3.2
Bank loans (unsecured)	**1.9**	**2.5**	**-**	**1.6**	**1.0**	**2.4**	1.6	2.1	-	1.6	2.4

The Company

	2017			2016	
	GBP %	**SGD %**	**EUR %**	GBP %	SGD %
Bank loans (unsecured)	**2.0**	**2.1**	**1.0**	1.8	-

(e) The fair values of non-current secured and unsecured bank loans approximate their carrying values except for the unsecured fixed rate notes. The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group				The Company			
	2017 $'000	2016 $'000	**2017 %**	2016 %	**2017 $'000**	2016 $'000	**2017 %**	2016 %
3.043% unsecured fixed rate notes due 2017	**-**	75,000	**-**	3.0	**-**	75,000	**-**	3.0
2.50% unsecured fixed rate notes due 2018	**175,000**	174,874	**2.5**	2.6	**-**	-	**-**	-
2.50% unsecured fixed rate notes due 2020	**239,651**	239,320	**2.6**	3.1	**-**	-	**-**	-
	414,651	489,194			**-**	75,000		

25. Finance lease liabilities

The Group leases certain leasehold land and building from non-related parties under finance leases. The lease approximates the useful life of the building and the lease agreement has renewal clauses at the end of the lease term.

	The Group	
	2017	2016
	$'000	$'000
Minimum lease payments due		
- Not later than one year	**271**	273
- Between one and five years	**1,086**	1,091
- Later than five years	**19,949**	20,329
	21,306	21,693
Less: Future finance charges	**(17,422)**	(17,787)
Present value of finance lease liabilities	**3,884**	3,906

The present values of finance lease liabilities are analysed as follows:

	The Group	
	2017	2016
	$'000	$'000
Not later than one year (Note 24)	**270**	272
Later than one year (Note 24)		
- Between one and five years	**1,080**	1,086
- Later than five years	**2,534**	2,548
	3,614	3,634
Total	**3,884**	3,906

26. Derivative financial instrument

	The Group			The Company		
	Contract notional amount	Fair value Asset	Fair value Liability	Contract notional amount	Fair value Asset	Fair value Liability
	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Cash flow hedges						
- Interest rate swaps	837,070	1,552	(2,085)	179,700	-	(1,708)
Less: Current portion	(200,000)	(14)	377	-	-	-
Non-current portion	**637,070**	**1,538**	**(1,708)**	**179,700**	**-**	**(1,708)**
2016						
Cash flow hedges						
- Interest rate swaps	377,590	207	(4,272)	177,590	-	(3,596)
Less: Current portion	-	-	-	-	-	-
Non-current portion	377,590	207	(4,272)	177,590	-	(3,596)

The cash flow hedges - interest rate swaps are transacted to hedge variable interest expense on borrowings payable between October 2018 and August 2020 (2016: October 2018 and April 2019). Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

27. Loans from non-controlling shareholder of a subsidiary (unsecured)

The loan from non-controlling shareholder of a subsidiary of $63,009,000 (2016: $63,009,000) bears interest at 1.5% (2016: 1.5%) per annum over the bank quoted three-month swap rate on the first business day of each quarter of the calendar year and the effective interest rate as at the end of the reporting period was 2.62% (2016: 2.23%) per annum. The loan, including accrued interest payable, is subordinated to the bank loan of the subsidiary, has no fixed terms of repayment and is not expected to be repaid within the next twelve months from the end of the reporting period. The fair value of the loan from non-controlling shareholder approximates its carrying value.

28. Provision for retirement benefits

	The Group	
	2017	2016
	$'000	$'000
Non-current	**5,621**	4,927

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent valuation was on 7 February 2017.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**4,927**	3,854
Benefits paid	**(11)**	(16)
Current service cost	**324**	327
Interest on obligation	**265**	277
Actuarial loss	**-**	561
Currency translation differences	**116**	(76)
At the end of the financial year	**5,621**	4,927

(c) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group	
	2017	2016
	%	%
Discount rate	**5.4**	5.4
Future salary increase	**6.9**	6.9
Inflation rate	**3.5**	3.5
Normal retirement age (years)		
- Male	**60**	60
- Female	**60**	60

29. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- to be recovered within one year	**(728)**	(1,287)	**-**	-
- to be recovered after one year	**(277)**	(2,617)	**-**	-
	(1,005)	(3,904)	**-**	-
Deferred income tax liabilities				
- to be settled within one year	**3,133**	7,571	**-**	-
- to be settled after one year	**367,673**	85,726	**3,381**	2,960
	370,806	93,297	**3,381**	2,960

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**89,393**	84,457	**2,960**	3,490
Currency translation differences	**(871)**	(293)	**-**	-
Tax (credit)/charge to:				
- income statement [Note 9(a)]	**(1,184)**	4,106	**100**	(85)
- other comprehensive income [Note 31(f)]	**535**	(807)	**321**	(445)
Group tax relief	**442**	1,850	**-**	-
Acquisition of a business (Note 38)	**25,087**	-	**-**	-
Acquisition of subsidiaries (Note 38)	**256,305**	-	**-**	-
Under provision in prior financial year [Note 9(a)]	**94**	80	**-**	-
At the end of the financial year	**369,801**	89,393	**3,381**	2,960

Deferred income tax credited/(charged) against other comprehensive income (Note 31) during the financial year are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Hedging reserve [Note 31(f)]	**535**	(807)	**321**	(445)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $73,121,000 (2016: $58,927,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. Tax losses incurred by subsidiaries of $73,121,000 (2016: $58,927,000) can be carried forward for a period of up to five years subsequent to the year of the loss.

29. Deferred income taxes (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Fair value gains from business comb-inations $'000	Fair value gains on derivative financial instruments $'000	Accelerated tax depreciation $'000	Fair value gains on hotel properties and investment properties $'000	Unremitted foreign income, interest and dividends $'000	Development profit $'000	Other temporary differences $'000	Total $'000
2017								
At the beginning of the financial year	-	(135)	56,179	18,747	1,219	18,806	493	95,309
Currency translation differences	-	3	307	(1,253)	-	-	(19)	(962)
Acquisition of a business (Note 38)	-	-	25,087	-	-	-	-	25,087
Acquisition of subsidiaries (Note 38)	187,368	101	25,075	23,321	-	23,142	-	259,007
Tax (credit)/charge to income statement	(3,541)	-	3,175	(2,215)	(6)	7,272	(119)	4,566
Tax charge to other comprehensive income	-	285	-	-	-	-	-	285
At the end of the financial year	**183,827**	**254**	**109,823**	**38,600**	**1,213**	**49,220**	**355**	**383,292**
2016								
At the beginning of the financial year	-	227	52,226	19,224	1,284	16,271	778	90,010
Currency translation differences	-	-	61	(349)	-	-	11	(277)
Tax charge/(credit) to income statement	-	-	3,892	(128)	(65)	2,535	(296)	5,938
Tax credit to other comprehensive income	-	(362)	-	-	-	-	-	(362)
At the end of the financial year	-	(135)	56,179	18,747	1,219	18,806	493	95,309

Deferred income tax assets

	Fair value losses on derivative financial instruments $'000	Excess of depreciation over capital allowances $'000	Tax losses $'000	Provisions $'000	Total $'000
2017					
At the beginning of the financial year	(611)	(1,825)	(3,213)	(267)	(5,916)
Currency translation differences	-	-	91	-	91
Acquisition of subsidiaries (Note 38)	-	-	(1,727)	(975)	(2,702)
Tax credit to income statement	-	(166)	(5,027)	(463)	(5,656)
Tax charge to other comprehensive income	250	-	-	-	250
Group tax relief	-	-	442	-	442
At the end of the financial year	**(361)**	**(1,991)**	**(9,434)**	**(1,705)**	**(13,491)**
2016					
At the beginning of the financial year	(166)	(1,825)	(2,836)	(726)	(5,553)
Currency translation differences	-	-	(16)	-	(16)
Tax (credit)/charge to income statement	-	-	(2,201)	449	(1,752)
Tax credit to other comprehensive income	(445)	-	-	-	(445)
Group tax relief	-	-	1,840	10	1,850
At the end of the financial year	(611)	(1,825)	(3,213)	(267)	(5,916)

29. Deferred income taxes (continued)

The Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Total $'000
2017		
At the beginning of the financial year	3,571	3,571
Tax charge to income statement	100	100
At the end of the financial year	**3,671**	**3,671**
2016		
At the beginning of the financial year	3,656	3,656
Tax credit to income statement	(85)	(85)
At the end of the financial year	3,571	3,571

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2017		
At the beginning of the financial year	(611)	(611)
Tax charge to other comprehensive income	321	321
At the end of the financial year	**(290)**	**(290)**
2016		
At the beginning of the financial year	(166)	(166)
Tax credit to other comprehensive income	(445)	(445)
At the end of the financial year	(611)	(611)

30. Share capital of UOL Group Limited

	Number of shares '000	Amount $'000
2017		
At the beginning of the financial year	804,611	1,269,853
Proceeds from shares issued:		
- to holders of share options	2,233	12,122
Issue of shares under scrip dividend scheme	7,526	48,769
Issue of shares for acquisition of subsidiaries (Note 38)	27,273	219,000
At the end of the financial year	**841,643**	**1,549,744**
2016		
At the beginning of the financial year	796,219	1,216,099
Proceeds from shares issued:		
- to holders of share options	222	1,095
Issue of shares under scrip dividend scheme	9,741	55,138
Shares cancelled upon buy-back	(1,571)	(2,479)
At the end of the financial year	804,611	1,269,853

30. Share capital of UOL Group Limited (continued)

(a) All issued ordinary shares have no par value and are fully paid.

(b) During the financial year, the Company issued 2,233,000 (2016: 222,000) ordinary shares pursuant to the options under the UOL 2000 and 2012 Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

UOL Group Executives' Share Option Scheme

The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

On 10 March 2017, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,366,000 ordinary shares in the Company (known as "the 2017 Options") at the exercise price of $6.61 per ordinary share. 1,366,000 options granted were accepted.

Statutory information regarding the 2017 Options is as follows:

(i) The option period begins on 10 March 2018 and expires on 9 March 2027 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

30. Share capital of UOL Group Limited (continued)

UOL Group Executives' Share Option Scheme (continued)

Movements in the number of ordinary shares outstanding under options at the end of the financial year and their exercise prices were as follows:

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2017							
2007 Options	2,000	-	(2,000)	-	-	4.91	16.03.2008 to 15.03.2017
2008 Options	112,000	-	(112,000)	-	-	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	(52,000)	-	10,000	1.65	06.03.2010 to 05.03.2019
2010 Options	304,000	-	(280,000)	-	24,000	3.95	05.03.2011 to 04.03.2020
2011 Options	340,000	-	(219,000)	-	121,000	4.62	04.03.2012 to 03.03.2021
2012 Options	641,000	-	(403,000)	-	238,000	5.40	23.08.2013 to 22.08.2022
2013 Options	787,000	-	(218,000)	-	569,000	6.55	08.03.2014 to 07.03.2023
2014 Options	699,000	-	(215,000)	-	484,000	6.10	12.03.2015 to 11.03.2024
2015 Options	1,105,000	-	(158,000)	(116,000)	831,000	7.67	11.03.2016 to 10.03.2025
2016 Options	1,129,000	-	(574,000)	-	555,000	5.87	11.03.2017 to 10.03.2026
2017 Options	-	1,336,000	-	(74,000)	1,292,000	6.61	10.03.2018 to 09.03.2027
	5,181,000	**1,336,000**	**(2,233,000)**	**(190,000)**	**4,124,000**		
2016							
2007 Options	204,000	-	(202,000)	-	2,000	4.91	16.03.2008 to 15.03.2017
2008 Options	130,000	-	-	(18,000)	112,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	-	-	-	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	304,000	-	-	-	304,000	3.95	05.03.2011 to 04.03.2020
2011 Options	346,000	-	(6,000)	-	340,000	4.62	04.03.2012 to 03.03.2021
2012 Options	655,000	-	(14,000)	-	641,000	5.40	23.08.2013 to 22.08.2022
2013 Options	853,000	-	-	(66,000)	787,000	6.55	08.03.2014 to 07.03.2023
2014 Options	795,000	-	-	(96,000)	699,000	6.10	12.03.2015 to 11.03.2024
2015 Options	1,225,000	-	-	(120,000)	1,105,000	7.67	11.03.2016 to 10.03.2025
2016 Options	-	1,224,000	-	(95,000)	1,129,000	5.87	11.03.2017 to 10.03.2026
	4,574,000	**1,224,000**	**(222,000)**	**(395,000)**	**5,181,000**		

Out of the outstanding options for 4,124,000 (2016: 5,181,000) shares, options for 2,832,000 (2016: 4,052,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $7.97 (2016: $5.77) per share.

The fair value of options granted on 10 March 2017 (2016: 11 March 2016), determined using the Trinomial Tree Model was $1,544,000 (2016: $1,077,000). The significant inputs into the model were share price of $6.92 (2016: $5.88) at the grant date, exercise price of $6.61 (2016: $5.87), standard deviation of expected share price returns of 17.49% (2016: 19.53%), option life from 10 March 2018 to 9 March 2027 (2016: 11 March 2017 to 10 March 2026), annual risk-free interest rate of 2.30% (2016: 2.12%) and dividend yield of 2.33% (2016: 2.79%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

31. Reserves

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Composition:				
Share option reserve [Note (a) below]	**16,720**	17,097	**16,687**	15,314
Fair value reserve [Note (b) below]	**844,444**	587,562	**687,997**	490,217
Asset revaluation reserve [Note (c) below]	**20,790**	42,978	**-**	-
Capital reserves [Note (d) below]	**70,203**	293,580	**-**	-
Currency translation reserve [Note (e) below]	**(43,442)**	(25,428)	**-**	-
Hedging reserve [Note (f) below]	**(1,443)**	(3,642)	**(1,417)**	(2,985)
Others	**-**	-	**598**	598
	907,272	912,147	**703,865**	503,144

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**17,097**	15,806	**15,314**	14,211
Employee share option scheme of the Company:				
- Value of employee services	**1,407**	1,103	**1,373**	1,103
Share of associated company	**58**	188	**-**	-
Acquisition of subsidiaries and derecognition of associated companies	**(1,842)**	-	**-**	-
At the end of the financial year	**16,720**	17,097	**16,687**	15,314

(b) Fair value reserve

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**587,562**	550,496	**490,217**	461,611
Fair value gains on available-for-sale financial assets (Note 15)	**256,882**	37,066	**197,780**	28,606
At the end of the financial year	**844,444**	587,562	**687,997**	490,217

(c) Asset revaluation reserve

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**42,978**	42,976
Share of an associated company's acquisition of interests from non-controlling shareholders	**-**	2
Acquisition of subsidiaries and derecognition of associated companies	**(22,188)**	-
At the end of the financial year	**20,790**	42,978

The asset revaluation reserve of the Group does not take into account the surplus of $1,412,864,000 (2016: $1,093,397,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

31. Reserves (continued)

(d) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2017	2016
	$'000	$'000
Transfer from asset revaluation reserve for bonus issue of shares by a subsidiary	**55,846**	55,846
Share premium in a subsidiary attributable to the Group	**13,360**	13,360
Goodwill on consolidation	**997**	997
Acquisitions of associated companies (See below)	**-**	223,377
	70,203	293,580

The movement in capital reserves is as follows:

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**293,580**	293,580
Acquisition of subsidiaries and derecognition of associated companies (See below)	**(223,377)**	-
At the end of the financial year	**70,203**	293,580

The capital reserves arising from the acquisitions of associated companies relate to the increase in the fair value of identifiable net assets and liabilities of the investee companies attributable to the Group's previously held interest in those investee companies on the date they became associated companies. These capital reserves were reversed when the Group increased its shareholding interests in UIC (Note 38) which resulted in these associated companies becoming subsidiaries of the Group.

(e) Currency translation reserve

	The Group	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**(25,428)**	(13,291)
Net currency translation differences of financial statements of foreign subsidiaries and an associated company	**(16,691)**	(7,210)
Share of an associated company's other comprehensive loss	**(903)**	(4,757)
Acquisition of subsidiaries and derecognition of associated companies	**(960)**	-
	(18,554)	(11,967)
Less: Amount attributable to non-controlling interests	**540**	(170)
	(18,014)	(12,137)
At the end of the financial year	**(43,442)**	(25,428)

31. Reserves (continued)

(f) Hedging reserve

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**(3,642)**	299	**(2,985)**	(812)
Fair value gains/(losses)	**147**	(6,639)	**96**	(3,831)
Deferred tax on fair value (Note 29)	**(535)**	807	**(321)**	445
Acquisition of subsidiaries and derecognition of a joint venture company	**(517)**	-	**-**	-
	(905)	(5,832)	**(225)**	(3,386)
Transfer to income statement				
- Finance expense (Note 7)	**3,385**	1,891	**1,793**	1,213
Less: Amount attributable to non-controlling interests	**(281)**	-	**-**	-
	2,199	(3,941)	**1,568**	(2,173)
At the end of the financial year	**(1,443)**	(3,642)	**(1,417)**	(2,985)

The hedging reserve comprised the effective portion of the accumulated net change in the fair value of interest rate swaps for hedged transactions that had not occurred.

32. Dividends

	The Group and the Company	
	2017	2016
	$'000	$'000
Final one-tier dividend paid in respect of the previous financial year of 15.0 cents (2016: 15.0 cents) per share	**120,716**	119,416

At the forthcoming Annual General Meeting on 25 April 2018, a final one-tier dividend of 17.5 cents per share amounting to a total of $147,288,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2018.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to $2,053,611,000 (2016: $1,274,293,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for an amount of $16,701,000 (2016: $25,439,000) which was denominated in United States Dollar, an amount of $581,124,000 (2016: $161,439,000) which was denominated in Pound Sterling and an amount of $310,786,000 (2016: $18,015,000) which was denominated in Australian Dollar.

At the end of the reporting period, the Group has given a guarantee of $1,857,000 (2016: $2,856,000) in respect of banking facilities granted to an associated company.

The Company has also given undertakings to provide financial support to certain subsidiaries.

The directors are of the view that no material losses will arise from these contingent liabilities.

34. Commitments

(a) Capital and other commitments

Expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group	
	2017	2016
	$'000	$'000
Expenditure contracted for:		
- property, plant and equipment	**186,088**	83,947
- development properties	**459,391**	289,795
- investment properties	**2,919**	-
	648,398	373,742

(b) Operating lease commitments – where a group company is a lessee

The Group leases various premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are analysed as follows:

	The Group	
	2017	2016
	$'000	$'000
Not later than one year	**2,995**	3,143
Later than one year but not later than five years	**8,007**	6,417
Later than five years	**20,638**	25,245
	31,640	34,805

(c) Operating lease commitments – where a group company is a lessor

The Group and the Company lease out retail and office space to non-related parties under non-cancellable operating agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are analysed as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Not later than one year	**404,239**	161,886	**15,445**	18,059
Later than one year but not later than five years	**696,993**	248,596	**18,904**	27,457
Later than five years	**126,876**	93,544	**-**	2,318
	1,228,108	504,026	**34,349**	47,834

34. Commitments (continued)

(c) Operating lease commitments – where a group company is a lessor (continued)

The future minimum lease payments receivable under non-cancellable operating leases exclude the portion of lease payments receivable which are computed based on a percentage of the revenue of some of the lessees. The contingent lease payments received during the financial year and recognised in the Group's and the Company's revenue from property investments were $3,174,000 (2016: $3,479,000) and $113,000 (2016: $138,000) respectively.

35. Financial risk management

Financial risk factors

The Board of Directors provides guidance for overall risk management. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as interest rate swaps, currency forwards and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

The Group operates in the Asia Pacific region and in the United Kingdom. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Pound Sterling ("GBP").

The Group has a number of investments in foreign subsidiaries, associated companies and a joint venture company whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries, associated companies and a joint venture company in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC"), Vietnam and the United Kingdom are managed through borrowings, as far as is reasonably practical, in foreign currencies which broadly match those in which the net assets are denominated or in currencies that are freely convertible.

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
2017								
Financial assets								
Cash and bank balances	713,426	26,781	10,634	9,046	45,842	4,248	6,469	816,446
Trade and other receivables	403,127	26,004	6,813	1,666	10,921	36,250	3,442	488,223
Receivables from subsidiaries	784,955	14,659	-	-	-	355,589	-	1,155,203
Derivative financial instrument	1,552	-	-	-	-	-	-	1,552
Other assets - deposits	11,833	24	2	241	63	-	222	12,385
	1,914,893	67,468	17,449	10,953	56,826	396,087	10,133	2,473,809
Financial liabilities								
Borrowings	(2,408,195)	(16,701)	(384,685)	-	(45,886)	(913,021)	(15,487)	(3,783,975)
Trade and other payables	(474,414)	(44,563)	(2,985)	(20,605)	(44,061)	(8,147)	(10,412)	(605,187)
Payables to subsidiaries	(784,955)	(14,659)	-	-	-	(355,589)	-	(1,155,203)
Derivative financial instrument	(2,085)	-	-	-	-	-	-	(2,085)
Loans from non-controlling shareholders of subsidiaries	(63,009)	-	-	-	-	-	-	(63,009)
	(3,732,658)	(75,923)	(387,670)	(20,605)	(89,947)	(1,276,757)	(25,899)	(5,609,459)
Net financial liabilities	(1,817,765)	(8,455)	(370,221)	(9,652)	(33,121)	(880,670)	(15,766)	(3,135,650)
Less: Net financial assets denominated in the respective entities' functional currencies	1,778,346	30,629	370,726	9,646	33,093	880,670	494	3,103,604
Add: Firm commitments and highly probable forecast transactions in foreign currencies	383,925	1,200	7,090	36,722	338	218,149	974	648,398
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(383,925)	(1,200)	(7,090)	(36,722)	(338)	(218,149)	(974)	(648,398)
Currency exposure	**(39,419)**	**22,174**	**505**	**(6)**	**(28)**	**-**	**(15,272)**	**(32,046)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
2016								
Financial assets								
Cash and bank balances	197,993	16,238	25,424	15,869	35,386	3,773	6,829	301,512
Trade and other receivables	201,126	7,200	11,154	1,163	2,588	2,042	3,104	228,377
Receivables from subsidiaries	491,496	17,649	-	-	-	274,998	-	784,143
Derivative financial instrument	207	-	-	-	-	-	-	207
Other assets - deposits	1,110	28	2	218	24	-	244	1,626
	891,932	41,115	36,580	17,250	37,998	280,813	10,177	1,315,865
Financial liabilities								
Borrowings	(1,697,689)	(25,439)	(103,713)	-	(40,005)	(479,588)	-	(2,346,434)
Trade and other payables	(193,622)	(3,635)	(14,254)	(7,621)	(21,749)	(1,593)	(7,680)	(250,154)
Payables to subsidiaries	(491,496)	(17,649)	-	-	-	(274,998)	-	(784,143)
Derivative financial instrument	(4,272)	-	-	-	-	-	-	(4,272)
Loans from non-controlling shareholders of subsidiaries	(63,009)	-	-	-	-	-	-	(63,009)
	(2,450,088)	(46,723)	(117,967)	(7,621)	(61,754)	(756,179)	(7,680)	(3,448,012)
Net financial (liabilities)/assets	(1,558,156)	(5,608)	(81,387)	9,629	(23,756)	(475,366)	2,497	(2,132,147)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	1,518,936	(5,637)	81,529	(9,655)	23,745	475,366	(2,375)	2,081,909
Add: Firm commitments and highly probable forecast transactions in foreign currencies	243,831	-	1,729	12,300	-	115,526	356	373,742
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(243,831)	-	(1,729)	(12,300)	-	(115,526)	(356)	(373,742)
Currency exposure	**(39,220)**	**(11,245)**	**142**	**(26)**	**(11)**	**-**	**122**	**(50,238)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group does not have significant exposure to currency risk other than USD. Assuming that the USD changes against SGD by 5% (2016: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group Increase/(Decrease)	
	2017	2016
	$'000	$'000
USD against SGD		
- strengthens	**920**	(467)
- weakens	**(920)**	467

The Company's revenue, purchases, receivables and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for the following:

	USD	GBP	EUR
	$'000	$'000	$'000
The Company			
2017			
Financial assets			
Loans to subsidiaries	14,659	355,589	-
Financial liabilities			
Bank borrowings	-	(280,862)	(15,489)
Currency exposure	**14,659**	**74,727**	**(15,489)**
2016			
Financial assets			
Loans to subsidiaries	17,649	274,998	-
Financial liabilities			
Bank borrowings	-	(318,149)	-
Currency exposure	17,649	(43,151)	-

Assuming that the USD and GBP changes against SGD by 5% (2016: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax of the Company will be as follows:

	The Company Increase/(Decrease)	
	2017	2016
	$'000	$'000
USD against SGD		
- strengthens	**608**	732
- weakens	**(608)**	(732)
GBP against SGD		
- strengthens	**3,101**	(1,791)
- weakens	**(3,101)**	1,791
EUR against SGD		
- strengthens	**(643)**	-
- weakens	**643**	-

35. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group and the Company are exposed to equity securities price risk due to their investments in quoted securities listed in Singapore, which have been classified in the consolidated statement of financial position as available-for-sale financial assets.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2017, if prices for equity securities listed in Singapore change by 10% (2016: 10%) with all other variables being held constant, the fair value reserve will be higher/lower by $106,276,000 (2016: $80,767,000) and $80,339,000 (2016: $61,073,000) for the Group and the Company respectively.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group and the Company monitor closely the changes in interest rates on borrowings and when appropriate, manage their exposure to changes in interest rates by entering into borrowings on a fixed rate basis over a longer term.

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD, USD, GBP and AUD. If the SGD, USD, GBP and AUD interest rates increase/decrease by 1% (2016: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by $13,502,000 (2016: $7,953,000) and $1,411,000 (2016: $2,220,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are loans and receivables which include cash and bank balances. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient security such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

Credit exposure to an individual customer or counterparty is generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and by Group management.

The Group's and the Company's maximum exposure to credit risk on corporate guarantees provided to banks on subsidiaries' loans are disclosed in Note 33.

35. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk of trade and other receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**457,807**	206,984	**1,139,897**	766,453
Australia	**6,367**	11,031	**472**	13
Vietnam	**1,421**	2,506	**86**	92
Malaysia	**1,671**	1,189	**5**	3
PRC	**10,870**	2,514	**15,374**	18,373
Myanmar	**766**	1,202	**1**	-
United Kingdom	**6,913**	2,042	**-**	-
Others	**2,408**	909	**-**	-
	488,223	228,377	**1,155,835**	784,934
By operating segments				
Property development	**311,090**	151,057	**406,936**	297,278
Property investments	**65,752**	20,838	**35,341**	35,086
Hotel operations	**31,284**	16,725	**17,059**	18,882
Management services and technologies	**80,097**	39,757	**370**	97
Investments	**-**	-	**696,129**	433,591
	488,223	228,377	**1,155,835**	784,934

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

(ii) Financial assets that are past due and/or impaired

The age analysis of trade and other receivables past due but not impaired is as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Past due 0 to 3 months	**19,612**	4,996	**51**	17
Past due 3 to 6 months	**1,944**	1,533	**-**	-
Past due over 6 months	**2,579**	3,102	**-**	48
	24,135	9,631	**51**	65

35. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Gross amount	**1,100**	416	**-**	-
Less: Allowance for impairment	**(1,056)**	(416)	**-**	-
	44	-	**-**	-
Beginning of financial year	**416**	359	**-**	-
Currency translation difference	**(25)**	-	**-**	-
Acquisition of subsidiaries	**745**	-	**-**	-
Allowance made – net	**133**	60	**-**	-
Allowance utilised	**(213)**	(3)	**-**	-
End of financial year	**1,056**	416	**-**	-

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
The Group				
2017				
Trade and other payables	491,646	36,675	69,063	7,803
Derivative financial instrument	2,282	871	-	-
Borrowings	1,501,946	1,035,231	1,381,226	-
Loans from non-controlling shareholders of subsidiaries	-	64,661	-	-
Financial guarantees for borrowings of associated companies	-	-	1,857	-
	1,995,874	**1,137,708**	**1,452,146**	**7,803**
2016				
Trade and other payables	198,502	22,205	29,447	-
Derivative financial instrument	3,149	2,155	486	-
Borrowings	759,738	889,009	775,345	-
Loans from non-controlling shareholders of subsidiaries	-	-	65,818	-
Financial guarantees for borrowings of associated companies	-	-	2,856	-
	961,389	913,369	873,952	-
The Company				
2017				
Trade and other payables	859,583	1,154	1,156	-
Derivative financial instrument	1,485	427	-	-
Borrowings	147,977	181,282	-	-
Financial guarantees for borrowings of subsidiaries and associated companies	524,482	568,859	960,270	-
	1,533,527	**751,722**	**961,426**	**-**
2016				
Trade and other payables	564,319	2,779	1,712	-
Derivative financial instrument	1,688	1,688	486	-
Borrowings	221,982	5,504	179,138	-
Financial guarantees for borrowings of subsidiaries and associated companies	401,101	375,000	498,193	-
	1,189,090	384,971	679,529	-

35. Financial risk management (continued)

(c) Liquidity risk (continued)

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and aim to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may, subject to the necessary approvals from the shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under their note issuance programmes to maintain a gearing ratio of not exceeding 200% (2016: 200%). The Group's and the Company's strategies, which were unchanged from 2016, are to maintain a gearing ratio below 150%.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

	The Group		The Company	
	2017	2016	**2017**	2016
Net debt ($'000)	**3,030,538**	2,107,931	**304,997**	390,270
Total equity ($'000)	**14,146,291**	8,635,364	**3,225,281**	2,841,222
Gearing ratio	**21%**	24%	**9%**	14%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2017 and 2016.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 20 for disclosure of the investment properties that are measured at fair value.

35. Financial risk management (continued)

(e) Fair value measurements (continued)

2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
Assets				
Available-for-sale financial assets				
- Equity securities	1,062,758	-	68,944	1,131,702
- Derivative financial instrument	-	1,552	-	1,552
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(2,085)	-	(2,085)
The Company				
Assets				
Available-for-sale financial assets				
- Equity securities	803,387	-	62,579	865,966
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(1,708)	-	(1,708)
2016				
The Group				
Assets				
Available-for-sale financial assets				
- Equity securities	807,667	-	47,384	855,051
- Derivative financial instrument	-	207	-	207
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(4,272)	-	(4,272)
The Company				
Assets				
Available-for-sale financial assets				
- Equity securities	610,726	-	47,384	658,110
Liabilities				
Available-for-sale financial assets				
- Derivative financial instrument	-	(3,596)	-	(3,596)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. These investments are classified as Level 2. The fair value of certain unquoted available-for-sale financial assets is calculated using the net asset value method.

Other available-for-sale financial assets of the Group and the Company where the fair value is calculated using a significant unobservable input is classified as Level 3. In the valuation model, the net asset value of the available-for-sale financial assets is multiplied by a discount factor. The discount factor is derived from the average of quoted prices of a basket of similar instruments against their net asset value. The discount factor applied for 2017 was 5% (2016: 27%). If the discount factor increases/decreases by 5% points (2016: 5% points), the fair value of the Level 3 unquoted available-for-sale financial assets will decrease/increase by $3,291,000 (2016: $3,241,000).

35. Financial risk management (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

	The Group and the Company	
	2017	2016
	$'000	$'000
At the beginning of the financial year	**47,384**	45,659
Acquisition of subsidiaries (Note 38)	**6,365**	-
Fair value gains recognised in other comprehensive income	**15,195**	1,725
At the end of the financial year	**68,944**	47,384

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2017 and 2016.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 15 and Note 26 to the financial statements, except for the following:

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Loans and receivables	**1,317,054**	531,515	**1,172,150**	786,641
Financial liabilities at amortised cost	**4,452,171**	2,659,597	**1,183,184**	960,760

36. Related party transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant transactions between the Group and related parties during the financial year on terms agreed between the parties concerned:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Transactions with directors and their associates				
Proceeds from sale of development properties	**250**	621	**-**	-
Rental received	**451**	450	**353**	355
Interest paid/payable on shareholder's loan	**1,507**	1,558	**-**	-
Commission paid for sale of development properties	**997**	908	**-**	-
Transactions with associated companies and joint venture companies				
Fees received for management of development properties	**265**	449	**-**	-
Fees received for management of hotels	**5,294**	7,909	**-**	-
Fees received for operation of spas	**14**	53	**-**	-
Sale of gift vouchers	**-**	104	**-**	-
Accounting and corporate secretarial fee received	**371**	387	**96**	20
Commission received	**1,049**	46	**-**	-
Interest receivable on loans to joint venture companies	**2,109**	3,324	**-**	-
Purchase and maintenance of computers and software	**737**	884	**150**	187
Expenses for hotel and function room facilities	**195**	230	**6**	-

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2017	2016
	$'000	$'000
Salaries and other short-term employee benefits	**5,602**	5,884
Directors' fees	**863**	710
Post-employment benefits – contribution to CPF	**104**	135
Share options granted	**300**	234
	6,869	6,963

Total compensation to directors of the Company included in above amounted to $3,203,000 (2016: $2,946,000).

37. Group segmental information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and two other Board members of the Company.

For management purposes, the Group is organised into business segments based on their products and services as follows:

- Property development – development of properties for sale.
- Property investment – leasing of commercial properties and serviced suites.
- Hotel operations – operation of owned hotels.
- Investments – investment in quoted and unquoted available-for-sale financial assets.
- Management services and technologies – provision of hotel management services under the "Pan Pacific" and PARKROYAL brands, project management and related services and the distribution of computers and related products including the provision of systems integration and networking infrastructure services.

The property development activities of the Group are concentrated in Singapore, PRC and the United Kingdom while the property investment activities are concentrated in Singapore.

The hotel operations of the Group are located in Singapore, Australia, Vietnam, Malaysia, PRC and Myammar and key asset and profit contributions are from the hotels in Singapore and Australia. The Group also has a hotel property under development in the United Kingdom.

The Group's quoted and unquoted available-for-sale financial assets relates to equity shares in Singapore and The People's Republic of China.

The management services and technologies segment are not significant to the Group and have been included in the "others" segment column.

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2017 is as follows:

	Property development				Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Malaysia	PRC	United Kingdom		Singapore	Australia	Others^			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
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
Share of (loss)/profit of associated companies	(3)	-	(70)	-	97,778	3,093	-	2,362	-	(2)	103,158
Share of profit of joint venture companies	5,134	-	-	-	9,327	-	-	-	-	-	14,461
Segment assets	2,536,855	3,118	1,072,897	286,997	11,068,118	2,240,255	538,798	582,676	1,130,949	76,067	19,536,730
Unallocated assets											86,716
Total assets											19,623,446
Total assets include:											
Investment in associated companies	391	-	-	-	-	237,259	-	26,621	-	21,240	285,511
Investment in joint venture companies	970	-	-	-	-	-	-	-	-	-	970
Additions during the financial year to:											
- property, plant and equipment	-	-	-	-	7,251	1,375,288	274,240	161,912	4	828	1,819,523
- investment properties	-	-	-	-	6,586,608	-	-	-	-	-	6,586,608
- intangibles	48,057	-	108,521	-	348	17	25,192	23	-	687	182,845
Segment liabilities	1,179,185	115	47,346	251,634	1,252,994	199,390	302,749	38,481	6,261	35,627	3,313,782
Unallocated liabilities											2,163,373
Total liabilities											5,477,155

* Included within are Malaysia, PRC and United Kingdom operating segments which are not reportable segments individually.
^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2016 is as follows:

	Property development				Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Malaysia	PRC	United Kingdom		Singapore	Australia	Others^			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
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)
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 companies	3,365	-	-	-	(2,278)	-	-	-	-	-	1,087
Segment assets	1,353,034	2,645	258,528	152,298	7,543,301	637,275	281,905	403,648	855,072	52,970	11,540,676
Unallocated assets											17,464
Total assets											11,558,140
Total assets include:											
Investment in associated companies	263	-	188,724	-	3,156,172	46,200	-	8,108	-	10,360	3,409,827
Investment in joint venture companies	58,714	-	-	-	19,033	-	-	-	-	-	77,747
Additions during the financial year to:											
- property, plant and equipment	-	-	-	-	1,869	6,044	24,340	31,238	-	400	63,891
- investment properties	-	-	-	-	187,729	-	-	-	-	-	187,729
- intangibles	-	-	-	-	-	-	-	34	-	2,252	2,286
Segment liabilities	598,663	117	52,897	147,797	322,118	131,872	100,269	31,135	90	14,312	1,399,270
Unallocated liabilities											1,523,506
Total liabilities											2,922,776

* Included within are Malaysia and PRC operating segments which are not reportable segments individually.
^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

37. Group segmental information (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2017 $'000	2016 $'000
Adjusted EBITDA for reportable segments	**684,436**	492,564
Depreciation and amortisation	**(131,277)**	(66,604)
Other gains/(losses)	**524,615**	(23,275)
Fair value gains/(losses) on investment properties	**15,593**	(9,700)
Unallocated costs	**(18,086)**	(14,183)
Finance income	**11,666**	5,406
Finance expense	**(37,942)**	(30,292)
Profit before income tax	**1,049,005**	353,916

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of these financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Exco monitors the development properties, property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than tangible and intangible assets at corporate level and current and deferred income tax assets.

	2017 $'000	2016 $'000
Segment assets for reportable segments	**19,536,730**	11,540,676
Unallocated:		
Cash and bank balances	**83,486**	12,393
Derivative financial instruments	**282**	207
Receivables and other assets	**246**	243
Current income tax assets	**220**	157
Property, plant and equipment	**1,193**	560
Intangibles	**284**	-
Deferred income tax assets	**1,005**	3,904
	19,623,446	11,558,140

37. Group segmental information (continued)

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of these financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accruals for expenses and borrowings at corporate level, current and deferred income tax liabilities and derivative financial instruments.

	2017	2016
	$'000	$'000
Segment liabilities for reportable segments	**3,313,782**	1,399,270
Unallocated:		
Other payables	**17,309**	16,720
Current income tax liabilities	**109,186**	50,699
Borrowings	**1,663,987**	1,358,518
Derivative financial instruments	**2,085**	4,272
Deferred income tax liabilities	**370,806**	93,297
	5,477,155	2,922,776

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings, management services and technologies. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's six business segments operate in seven main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments and investment holdings. The Group also engages in the provision of management services in Singapore and in various overseas locations.

The main activities in Australia, Vietnam, Malaysia, PRC and Myanmar consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in PRC and the United Kingdom.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2017	2016
	$'000	$'000
Singapore	**1,789,501**	1,156,986
Australia	**145,487**	122,297
Malaysia	**41,684**	47,212
PRC	**56,577**	53,194
Vietnam	**32,505**	31,856
Myanmar	**16,920**	20,735
United Kingdom	**16,608**	4,943
Others	**3,870**	3,516
	2,103,152	1,440,739

37. Group segmental information (continued)

Geographical information (continued)

	Non-current assets	
	2017	2016
	$'000	$'000
Singapore	**12,391,277**	7,768,177
Australia	**519,815**	256,675
Vietnam	**82,198**	90,221
Malaysia	**153,454**	141,941
PRC	**367,805**	440,078
Myanmar	**43,576**	49,132
United Kingdom	**681,229**	228,941
Others	**1,582**	1,903
	14,240,936	8,977,068

There is no single external customer who contributes 10 per cent or more of the Group's revenue during the financial years ended 31 December 2017 and 2016.

38. Business combination

(a) During the financial period 1 January 2017 to 30 August 2017, the Group increased its shareholding interests in UIC from 632,920,400 ordinary shares (44.60%) to 641,048,530 ordinary shares (44.77%). The increase in shareholdings arose from the acquisition of an additional 1,760,100 ordinary shares by UEI with cash and the election by the Company and UEI to receive 333,926 ordinary shares and 6,034,104 ordinary shares respectively, under the UIC Scrip Dividend Scheme in lieu of cash dividend at an issue price of S$2.99 per share. The acquisitions were accounted for as additional investments in an associated company.

On 25 August 2017, the Company exercised a call option for the acquisition of 60,000,000 ordinary shares from a wholly owned subsidiary of Haw Par Corporation Limited in consideration for which 27,272,727 ordinary shares in the Company were issued. The acquisition was completed on 31 August 2017. Subsequent to the acquisition, the Group's shareholding interests in UIC increased to 701,048,530 ordinary shares, representing 48.96% of the total issued share capital of UIC.

Although the Group holds less than 50% of the total share capital in UIC, management has assessed that UOL's shareholding interest of 48.96% will allow it to exercise de facto control over UIC [Note 3(d)]. Accordingly, UIC Group has been consolidated as a subsidiary commencing 31 August 2017 under Financial Reporting Standards 110 - Consolidated Financial Statements.

The increased ownership interest in UIC will indirectly increase the Group's access to UIC's commercial property portfolio and, in particular, UIC's office properties in the Singapore Central Business District. Taken together, the Group and the UIC Group will have highly complementary property interests across the residential, office, retail and hospitality segments, and the geographic footprint of both groups' property portfolios is well balanced across Singapore and other markets, including The People's Republic of China and the United Kingdom.

38. Business combination

(a) (continued)

An increased ownership interest in UIC will eventually allow the Group to exercise greater influence over the deployment of UIC's resources, thereby enhancing the ability of the Group and UIC to leverage on the benefits of each other's track records, market positions, organisational capabilities, management resources and human capital, business strategies, and institutional knowledge.

As two of the leading property players in Singapore, the acquisition would enable the Company and UIC to further align their respective strategic interests and enhance their ability to collaborate on joint acquisitions of land banks and office and retail investments in Singapore and elsewhere.

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:

Company	Hotel/Project
Aquamarina Hotel Private Limited ("AHPL")[1]	Marina Mandarin Hotel
Shanghai Jin Peng Realty Co Ltd ("SJP")[1]	Park Eleven
United Venture Development (Bedok) Pte. Ltd. ("UVDB")[2]	Archipelago
United Venture Development (Thomson) Pte. Ltd. ("UVDT")[2]	Thomson Three
United Venture Development (Clementi) Pte. Ltd. ("UVDC")[2]	The Clement Canopy
UVD (Projects) Pte. Ltd. ("UVDP")[2]	Potong Pasir
United Venture Investments (HI) Pte. Ltd. ("UVIHI")[2]	Holborn Island

[1] The Group's direct interests when combined with the interests of UIC Group in MCH, AHPL and SJP also resulted in these entities becoming subsidiaries of the Group.

[2] UVDB, UVDT, UVDC, UVDP and UVIHI are 50:50 joint ventures with wholly owned subsidiaries of Singapore Land Limited, which is a 99.68% subsidiary of UIC Group. With UIC consolidated as a subsidiary of the Group, these entities have also been consolidated as subsidiaries of the Group.

The principal activities of the companies acquired are set out in Note 19 of the financial statements.

Details of the loss on derecognition of previously held interests, consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Loss on derecognition of previously held interests

	$'000
Fair value of previously held interests	3,067,921
Less: carrying value of previously held interests	(3,559,926)
Loss on derecognition of previously held interests	**(492,005)**

(ii) Purchase consideration

	$'000
27,272,727 new shares allotted for the acquisition of 60 million UIC shares	219,000
Fair value of previously held interests	3,067,921
Settlement of pre-existing relationships	165,038
Consideration transferred for the business	**3,451,959**

38. Business combination (continued)

(a) (continued)

(ii) Purchase consideration (continued)

Equity interests issued as purchase consideration

The fair value of the 27,272,727 new shares was based on the last traded price on the date of exercise of the option on 25 August 2017 for the acquisition of 60,000,000 UIC shares.

Settlement of pre-existing relationships

As at the date of the acquisition, the Group has existing loans to joint venture companies and receivables from joint venture companies amounting to $165,038,000. This pre-existing relationship was effectively settled at the recorded amount when the Group acquired control of the joint venture companies.

(iii) Effect on cash flows of the Group

	$'000
Cash paid	-
Less: cash and cash equivalents in subsidiaries acquired	(474,358)
Cash inflow on acquisition	474,358

(iv) Identifiable assets acquired and liabilities assumed

	At fair value $'000
Cash and bank balances	474,358
Trade and other receivables	83,236
Derivative financial instruments	501
Development properties	2,319,222
Inventories	3,591
Available-for-sale financial assets	6,365
Investment in associated companies	261,031
Investment properties	6,578,245
Property, plant and equipment	1,439,819
Intangibles	156,578
Total assets	11,322,946
Trade and other payables	(680,286)
Current tax liabilities	(57,184)
Deferred tax liabilities	(256,305)
Borrowings	(1,670,738)
Total liabilities	(2,664,513)
Total identifiable net assets	8,658,433
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(4,172,394)
Less: Negative goodwill on acquisition	(1,034,081)
Consideration transferred for the business	**3,451,958**

(v) Acquisition-related costs

Acquisition-related costs of $650,000 are included in "administrative expenses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

38. Business combination (continued)

(a) (continued)

(vi) Acquired receivables

The fair value of trade and other receivables is $83,236,000 and there are no significant amounts expected to be uncollectible.

(vii) Negative goodwill

The negative goodwill of $1,034,081,000 arising from the acquisition is attributable to the difference between the fair value of the identifiable net assets acquired at acquisition date and the consideration for the acquisition and is recorded in ‘other gains/losses’ in the consolidated income statement. The negative goodwill arose as the quoted share price of UIC, for which forms the basis for determining the consideration for the acquisition, is at a discount to its net asset value.

After taking into account the loss on derecognition of previously held interests computed as the fair value less carrying value of the previously held interests, the net negative goodwill on acquisition is $542,075,000 (Note 8).

(viii) Revenue and profit contribution

The acquired business contributed revenue of $544,716,000 and net profit of $37,093,000 to the Group from the period from 1 September 2017 to 31 December 2017.

Had the acquired business been consolidated from 1 January 2017, consolidated revenue and consolidated profit for the year ended 31 December 2017 would have been $3,274,716,000 and $1,142,142,000 respectively.

(b) On 28 July 2017, the Group completed the acquisition of Hilton Melbourne South Wharf via its wholly-owned subsidiary, Success Venture (Melbourne) Unit Trust, whose principal activity is that of a hotelier. The property was renamed as “Pan Pacific Melbourne” concurrently with the completion.

The acquisition is part of the Group’s plans to expand its hotel property portfolio and hotel management businesses in the Oceania region, allowing the Group the opportunity to enhance the collective operating efficiency of the Group’s current hotels in Australia.

The transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations and details of the consideration paid and the asset acquired, at the acquisition date, are as follows:

		$’000
(i)	Purchase consideration:	
	Cash paid and consideration transferred for the business	**264,437**
(ii)	Effect on cash flows of the Group:	
	Cash paid and cash outflow on acquisition	**264,437**

38. Business combination (continued)

(b) (continued)

		At fair value $'000
(iii)	Identifiable assets acquired and liabilities assumed:	
	Property, plant and equipment	264,437
	Deferred tax liabilities	(25,087)
	Total identifiable net assets	**239,350**
	Goodwill (Note 22(e))	25,087
	Consideration transferred for the business	**264,437**

(iv) Acquisition-related costs

Acquisition-related costs of $15,172,000 are included in "Other gains/losses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

(v) Goodwill

The goodwill of $25,087,000 arising from the acquisition corresponds with the deferred tax liabilities recognised on the fair value adjustments of the net assets acquired.

(vi) Revenue and profit contribution

The acquired business contributed revenue of $15,490,000 and net loss of $14,165,000 to the Group from the period from 28 July 2017 to 31 December 2017.

Had the business been consolidated from 1 January 2017, consolidated revenue and consolidated profit for the year ended 31 December 2017 would have been $2,123,674,000 and $988,324,000 respectively.

(c) The Group completed the acquisition of a property investment business in London, 110 High Holborn on 15 June 2016, via its wholly owned subsidiary Success Venture Property Investments Limited, whose principal activity is that of property investment.

The transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations and details of the consideration paid and the asset acquired, at the acquisition date, are as follows:

		$'000
(i)	Purchase consideration:	
	Cash paid and consideration transferred for the business	**181,749**
(ii)	Effect on cash flows of the Group:	
	Cash paid and cash outflow on acquisition	**181,749**

38. Business combination (continued)

(c) (continued)

		At fair value $'000
(iii)	Identifiable assets acquired and liabilities assumed:	
	Investment property (Note 20)	185,283
	Total identifiable net assets	**185,283**
	Less: Gain on purchase (Note 8)	(3,518)
	Exchange differences	(16)
	Consideration transferred for the business	**181,749**

(iv) Acquisition-related costs

Acquisition-related costs of $10,234,000 are shown as 'Other gains/losses' in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

(v) Revenue and profit contribution

The acquired business contributed revenue of $4,943,000 and net profit of $3,577,000 to the Group from the period from 16 June 2016 to 31 December 2016.

Had the acquired business been consolidated from 1 January 2016, consolidated revenue and consolidated profit for the year ended 31 December 2016 would have been $1,444,922,000 and $308,696,000 respectively.

(vi) Gain on purchase

The gain on purchase of $3,518,000 from the acquisition is attributable to the difference between the fair value of the investment property at acquisition date and the consideration for the property and is recorded in the consolidated income statement (Note 8).

39. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2018 and which the Group has not early adopted:

(a) FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

39. New or revised accounting standards and interpretations (continued)

(a) FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018) (continued)

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained earnings.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 40). The new accounting framework has similar requirements of FRS 109. The impact arising from the adoption of this standard has been assessed to be immaterial.

(b) FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

39. New or revised accounting standards and interpretations (continued)

(b) FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018) (continued)

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified that the Group is likely to be affected by the accounting for certain costs incurred in fulfilling a contract where certain costs which are currently expensed may need to be recognised as an asset under FRS 115. The impact arising from the adoption of this standard has been assessed to be immaterial.

(c) INT FRS 122 Foreign Currency Transactions and Advance Considerations (effective for annual periods beginning on or after 1 January 2018)

INT FRS 122 Foreign Currency Transactions and Advance Considerations considers how to determine the date of the transactions when applying the standard on foreign currency transactions, FRS 21 The Effect of Changes in Foreign Exchange Rates. The Interpretation applies where the Group either pays or receives consideration in advance for foreign currency-denominated contracts.

For single upfront payment/receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

The Interpretation is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The impact arising from the adoption of the Interpretation has been assessed to be immaterial.

(d) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The new standard also introduces expanded disclosure requirements and changes in presentation.

39. New or revised accounting standards and interpretations (continued)

(d) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019) (continued)

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 40). The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

40. Adoption of SFRS(I)s

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I)s on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the quarter ended 31 March 2018 in April 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group will also concurrently apply new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I)s on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group plans to elect relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements prepared under SFRS(I)s are as follows:

(i) Cumulative translation differences

The Group plans to elect to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, reserves and retained earnings as at 1 January 2017 and 31 December 2017 will be increased/reduced by $25,428,000 respectively.

(i) Deemed cost exemption

The Group plans to elect and regard the carrying amount of certain property, plant and equipment as their deemed cost at the date of transition to SFRS(I) on 1 January 2017. As a result, the Group's asset revaluation reserve is reclassified directly into retained earnings on the date of initial adoption and reserves and retained earnings as at 1 January 2017 and 31 December 2017 will be reduced/increased by $20,790,000 respectively.

40. **Adoption of SFRS(I)s** (continued)

(b) Adoption of SFRS(I) 9

The Group plans to elect to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss model under the SFRS(I) 9:

- trade receivables and contract assets recognised under the SFRS(I) 15;
- debt instruments carried at amortised cost; and
- loans to related parties and other receivables at amortised cost.

An increase in provision for impairment for the above financial assets and corresponding decrease in opening retained earnings may arise from the application of the expected credit loss impairment model.

The impact arising from the adoption of this standard has been assessed to be immaterial.

(c) Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively. The impact arising from the adoption of SFRS(I) 15 has been assessed to be immaterial (Note 39(b)).

41. **Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 27 February 2018.

ANNOUNCEMENT OF UNAUDITED THIRD QUARTER FINANCIAL STATEMENT OF UOL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD ENDED 30 SEPTEMBER 2018

The information in this Appendix VI has been reproduced from the announcement of the unaudited third quarter financial statement of UOL Group Limited and its subsidiaries made by UOL Group Limited on 13 November 2018 and has not been specifically prepared for inclusion in this Information Memorandum.

Company Registration No. 196300438C

UNAUDITED THIRD QUARTER FINANCIAL STATEMENT

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
	Note	2018	2017	+ / (-)	2018	2017	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Revenue	A	523,766	537,891	(3)	1,820,252	1,287,665	41
Cost of sales		(288,792)	(369,722)	(22)	(1,104,856)	(871,794)	27
Gross profit		234,974	168,169	40	715,396	415,871	72
Other income							
- Finance income	B	3,707	2,790	33	8,853	6,955	27
- Miscellaneous income		4,382	5,600	(22)	15,641	14,118	11
Expenses							
- Marketing and distribution	C	(21,697)	(20,575)	5	(66,257)	(52,726)	26
- Administrative	D	(30,071)	(25,136)	20	(90,772)	(64,278)	41
- Finance	E	(9,408)	(11,335)	(17)	(34,421)	(28,217)	22
- Other operating	F	(33,686)	(28,411)	19	(110,368)	(65,907)	67
Share of profit of associated companies excluding fair value losses of associated companies' investment properties		1,801	32,358	(94)	3,371	105,313	(97)
Share of (loss)/profit of joint venture companies excluding fair value gains of a joint venture company's investment property		(73)	4,014	(102)	(221)	11,639	(102)
Profit before fair value and other gains/(losses) and income tax		149,929	127,474	18	441,222	342,768	29
Other gains	G	-	520,712	(100)	32	523,121	(100)
Fair value losses on associated and joint venture companies' investment properties		-	-	-	-	(1,094)	(100)
Fair value gains on the Group's investment properties		-	-	-	64,414	13,249	386
Profit before income tax	H	149,929	648,186	(77)	505,668	878,044	(42)
Income tax expense	I	(20,835)	(16,770)	24	(72,310)	(38,485)	88
Net profit		129,094	631,416	(80)	433,358	839,559	(48)
Attributable to:							
Equity holders of the Company		92,807	609,207	(85)	299,292	798,756	(63)
Non-controlling interests		36,287	22,209	63	134,066	40,803	229
		129,094	631,416	(80)	433,358	839,559	(48)
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains		92,807	88,495	5	259,941	267,919	(3)
Other gains		-	520,712	(100)	32	523,121	(100)
Fair value gains on investment properties including those of associated and joint venture companies		-	-	-	39,319	7,716	410
Net attributable profit		92,807	609,207	(85)	299,292	798,756	(63)

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

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2018	2017	+ / (-)	2018	2017	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
A	Revenue						
	Revenue from property development	164,955	291,546	(43)	760,393	696,044	9
	Revenue from property investments	132,472	82,736	60	395,863	195,663	102
	Revenue from hotel ownership and operations	172,244	136,898	26	501,036	341,625	47
	Revenue from management services and technologies	33,732	12,771	164	114,815	24,566	367
	Dividend income from financial assets at fair value through other comprehensive income	20,363	13,940	46	48,145	29,767	62
		523,766	537,891	(3)	1,820,252	1,287,665	41
B	Finance income						
	Interest income	3,707	1,938	91	8,853	4,526	96
	Currency exchange gains (net)	-	852	(100)	-	2,429	(100)
		3,707	2,790	33	8,853	6,955	27
C	Marketing and distribution expense						
	Advertising and promotion	7,806	6,681	17	21,924	18,678	17
	Marketing and distribution payroll and related expenses	7,478	6,037	24	22,666	15,960	42
	Sales commissions	3,016	6,323	(52)	14,204	14,433	(2)
	Showflat expenses	2,329	1,265	84	5,018	3,386	48
	Others	1,068	269	297	2,445	269	809
		21,697	20,575	5	66,257	52,726	26
D	Administrative expenses						
	Administrative payroll and related expenses	19,555	15,518	26	59,257	42,442	40
	Corporate expenses	4,559	4,704	(3)	13,307	10,739	24
	Credit card commissions	2,011	1,638	23	6,076	4,538	34
	Information technology related expenses	2,020	1,322	53	5,929	3,629	63
	Property tax for corporate offices and other taxes	272	120	127	846	347	144
	Bank loan fees and other bank charges	128	126	1	469	434	8
	Others	1,526	1,708	(11)	4,888	2,149	127
		30,071	25,136	20	90,772	64,278	41
E	Finance expense						
	Bank facility fees	1,199	911	32	3,798	2,680	42
	Interest expense	25,543	16,455	55	65,817	41,073	60
	Less: borrowing costs capitalised	(17,590)	(6,031)	192	(36,023)	(15,536)	132
	Currency exchange losses (net)	256	-	n.m.	829	-	n.m.
		9,408	11,335	(17)	34,421	28,217	22
F	Other operating expense						
	Property taxes	13,620	8,357	63	41,238	21,630	91
	Amortisation of development property backlog (See footnote 2 on page 3)	3,430	6,014	(43)	18,722	6,014	211
	Repairs, maintenance and security	4,132	3,326	24	12,494	8,998	39
	Heat, light and power	5,574	5,035	11	16,275	14,162	15
	Others	6,930	5,679	22	21,639	15,103	43
		33,686	28,411	19	110,368	65,907	67
G	Other gains/(losses)						
	Negative goodwill on acquisition of a subsidiary and loss on derecognition of associated and joint venture companies (See footnote 1 on page 3)	-	535,609	(100)	-	535,609	(100)
	Negative goodwill on acquisition of interests in an associated company	-	-	-	-	2,814	(100)
	Gain on liquidation of a subsidiary	-	-	-	32	-	n.m.
	Acquisition of Hilton Melbourne South Wharf - Business acquisition costs (See footnote 3 on page 3)	-	(14,897)	(100)	-	(15,302)	(100)
		-	520,712	(100)	32	523,121	(100)

n.m. : not meaningful

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

	The Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2018	2017	+ / (-)	2018	2017	+ / (-)
	$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
H Profit before income tax						
Profit before income tax is stated after charging:						
Depreciation and amortisation (See footnote 4)	31,178	43,283	(28)	110,345	77,185	43
I Income tax expense						
Tax expense attributable to profit is made up of:						
- Profit for the financial period:						
Current income tax						
- Singapore	17,553	9,824	79	52,702	23,971	120
- Foreign	3,403	2,237	52	7,493	5,211	44
- Withholding tax paid	430	122	252	620	353	76
Deferred income tax						
- fair value loss of investment properties	-	-	-	(259)	(601)	(57)
- others	1,013	4,669	(78)	14,280	10,712	33
	22,399	16,852	33	74,836	39,646	89
- (Over)/under provision in prior financial periods:						
Current income tax						
- Singapore	(1,569)	(203)	673	(2,641)	(1,322)	100
- Foreign	5	(82)	106	115	(42)	374
Deferred income tax	-	203	(100)	-	203	(100)
	20,835	16,770	24	72,310	38,485	88

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 (including its subsidiary, Marina Centre Holdings Limited) and the common associated and joint venture companies of UOL Group and UIC Group were accounted as subsidiaries of UOL Group in accordance with the Financial Reporting Standards ("FRS") 110 Consolidated Financial Statements.

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 recognised in the third quarter of 2017 totaling $535.6 million (restated from the previously reported amount of $542.1 million, see paragraph 5 on the adoption of SRFS(I) 15 on 1 January 2018).

With the consolidation taking effect from 1 September 2017, the results for the third quarter of 2018 has included 3 months of consolidated income and expenses of the acquired entities compared to 1 month for the third quarter of 2017.

2 Development property backlog relates to the recognition of fair value uplift to the sold development units in The Clement Canopy arising from the PPA exercise in relation to the consolidation of UIC Group and the common associated and joint venture companies of UIC Group and UOL Group. The development property backlog is amortised as and when development profits are recognised.

3 Business acquisition costs for Hilton Melbourne South Wharf in the third quarter of 2017 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 was rebranded as Pan Pacific Melbourne.

4 Depreciation and amortisation for the third quarter of 2018 was lower as the third quarter of 2017 included $15.3 million in accelerated depreciation on the 206-room Pan Pacific Orchard which ceased operation from 1 April 2018 for redevelopment into a new 340-room hotel.

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

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
	Note	2018	2017	+ / (-)	2018	2017	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Net profit		129,094	631,416	(80)	433,358	839,559	(48)
Other comprehensive income/(loss):							
Fair value gains on financial assets at fair value through other comprehensive income	A	10,624	15,983	(34)	28,310	128,913	(78)
Cash flow hedges		212	2,185	(90)	1,765	2,692	(34)
Currency translation differences arising from consolidation of foreign operations	B	(38,400)	(3,359)	1,043	(31,429)	(12,987)	(142)
Share of other comprehensive income/(loss) of an associated company		-	1,244	(100)	-	(845)	(100)
Other comprehensive (loss)/income, net of tax		(27,564)	16,053	(272)	(1,354)	117,773	(101)
Total comprehensive income		101,530	647,469	(84)	432,004	957,332	(55)
Attributable to:							
Equity holders of the Company		77,536	626,170	(88)	313,100	917,287	(66)
Non-controlling interests		23,993	21,299	13	118,903	40,045	197
		101,529	647,469	(84)	432,003	957,332	(55)

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

A Fair value gains on financial assets at fair value through other comprehensive income

The quoted financial assets at fair value through other comprehensive income are stated at their fair values based on the quoted closing bid prices as at the reporting date. The fair value gain recorded for the third quarter ended 30 September 2018 was due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Currency translation differences arising from consolidation of foreign operations

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

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	The Group			The Company	
		30.09.18	31.12.17 (Restated)	31.12.16 (Restated)	30.09.18	31.12.17
		$'000	$'000	$'000	$'000	$'000
ASSETS						
Current assets						
Cash and bank balances		698,661	816,446	301,512	1,649	16,294
Trade and other receivables	A	278,146	395,299	99,597	5,252	3,566
Derivative financial instrument		148	14	-	-	-
Developed properties held for sale		342,736	399,786	31,878	-	-
Development properties	B	3,678,603	2,472,402	1,142,342	-	-
Inventories		3,572	4,991	651	-	-
Other assets		95,519	75,238	27,786	1,144	303
Current income tax assets		294	220	157	-	-
		5,097,679	4,164,396	1,603,923	8,045	20,163
Non-current assets						
Trade and other receivables		106,625	92,924	128,780	1,037,641	1,152,269
Derivative financial instrument		2,353	1,538	207	-	-
Financial assets at fair value through other comprehensive income		1,182,368	1,131,702	855,051	907,157	865,966
Investments in associated companies		286,148	285,511	3,413,911	-	-
Investments in joint venture companies		749	970	77,747	-	-
Investments in subsidiaries		-	-	-	1,942,925	1,943,625
Investment properties	C	10,986,713	10,917,340	4,299,597	437,050	431,100
Property, plant and equipment		2,778,516	2,856,164	1,165,536	1,618	1,570
Intangibles		160,417	180,951	24,361	231	284
Deferred income tax assets		4,718	1,005	3,904	-	-
		15,508,607	15,468,105	9,969,094	4,326,622	4,394,814
Total assets		20,606,286	19,632,501	11,573,017	4,334,667	4,414,977
LIABILITIES						
Current liabilities						
Trade and other payables	D	838,538	927,594	203,125	794,242	859,583
Current income tax liabilities		90,315	109,186	50,699	2,122	1,423
3.043% unsecured fixed rate notes due 2017		-	-	74,974	-	-
2.5% unsecured fixed rate notes due 2018		-	174,961	-	-	-
Bank loans	E	1,507,140	797,583	653,429	383,702	142,251
Finance lease liabilities		258	270	272	-	-
Derivative financial instrument		592	377	-	592	-
		2,436,843	2,009,971	982,499	1,180,658	1,003,257
Non-current liabilities						
Trade and other payables		211,095	214,879	157,013	2,171	2,310
Finance lease liabilities		3,449	3,614	3,634	-	-
Bank loans	E	2,735,688	2,568,187	1,200,202	-	179,040
2.5% unsecured fixed rate notes due 2020		239,540	239,360	239,120	-	-
2.5% unsecured fixed rate notes due 2018		-	-	174,803	-	-
Derivative financial instrument		320	1,708	4,272	-	1,708
Loan from non-controlling shareholder of a subsidiary	F	183,329	63,009	63,009	-	-
Provision for retirement benefits		6,079	5,621	4,927	-	-
Deferred income tax liabilities		384,060	372,345	95,122	3,565	3,381
		3,763,560	3,468,723	1,942,102	5,736	186,439
Total liabilities		6,200,403	5,478,694	2,924,601	1,186,394	1,189,696
NET ASSETS		14,405,883	14,153,807	8,648,416	3,148,273	3,225,281
Capital & reserves attributable to equity holders of the Company						
Share capital		1,555,395	1,549,744	1,269,853	1,555,395	1,549,744
Reserves		932,203	916,889	916,785	728,326	703,865
Retained earnings		7,141,345	6,984,500	5,952,320	864,552	971,672
		9,628,943	9,451,133	8,138,958	3,148,273	3,225,281
Non-controlling interests		4,776,940	4,702,674	509,458	-	-
TOTAL EQUITY		14,405,883	14,153,807	8,648,416	3,148,273	3,225,281

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 receivables have decreased due mainly to progress billings collected in 2018 from projects completed in 2017 such as V on Shenton, Alex Residences and Riverbank@Fernvale.

B Development properties

Development properties have increased due mainly to 1) acquisition of residential site at Silat Avenue (with commercial use) awarded by Urban Redevelopment Authority at a tender price of $1,035.3 million; and 2) payment of $58.0 million for the lease top up of the residential site at Potong Pasir now named as The Tre Ver.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. It is the practice of the Group to revalue its investment properties half yearly. Fair value gains totaling $64.4 million recognised in the first half of 2018 were mainly from Singapore Land Tower, The Gateway, UIC Building and SGX Centre 2.

D Current trade and other payables

Trade and other payables have decreased due mainly to the payment of trade liabilities outstanding as of the end of 2017 such as billings by main contractors for development projects and a development charge of $20.0 million for the redevelopment of Pan Pacific Orchard.

E Current and non-current bank loans

The net increase in current and non-current bank loans was due mainly to loans drawn for the acquisition of the development site at Silat Avenue.

F Loan from non-controlling shareholder of a subsidiary

The increase from 2017 relates to shareholders' loans from a non-controlling shareholder of United Venture Development (Silat) Pte. Ltd. which was incorporated to undertake the development of the site at Silat Avenue.

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

	As at 30.09.18		As at 31.12.17	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	58,308	1,449,128	255,540	717,699
Amount repayable after one year	1,297,737	1,870,991	846,784	2,034,388

Details of any collaterals

The borrowings are secured by bank deposits, mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties, and/or assignment of all rights and benefits with respect to the properties and/or corporate guarantees from the Company or other Group subsidiaries.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the third quarter ended 30 September

	Note	The Group 3rd Qtr 2018 $'000	The Group 3rd Qtr 2017 (Restated) $'000
Cash flows from operating activities			
Net profit		129,094	631,416
Adjustments for:			
Income tax expense		20,835	16,770
Non-cash items		38,116	5,901
Dividend and interest income		(24,070)	(15,878)
Interest expense		9,152	11,335
Negative goodwill on acquisition of subsidiaries, net of loss on derecognition of associated and joint venture companies		-	(535,609)
		173,127	113,935
Change in working capital			
Receivables	i	291,383	(229,678)
Development properties	ii	(1,085,488)	283,681
Inventories		951	(386)
Payables		(5,871)	51,319
		(799,025)	104,936
Cash (used in)/generated from operations		(625,898)	218,871
Income tax paid		(30,165)	(24,837)
Retirement benefits paid		(33)	-
Net cash (used in)/from operating activities		(656,096)	194,034
Cash flows from investing activities			
Payment to non-controlling shareholders on liquidation of a subsidiary		(1,679)	-
Payments for intangibles		-	(48)
Payment to non-controlling shareholders for purchase of shares in subsidiaries		(1,556)	-
Loans to an associated company and joint venture companies		(7,250)	(2,253)
Net proceeds from disposal of property, plant and equipment		177	-
Acquisition of subsidiaries, net of cash acquired	iii	-	469,761
Acquisition of a business	iv	-	(264,436)
Purchase of property, plant and equipment and investment properties	v	(19,332)	(19,221)
Interest received		4,875	1,941
Dividends received		23,345	2,337
Net cash (used in)/from investing activities		(1,420)	188,081
Cash flows from financing activities			
Proceeds from shares issued		449	4,069
Net proceeds from issue of shares to non-controlling shareholders of a subsidiary		15	276
Loans from non-controlling shareholder of a subsidiary		60,277	-
Proceeds from borrowings	vi	877,427	853,224
Repayment of borrowings	vi	(288,059)	(775,142)
Expenditure relating to bank borrowings		(2,919)	(765)
Interest paid		(27,464)	(13,651)
Payment of finance lease liabilities		(65)	(70)
Dividends paid to non-controlling interests		(1,092)	-
Net cash from financing activities		618,569	67,941
Net (decrease)/increase in cash and cash equivalents		(38,947)	450,056
Cash and cash equivalents at the beginning of the financial period		739,699	268,518
Effects of currency translation on cash and cash equivalents		(2,091)	398
Cash and cash equivalents at the end of the financial period	vii	698,661	718,972

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Receivables

The cash inflow for receivables in the third quarter of 2018 relates mainly to a tender deposit and stamp duties totaling $300.2 million for the site at Silat Avenue included in receivables in the second quarter of 2018, now reclassified to development properties upon completion of the acquisition during the current quarter.

ii. Development properties/Net cash used in operating activities

The cash outflow for development properties and net cash used in operating activities in the third quarter of 2018 resulted mainly from the acquisition of the site at Silat Avenue.

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)

iii. Acquisition of subsidiaries, net of cash acquired

The amount for the third quarter of 2017 relates to the acquisition of 60 million UIC shares which resulted in the consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group (see footnote 1 on page 3). The cash inflow was made up mainly of the cash and bank balances of the acquired entities as the acquisition was paid via the issue of new UOL shares.

iv. Acquisition of a business

The acquisition of a business in the third quarter of 2017 relates to the Group's purchase of Hilton Melbourne South Wharf which was renamed Pan Pacific Melbourne subsequent to the acquisition.

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

Purchases of property, plant and equipment and investment properties relate mainly to expenditure for 1) refurbishments at PARKROYAL on Beach Road, PARKROYAL Penang, PARKROYAL Yangon, Pan Pacific Melbourne and Pan Pacific Perth; 2) the redevelopment of Pan Pacific Orchard and carpark at PARKROYAL Kuala Lumpur; and 3) on-going upgrading and improvements to the Group's properties.

vi. Proceeds from borrowings/Repayment of borrowings

The net proceeds from borrowings in the third quarter of 2018 arose mainly from loans drawn for the acquisition of the site at Silat Avenue, offset partially by repayments with funds received from the progress billings of development projects.

vii. Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprise the following:

	The Group	
	30.09.18	30.09.17
	$'000	$'000
Fixed deposits with financial institutions	353,166	270,248
Cash at bank and on hand	345,495	448,924
Cash and bank balances per Statement of Financial Position	698,661	719,172
Less: Bank deposits pledged as security	-	(200)
Cash and cash equivalents per Consolidated Statement of Cash Flows	698,661	718,972

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the third quarter ended 30 September

	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2018					
Balance at 1 July 2018	1,554,946	946,910	7,048,538	4,757,221	14,307,615
Profit for the period	-	-	92,807	36,287	129,094
Other comprehensive loss for the period	-	(15,270)	-	(12,294)	(27,564)
Total comprehensive (loss)/income for the period	-	(15,270)	92,807	23,993	101,530
Employee share option scheme					
- value of employee services	-	563	-	38	601
- proceeds from shares issued	449	-	-	-	449
Dividends	-	-	-	(1,092)	(1,092)
Acquisition of interests from non-controlling shareholders	-	-	-	(1,556)	(1,556)
Issue of shares to non-controlling shareholders	-	-	-	15	15
Liquidation of a subsidiary	-	-	-	(1,679)	(1,679)
Total transactions with owners, recognised directly in equity	449	563	-	(4,274)	(3,262)
Balance at 30 September 2018	1,555,395	932,203	7,141,345	4,776,940	14,405,883

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)

Consolidated Statement of Changes in Equity for the third quarter ended 30 September (cont'd)

	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
The Group					
2017					
Balance at 1 July 2017	1,322,352	1,018,956	6,021,152	526,204	8,888,664
Profit for the period	-	-	609,207	22,209	631,416
Other comprehensive income/(loss) for the period	-	16,963	-	(910)	16,053
Total comprehensive income for the period	-	16,963	609,207	21,299	647,469
Employee share option scheme					
- value of employee services	-	400	-	14	414
- proceeds from shares issued	4,069	-	-	-	4,069
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	-	219,000
Issue of shares to non-controlling shareholders	-	-	-	276	276
Acquisition of subsidiaries	-	(231,564)	228,238	4,172,394	4,169,068
Total transactions with owners, recognised directly in equity	223,069	(231,164)	228,238	4,172,684	4,392,827
Balance at 30 September 2017	1,545,421	804,755	6,858,597	4,720,187	13,928,960

Statement of Changes in Equity for the third quarter ended 30 September

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
The Company				
2018				
Balance at 1 July 2018	1,554,946	719,485	848,537	3,122,968
Profit for the period	-	-	16,015	16,015
Other comprehensive profit for the period	-	8,317	-	8,317
Total comprehensive income for the period	-	8,317	16,015	24,332
Employee share option scheme				
- value of employee services	-	524	-	524
- proceeds from shares issued	449	-	-	449
Total transactions with owners, recognised directly in equity	449	524	-	973
Balance at 30 September 2018	1,555,395	728,326	864,552	3,148,273
2017				
Balance at 1 July 2017	1,322,352	590,302	961,750	2,874,404
Profit for the period	-	-	6,920	6,920
Other comprehensive income for the period	-	12,807	-	12,807
Total comprehensive income for the period	-	12,807	6,920	19,727
Employee share option scheme				
- value of employee services	-	386	-	386
- proceeds from shares issued	4,069	-	-	4,069
Issue of shares for the acquisition of shares in a subsidiary	219,000	-	-	219,000
Total transactions with owners, recognised directly in equity	223,069	386	-	223,455
Balance at 30 September 2017	1,545,421	603,495	968,670	3,117,586

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the quarter ended 30 September 2018, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 July 2018	842,455,232
Issue of ordinary shares arising from the exercise of:	
2009 Options at exercise price of S$1.65 per share	10,000
2010 Options at exercise price of S$3.95 per share	12,000
2011 Options at exercise price of S$4.62 per share	5,000
2013 Options at exercise price of S$6.55 per share	18,000
2017 Options at exercise price of S$6.61 per share	37,000
Ordinary shares issued upon exercise of options	82,000
Issued share capital as at 30 September 2018	842,537,232

As at 30 September 2018, there were 4,693,000 (30.9.2017: 4,980,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares and there were no subsidiary holdings as of 30 September 2018 and 30 September 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	The Company	
	30.09.18	31.12.17
Total number of issued shares, excluding treasury shares	842,537,232	841,643,232

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

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 period ended 30 September 2018.

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 2017.

5 <u>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.</u>

On 1 January 2018, the Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application from that date. The following are the new or amended FRS that are relevant to the Group:

- FRS 109 Financial instruments
- FRS 115 Revenue from contracts with customers
- INT FRS 122 Foreign Currency Transactions and Advance Considerations
- FRS 116 Leases

As required by the listing requirements of the Singapore Exchange, the Group has also adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)s)" on 1 January 2018 . The SFRS(I)s were introduced by the Singapore Accounting Standards Council and are identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) ("SFRS(I) 1"). The Group has also concurrently applied new major SFRS(I) 9 Financial Instruments ("SFRS(I) 9") and SFRS(I) 15 Revenue from Contracts with Customers ("SFRS(I) 15"). The impact arising from the adoption of SFRS(I)s on the Group's financial statements are as follows:

<u>Application of SFRS(I) 1</u>
The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected the relevant optional exemptions which result in adjustments to the Group's financial statements prepared under SFRS(I)s as follows:

(i) Cumulative translation differences
The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017.

(ii) Deemed cost exemption
The Group has elected and regarded the carrying amount of certain property, plant and equipment as their deemed cost at the date of transition to SFRS(I) on 1 January 2017. As a result, $20,790,000 of the Group's asset revaluation reserve was reclassified directly into retained earnings on the date of initial adoption.

<u>Application of SFRS(I) 9</u>
The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income. Accordingly, 'Available-for-sale financial assets' on the statement of financial position has been redesignated as 'Financial assets at fair value through other comprehensive income'.

<u>Adoption of SFRS(I) 15</u>
In accordance with the requirements of SFRS(I) 1, the Group has adopted SFRS(I) 15 retrospectively. The Group has identified that it is affected by the accounting for certain costs incurred in fulfilling a contract where such costs which have previously been expensed are required to be recognised as an asset under SFRS(I) 15.

The effects of the adoption of the above standards on the results and financial position of the Group are as follows:

	Third Quarter Ended 30 Sept 2017			Nine Months Ended 30 Sept 2017		
	As previously reported $'000	Effects of adoption $'000	As restated $'000	As previously reported $'000	Effects of adoption $'000	As restated $'000
<u>Effect on Consolidated Income Statement</u>						
Marketing and distribution expenses	(19,289)	(1,286)	(20,575)	(50,481)	(2,245)	(52,726)
Share of profit of associated companies	33,104	(746)	32,358	107,244	(1,931)	105,313
Share of profit of joint venture companies	4,064	(50)	4,014	9,717	1,922	11,639
Other gains of the Group	527,178	(6,466)	520,712	529,587	(6,466)	523,121
Income tax expense	(16,989)	219	(16,770)	(38,866)	381	(38,485)
Net profit	639,745	(8,329)	631,416	847,898	(8,339)	839,559
Net profit attributable to:						
- Equity holders of the Company	618,061	(8,854)	609,207	807,755	(8,999)	798,756
- Non-controlling interests	21,684	525	22,209	40,143	660	40,803
	639,745	(8,329)	631,416	847,898	(8,339)	839,559
Basic earnings per share (cents)*	76.35	(1.09)	75.25	99.78	(1.11)	98.67
Diluted earnings per share (cents)*	76.27	(1.09)	75.17	99.71	(1.11)	98.60

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. (cont'd)

	31.12.17			1.1.17		
	previously reported $'000	Effects of adoption $'000	As restated $'000	previously reported $'000	Effects of adoption $'000	As restated $'000
Effect on Statement of Financial Position						
Other assets - prepayments	66,183	9,055	75,238	16,993	10,793	27,786
Investments in associated companies	285,511	-	285,511	3,409,827	4,084	3,413,911
Deferred income tax liabilities	370,806	1,539	372,345	93,297	1,825	95,122
Reserves	907,272	9,617	916,889	912,147	4,638	916,785
Retained earnings	6,988,104	(3,604)	6,984,500	5,945,154	7,166	5,952,320
Non-controlling interest	4,701,171	1,503	4,702,674	508,210	1,248	509,458
Net asset value per ordinary share ($)*	11.22	0.01	11.23	10.10	0.01	10.12
Net tangible asset backing per ordinary share ($)*	11.01	0.01	11.01	10.07	0.01	10.09

*The amounts may not add up due to rounding.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	3rd Qtr 2018	3rd Qtr 2017 (Restated)
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 11.02	cents 75.25
(ii) On a fully diluted basis	cents 11.02	cents 75.17

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

For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than market value.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	30.09.18	31.12.17 (Restated)	30.09.18	31.12.17
Net asset value per ordinary share	$11.43	$11.23	$3.74	$3.83
Net tangible asset backing per ordinary share	$11.24	$11.01	$3.74	$3.83

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 the third quarter of 2018 decreased by $14.1 million or 3% to $523.8 million from $537.9 million in the third quarter of 2017. The decrease was from property development which saw lower revenue recognition from 1) Alex Residences which completed in September 2017; and 2) Principal Garden and Botanique at Bartley as the projects approach completion in fourth quarter 2018 and first quarter 2019 respectively. The revenue decline was offset in part by revenue from Amber 45 which was launched in May 2018 and higher revenue from The Clement Canopy project arising from the consolidation of UIC Group and the common associated and joint venture companies of UOL Group and UIC Group from 1 September 2017.

Revenue from hotel operations, property investments and management services and technologies were higher due mainly to the consolidation of revenue from 1) the investment properties of UIC Group and Holborn Island; 2) the hotels under the UIC Group; and 3) the technologies arm of UIC Group, with 3 months of revenue consolidated for the third quarter of 2018 compared to 1 month for the third quarter of 2017. The increase in dividend income was mainly from United Overseas Bank Limited which declared higher dividends in the current quarter totaling 50 cents per share compared to 35 cents per share in the third quarter of 2017.

Gross profit margin

Gross profit margin of 45% for the third quarter of 2018 was higher than the 31% margin for the third quarter 2017 due mainly to lower revenue from property development which has higher cost margins. The margin for the third quarter of 2017 was also affected by the accelerated depreciation expenses of $15.3 million for Pan Pacific Orchard which commenced redevelopment in the second quarter 2018.

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)

Miscellaneous income

Miscellaneous income has decreased due mainly to a one-time compensation of $1.5 million received in the third quarter of 2017 for the termination of a hotel management contract.

Expenses

The increase in marketing and distribution, administrative and other operating expenses compared to the third quarter of 2017 was mainly from the consolidation of UIC Group commencing 1 September 2017 with 3 months of expenses consolidated for the third quarter of 2018 compared to 1 month for the third quarter of 2017.

Associated and joint venture companies

Share of profit of associated and joint venture companies is lower as the results of UIC Group and the common associated and joint venture companies of UIC and UOL Group are no longer equity accounted but are consolidated with those of the Group from 1 September 2017.

Profit & Loss

Third quarter ended 30 September 2018/2017

The pre-tax profit before fair value and other gains/(losses) for the third quarter of 2018 was $149.9 million, an increase of 18% compared to the profit of $127.5 million for the third quarter of 2017. The increase was due mainly to higher profit from property investments and higher dividend income received.

The Group recorded a pre-tax profit of $149.9 million, a decrease of 77% from the profit of $648.2 million in the third quarter of 2017 which included $535.6 million (restated) in negative goodwill on acquisition net of the loss on derecognition of associated and joint venture companies arising from the UIC consolidation. Profit after tax and non-controlling interest was $92.8 million, a decrease of 85% from the profit of $609.2 million in the corresponding quarter of 2017.

Nine Months Ended 30 September 2018/2017

The pre-tax profit before fair value and other gains/(losses) was $441.2 million, an increase of 29% from the profit of $342.8 million in 2017 due mainly to higher profits from all segments with the exception of management services and technologies which recorded a small decrease.

Profit after tax and non-controlling interest for the nine months ended 30 September 2018 was $299.3 million, a decrease of 63% from the profit of $798.8 million in the corresponding period of 2017 due mainly to lower attributable fair value and other gains of $39.4 million compared to $530.8 million in the previous corresponding period.

Net tangible asset and gearing

The Group's shareholders' funds increased from $9.45 billion as at 31 December 2017 to $9.63 billion as at 30 September 2018 due mainly to profits recognised in the first nine months of 2018. Consequently the net tangible asset per ordinary share of the Group increased to $11.24 as at 30 September 2018 from $11.01 as at 31 December 2017.

The Group's gearing ratio increased from 0.21 as at 31 December 2017 to 0.28 as at 30 September 2018 due mainly to higher borrowings for acquisition of the site at Silat Avenue.

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 grew by an estimated 2.6% in third quarter of 2018, moderating from the 4.1% growth in the previous quarter. The on-going trade conflicts between United States and its key trading partners could have an adverse impact on global trade flows and economic growth. The recent raising of Additional Buyer's Stamp Duty ("ABSD") (including the additional 5% non-remittable ABSD for developers) and tightening of loan-to-value limits on housing loans have affected sentiment in the Singapore residential market. Office rents are expected to improve given the strong demand from a wide range of sectors and limited new supply. Retail rents continue to be soft as the retail scene continues to evolve in the face of challenges from e-commerce and manpower shortage.

The London property market continues to be affected by political uncertainties over Brexit. Nonetheless, leasing of office in Midtown remains steady.

Total visitor arrivals in Singapore for the first 8 months of 2018 grew by 7.5% to 12.6 million and this should benefit the Group's hotels in Singapore. The rest of the Group's hotels in the Asia Pacific should benefit from the improving economic conditions though trading conditions for the Group's hotels in Myanmar and the People's Republic of China are 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	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(c) Date payable	:	N.A.
(d) Books closure date	:	N.A.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2018.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the nine months / third quarter ended 30 September 2018 to be false or misleading.

CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
13 November 2018