



**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	Group		
		For the year ended 31 December		
		2006	2005	+ / (-)
		\$'000	\$'000	%
Revenue	A	605,121	505,482	20
Cost of sales		(326,682)	(258,609)	26
Gross profit		278,439	246,873	13
Other gains				
- Miscellaneous	B	5,115	25,884	(80)
- Finance income	C	6,634	13,674	(51)
- Exceptional items	D	248,165	494	n.m.
Expenses				
- Marketing and distribution		(24,184)	(19,339)	25
- Administrative		(35,913)	(32,445)	11
- Finance	E	(25,842)	(26,694)	(3)
- Other operating		(59,753)	(57,411)	4
Share of results of associated companies		14,138	(1,201)	n.m.
Profit before income tax	F	406,799	149,835	171
Income tax expense	G	(33,773)	(29,986)	13
Profit from continuing operations and total profit		373,026	119,849	211
<u>Attributable to:</u>				
Equity holders of the Company		339,444	100,070	239
Minority interests		33,582	19,779	70
		373,026	119,849	211

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

	Group		
	For the year ended 31 December		
	2006	2005	+ / (-)
	\$'000	\$'000	%
<b>A Revenue</b>			
Revenue from property development	169,297	104,411	62
Revenue from property investments	92,000	95,138	(3)
Gross revenue from hotel operations	300,062	259,576	16
Revenue from trading, retail operations and management services	10,823	11,431	(5)
Dividend income	32,939	34,926	(6)
	605,121	505,482	20
<b>B Other miscellaneous gains</b>			
Deferred income recognised	-	3,329	(100)
Gain on option relating to Exchangeable Notes	-	15,908	(100)
Other income	5,115	6,647	(23)
	5,115	25,884	(80)
<b>C Finance income</b>			
Interest income	6,361	10,082	(37)
Foreign exchange gain (net)	273	3,592	(92)
	6,634	13,674	(51)
<b>D Exceptional items</b>			
Fair value reserve transferred to income statement upon return of capital from investee company	-	60	(100)
Fair value reserve transferred to income statements upon sale of unlisted securities	1,006	-	n.m.
Gain on liquidation of subsidiaries	-	392	(100)
Loss on liquidation of subsidiaries	-	(13)	(100)
Loss on liquidation of an associated company	(40)	-	n.m.
Gain on disposal of a subsidiary	86,717	-	n.m.
Gain on disposal of an associated company	146,094	-	n.m.
Gain on sale of available-for-sale financial assets - unlisted equity shares	-	55	(100)
Negative goodwill on acquisition of an associated company	14,388	-	n.m.
	248,165	494	n.m.
<b>E Finance expense</b>			
Interest expense	25,842	13,827	87
Amortisation of bond discount	-	12,867	(100)
	25,842	26,694	(3)
<b>F Profit before income tax</b>			
Profit before income tax is stated after charging :			
Depreciation and amortisation	36,791	35,380	4

1(a)(ii) Notes to the Income Statement (continued)

	Group		
	For the year ended 31 December		
	2006	2005	+ / (-)
	\$'000	\$'000	%
<b>G <u>Income tax expense</u></b>			
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	20,870	22,226	(6)
- Foreign	3,191	2,657	20
Deferred income tax	8,774	6,373	38
	32,835	31,256	5
Deferred tax assets previously not recognised	-	(1,774)	(100)
	32,835	29,482	11
Under/ (over) provision in preceding financial years			
- Singapore current income tax	1,431	348	311
- Deferred income tax	(493)	156	(416)
	33,773	29,986	13

n.m. : Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Notes	The Group		The Company	
		31.12.06	31.12.05	31.12.06	31.12.05
		\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents		130,297	104,503	12	1,502
Trade and other receivables		31,645	29,348	6,292	2,184
Properties for sale under development	(i)	577,643	248,531	-	-
Inventories		4,962	5,132	-	-
Available-for-sale financial assets		566,922	400,968	566,922	400,968
Other current assets		7,294	18,972	1,756	298
Current income tax assets		156	1,448	-	-
Investment property held for sale	(ii)	137,848	-	-	-
		1,456,767	808,902	574,982	404,952
<b>Non-current assets</b>					
Trade and other receivables		87,574	83,084	305,115	323,787
Available-for-sale financial assets		544,129	410,639	26,949	83,623
Associated companies	(iii)	221,818	32,307	112,086	1,000
Subsidiaries		-	-	1,049,114	844,205
Investment properties		1,658,085	1,545,193	278,691	224,236
Property, plant and equipment		658,516	616,390	903	1,227
Intangibles		14,663	14,516	-	-
Deferred income tax assets		10,360	9,154	-	-
		3,195,145	2,711,283	1,772,858	1,478,078
<b>Total assets</b>		<b>4,651,912</b>	<b>3,520,185</b>	<b>2,347,840</b>	<b>1,883,030</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		101,719	87,303	10,326	6,619
Current income tax liabilities		101,803	100,778	79,114	79,530
Bank overdrafts		794	799	619	-
Bank loans		116,848	68,439	98,515	4,000
Liabilities directly associated with investment property held for sale		2,212	-	-	-
		323,376	257,319	188,574	90,149
<b>Non-current liabilities</b>					
Bank loans		664,700	518,504	-	-
Loans from subsidiaries		-	-	188,493	200,130
Loans from minority shareholders of subsidiaries		39,893	14,560	-	-
Rental deposits		13,562	12,628	1,411	1,309
Provision for retirement benefits		1,875	1,659	-	-
Deferred income tax liabilities		158,955	119,079	94,555	65,630
		878,985	666,430	284,459	267,069
<b>Total liabilities</b>		<b>1,202,361</b>	<b>923,749</b>	<b>473,033</b>	<b>357,218</b>
<b>NET ASSETS</b>					
<b>Capital &amp; reserves attributable to the Company's equity holders</b>					
Share capital and share premium		1,071,987	1,068,264	1,071,987	1,068,264
Reserves		1,170,697	662,567	489,121	359,900
Retained earnings		913,320	633,368	313,699	97,648
		3,156,004	2,364,199	1,874,807	1,525,812
<b>Minority interests</b>		<b>293,547</b>	<b>232,237</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>3,449,551</b>	<b>2,596,436</b>	<b>1,874,807</b>	<b>1,525,812</b>

## Notes to the Balance Sheet

### i. Properties for sale under development

The increase in amount under "Properties for sale under development" is due to expenditure incurred for the development of the Twin Regency, Newton Suites and Regency Suites projects as well as outlay for the purchase of the freehold properties at Akyab Road, Minbu Road, Chay Yan Street and a 999-year leasehold property at Duchess Walk, Singapore.

### ii. Investment property held for sale

The Group entered into a sale and purchase agreement to sell Central Plaza on 9 October 2006 for a total consideration of \$175 million. Accordingly, the carrying amount of this property has been transferred to "Investment property held for sale". The sale was completed on 9 January 2007 and the gain of approximately \$79 million will be reflected in the results for the financial year ending 31 December 2007.

### iii. Associated companies

The increase in amount under "Associated companies" is due mainly to the purchase of additional shares in Marina Centre Holdings Pte Ltd ("MCH") which resulted in MCH becoming an associated company.

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

	As At 31.12.06		As At 31.12.05	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	9,365	108,277	55,198	14,040
Amount repayable after one year	608,053	96,540	447,823	86,223

### Details of any collateral

The borrowings are secured by mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties for sale 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 cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement for the year ended 31 December

	Notes	Group	
		2006 \$'000	2005 \$'000
<b>Cash flows from operating activities</b>			
Total profit		373,026	119,849
Adjustments for:			
Non-cash items		22,232	24,302
Income tax expense		33,773	29,986
Property, plant and equipment written off and net loss on disposals		3,967	7,254
Profit on properties for sale under development		(38,172)	(23,553)
Interest expense		25,842	13,827
Investment and interest income		(39,300)	(45,008)
Profit on sale of available-for-sale financial assets		-	(55)
Negative goodwill on acquisition of an associated company		(14,388)	-
Fair value reserve transferred to income statement upon sale of unlisted securities		(1,006)	-
Profit on disposal of a subsidiary		(86,717)	-
Net profit on disposal of interest in an associated company		(146,094)	-
Operating cash flow before working capital changes		133,163	126,602
Change in operating assets and liabilities, net of effects from purchase and disposals of subsidiaries			
Receivables		9,084	(1,391)
Inventories		92	(551)
Rental deposits		2,996	210
Payables		7,630	3,317
		19,802	1,585
Expenditure on properties for sale under development	(i)	(326,316)	(124,407)
Progress billings		47,374	49,386
Cash generated from operations		(125,977)	53,166
Income tax paid		(17,662)	(11,821)
Retirement benefits paid		(57)	(102)
Fixed deposits pledged as security		-	1,226
<b>Net cash (used in)/from operating activities</b>		<b>(143,696)</b>	<b>42,469</b>
<b>Cash flows from investing activities</b>			
Net proceeds from disposal of property, plant and equipment and investment properties		681	351
Purchase of property, plant and equipment and investment properties	(ii)	(70,713)	(53,187)
Payment for interests in associated companies	(iii)	(128,373)	(621)
Proceeds from sale/ liquidation of associated companies	(iv)	220,005	-
Loans to associated companies		(18,380)	(77,683)
Proceeds from return of capital from available-for-sale financial assets		1,056	281
Net proceeds from disposal of available-for-sale financial assets		5,933	716
Payment to minority shareholders for purchase of shares in subsidiaries	(v)	(1,789)	(22,002)
Purchase of available-for-sale financial assets		(47,037)	(15,453)
Acquisition of a subsidiary, net of cash acquired	(vi)	(133,412)	-
Proceeds from disposal of subsidiary, net of cash disposed	(vi)	176,962	-
Repayment of loan from associated company		5,922	320
Retention monies withheld/(released)		1,843	(2,785)
Interest received		7,220	10,413
Dividend received		28,895	29,278
<b>Net cash from/(used in) investing activities</b>		<b>48,813</b>	<b>(130,372)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		3,723	353
Net proceeds from issue of shares to minority shareholders of subsidiaries		700	2,932
Net payment on Zero Coupon Exchangeable Notes due Sep 2005		-	(497,716)
Loans from minority shareholders of subsidiaries		25,347	9,868
Expenditure relating to bank borrowings		(345)	(633)
Net borrowings	(vii)	187,183	15,616
Interest paid		(32,149)	(15,140)
Dividends paid		(63,545)	(50,328)
<b>Net cash from/(used in) financing activities</b>		<b>120,914</b>	<b>(535,048)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>26,031</b>	<b>(622,951)</b>
Cash and cash equivalents at the beginning of the financial year		100,635	723,586
<b>Cash and cash equivalents at the end of the financial year</b>	(viii)	<b>126,666</b>	<b>100,635</b>

## Notes to the Consolidated Cash Flow Statement

### i. Expenditure on properties for sale under development

The expenditure relates mainly to payments for the development of the Twin Regency, Newton Suites and Regency Suites projects and for the purchase of the freehold properties at Akyab Road, Minbu Road, Chay Yan Street and a 999-year leasehold property at Duchess Walk, Singapore. All the units in Twin Regency, Newton Suites, Regency Suites as well as The Regency at Tiong Bahru (at Chay Yan Street) and Southbank have been sold.

### ii. Purchase of property, plant and equipment and investment properties

The expenditure relates mainly to costs incurred for the conversion of the UOL Building at Somerset Road to a new 16-storey office-cum-service apartment, extension of Novena Square Shopping Mall and progress payments for the One Residency apartments in Kuala Lumpur, Malaysia.

### iii. Payment for interests in associated companies

This relates mainly to payment for interest in Marina Centre Holdings Pte Ltd and Clifford Development Pte. Ltd.

### iv. Proceeds from sale/ liquidation of associated companies

This relates to the proceeds from the sale of the Group's interests in Clifford Development Pte Ltd and liquidation of Tampines Condominium Pte Ltd.

### v. Payment to minority shareholders for purchase of shares in subsidiaries

This mainly relates to purchase of additional shares from minority shareholders of Hotel Negara Limited pursuant to a mandatory unconditional cash offer and exercise of the Company's right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50. As a result, Hotel Negara Limited became a wholly owned subsidiary of UOL Group Limited.

vi Acquisition of a subsidiary, net of cash acquired / Proceeds from disposal of subsidiary, net of cash disposed

During the year, the Company acquired 100% of the issued and paid up capital of Hotel Negara Limited. In December 2006, subsidiary Hotel Plaza Limited completed the sale of its 100% interest in Hotel Grand Plaza (Singapore) Pte Ltd.

The aggregate effects of acquisition and disposal of these subsidiaries are as follows:

	<u>Acquisition</u>	<u>Disposal</u>
	\$'000	\$'000
Cash and cash equivalents	1,238	(2,138)
Trade and other receivables	1,443	(1,389)
Inventories	113	(191)
Investment property	-	(3,394)
Property, plant and equipment	140,900	(90,567)
Available-for-sale financial assets	7,452	-
Other current assets	-	(118)
Total assets	<u>151,146</u>	<u>(97,797)</u>
Trade and other payables	(1,614)	2,895
Shareholder's loans	-	38,751
Borrowings	(12,800)	-
Current income tax liabilities	(674)	-
Deferred income tax liabilities	(1,408)	2,040
	<u>(16,496)</u>	<u>43,686</u>
Identifiable net assets acquired/ (disposed)	<u>134,650</u>	<u>(54,111)</u>
Cash consideration paid	134,650	
Less: Cash and cash equivalents in subsidiary acquired	(1,238)	
Net cash outflow from acquisition of a subsidiary	<u>133,412</u>	
Identifiable net assets disposed (as above)		54,111
Transfer from shareholders' equity - assets revaluation reserve		(479)
		<u>53,632</u>
Gain on disposal		86,717
Cash proceeds from disposal		140,349
Repayment of shareholder's loans		38,751
Less: Cash and cash equivalents in subsidiary disposed		(2,138)
Net cash inflow on disposal		<u>176,962</u>

vii Net borrowings

The Group's bank borrowings has increased by \$187.2 million during the year and this is due mainly to additional borrowings taken to fund the acquisition of interests in Hotel Negara Limited and Marina Centre Holdings Pte Ltd and for expenditure incurred on properties for sale under development

viii. Cash and cash equivalents

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	<u>The Group</u>	
	<u>2006</u>	<u>2005</u>
	\$'000	\$'000
Fixed deposits with financial institutions	98,416	85,386
Cash at bank and on hand	31,881	19,117
Cash and bank balances per balance sheet	<u>130,297</u>	<u>104,503</u>
Fixed deposits pledged as security	(2,837)	(3,069)
Bank overdrafts	(794)	(799)
Cash and cash equivalents per consolidated cash flow statement	<u>126,666</u>	<u>100,635</u>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group Statement of Changes in Equity for the year ended 31 December 2006

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Minority Interests</u>	<u>Total Equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>						
Balance at 1 January 2006	793,232	275,032	662,567	633,368	232,237	2,596,436
Effects of Companies (Amendment) Act 2005	275,032	(275,032)	-	-	-	-
	1,068,264	-	662,567	633,368	232,237	2,596,436
Fair value gains on available-for-sale financial assets	-	-	269,766	-	786	270,552
Capital reserves arising from transfer of available-for-sale financial asset to investment in associated company	-	-	48,799	-	-	48,799
Revaluation surplus on investment properties	-	-	196,525	-	34,043	230,568
Currency translation differences	-	-	(7,620)	-	(2,041)	(9,661)
Net gains recognised directly in equity	-	-	507,470	-	32,788	540,258
Net profit for the financial year	-	-	-	339,444	33,582	373,026
Total recognised gains for the financial year	-	-	507,470	339,444	66,370	913,284
Employee share option scheme						
- value of employee services	-	-	660	-	-	660
- proceeds from shares issued	3,723	-	-	-	-	3,723
Dividends relating to 2005	-	-	-	(59,492)	(4,053)	(63,545)
Acquisition of minority interest	-	-	-	-	(1,007)	(1,007)
Balance at 31 December 2006	1,071,987	-	1,170,697	913,320	293,547	3,449,551

1(d)(i) Group Statement of Changes in Equity for the year ended 31 December 2005

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Minority Interests</u>	<u>Total Equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>						
Balance at 1 January 2005						
As previously reported	793,055	274,856	269,411	580,346	227,497	2,145,165
Effect of changes in accounting policies adjusted retrospectively						
- FRS 102	-	-	352	(322)	(30)	-
	793,055	274,856	269,763	580,024	227,467	2,145,165
Effect of changes in accounting policies adjusted prospectively						
- FRS 39 (Revised 2004)	-	-	273,457	-	1,246	274,703
- FRS 103	-	-	-	857	268	1,125
As restated	793,055	274,856	543,220	580,881	228,981	2,420,993
Fair value gains on available-for-sale financial assets	-	-	83,069	-	347	83,416
Revaluation surplus on investment properties	-	-	40,210	-	4,432	44,642
Currency translation differences	-	-	(4,771)	-	1,016	(3,755)
Net gains recognised directly in equity	-	-	118,508	-	5,795	124,303
Net profit for the financial year	-	-	-	100,070	19,779	119,849
Total recognised gains for the financial year	-	-	118,508	100,070	25,574	244,152
Employee share option scheme						
- value of employee services	-	-	865	-	-	865
- proceeds from shares issued	177	176	-	-	-	353
Dividends relating to 2004	-	-	-	(47,583)	(2,745)	(50,328)
Acquisition of minority interest	-	-	-	-	(19,573)	(19,573)
Liquidation of a subsidiary	-	-	(26)	-	-	(26)
Balance at 31 December 2005	793,232	275,032	662,567	633,368	232,237	2,596,436

1(d)(i) Company Statement of Changes in Equity for the year ended 31 December 2006

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
Balance at 1 January 2006	793,232	275,032	359,900	97,648	1,525,812
Effects of Companies (Amendment) Act 2005	275,032	(275,032)			
	1,068,264	-	359,900	97,648	1,525,812
Fair value gains on available-for-sale financial assets	-	-	81,882	-	81,882
Revaluation surplus on investment properties	-	-	46,679	-	46,679
Net gains recognised directly in equity	-	-	128,561	-	128,561
Net profit for the financial year	-	-	-	275,543	275,543
Total recognised gains for the financial year	-	-	128,561	275,543	404,104
Employee share option scheme					
- value of employee services	-	-	660	-	660
- proceeds from shares issued	3,723	-	-	-	3,723
Dividends relating to 2005	-	-	-	(59,492)	(59,492)
Balance at 31 December 2006	1,071,987	-	489,121	313,699	1,874,807

Company Statement of Changes in Equity for the year ended 31 December 2005

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
Balance at 1 January 2005					
As previously reported	793,055	274,856	63,842	67,364	1,199,117
Effect of changes in accounting policies adjusted retrospectively - FRS 102	-	-	352	(225)	127
	793,055	274,856	64,194	67,139	1,199,244
Effect of changes in accounting policies adjusted prospectively - FRS 39 (Revised 2004)	-	-	244,785	-	244,785
As restated	793,055	274,856	308,979	67,139	1,444,029
Fair value gains on available-for-sale financial assets	-	-	32,934	-	32,934
Revaluation surplus on investment properties	-	-	17,122	-	17,122
Net gains recognised directly in equity	-	-	50,056	-	50,056
Net profit for the financial year	-	-	-	78,092	78,092
Total recognised gains for the financial year	-	-	50,056	78,092	128,148
Employee share option scheme					
- value of employee services	-	-	865	-	865
- proceeds from shares issued	177	176	-	-	353
Dividends relating to 2004	-	-	-	(47,583)	(47,583)
Balance at 31 December 2005	793,232	275,032	359,900	97,648	1,525,812

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial year, the issued share capital was increased as follows:

	\$
Issued capital as at 1 January 2006	793,232,154
Issue of ordinary shares of S\$1.00 each arising from the exercise of:	
2002 Options granted under the UOL 2000 Share Option Scheme	30,000
2003 Options granted under the UOL 2000 Share Option Scheme	134,000
2004 Options granted under the UOL 2000 Share Option Scheme	617,000
2005 Options granted under the UOL 2000 Share Option Scheme	891,000
Issued capital as at 31 December 2006	<u>794,904,154</u>

The following number of ordinary shares each would be issued upon the exercise of the subscription rights in full by holders of the:

	<u>31.12.06</u>	<u>31.12.05</u>
Options granted under the UOL 2000 Share Option Scheme :		
- 2002 Options during the option period from 27 June 2003 to 26 June 2012 at the offer price of \$1.81 per share	42,000	84,000
- 2003 Options during the option period from 27 June 2004 to 26 June 2013 at the offer price of \$2.05 per share	208,000	354,000
- 2004 Options during the option period from 21 May 2005 to 20 May 2014 at the exercise price of \$2.28 per share	448,000	1,071,000
- 2005 Options during the option period from 09 May 2006 to 08 May 2015 at the exercise price of \$2.23 per share	409,000	1,324,000
- 2006 Options during the option period from 18 May 2007 to 17 May 2016 at the exercise price of \$3.21 per share	1,342,000	-
	<u>2,449,000</u>	<u>2,833,000</u>

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, 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 year ended 31 December 2005.

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

The adoption of FRS 39 (Amendment) Financial Guarantee Contracts, effective from 1 January 2006 has resulted in the Company measuring its intra-group financial guarantees at fair value upon inception of the guarantees. These guarantees are subsequently measured at the higher of their initial fair values less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities.

Previously, the financial guarantees were accounted for as contingent liabilities of the Company and were not recognised in the financial statements until the Company has incurred an obligation to make payment under the guarantee.

The revised FRS 39 requires retrospective application and did not result in material adjustments to the balance sheet of the Company at 31 December 2005 and 1 January 2006. There are also no adjustments arising from the effects of adoption on the balance sheet of the Company at 31 December 2006.

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

	Group	
	2006 cents	2005 cents
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	42.75	12.62
(ii) On a fully diluted basis	42.73	12.62

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the 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 issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31.12.06	31.12.05	31.12.06	31.12.05
Net asset value per ordinary share	\$3.97	\$2.98	\$2.36	\$1.92
Net tangible asset backing per ordinary share	\$3.95	\$2.96	\$2.36	\$1.92

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group revenue in 2006 increased by S\$99.6 million or 20% to S\$605.1 million from S\$505.5 million in 2005. The increase in revenue came largely from property development with the progressive recognition of revenues from the sale of units in Twin Regency, Regency Suites and Newton Suites. Revenue from hotel operations was also higher with the inclusion of revenue from the newly acquired Negara on Claymore and the full-year revenue from the Sofitel Plaza Xiamen Hotel. Rental from property investments declined marginally, largely affected by extension works carried out to the shopping mall at Novena Square. In the absence of dividend in specie from the Group's investment in the shares of United Overseas Bank Limited, dividend income was lower.

Miscellaneous gains were lower in the absence of gain on option relating to the Exchangeable Notes. Exceptional items in 2006 included the profit of S\$146.1 million from the sale of the Group's 50% interest in Clifford Development Pte Ltd and the profit of S\$86.7 million from the sale of subsidiary Hotel Grand Plaza (Singapore) Pte Ltd.

The launch of the sale of the Group's residential development resulted in higher marketing and distribution expenses. Net interest expense (after taking into account interest income) increased by S\$15.7 million as a result of higher borrowing cost to finance acquisitions made during the year.

The share of results of associated companies was higher, reflecting their better performance. It also includes the results of associated companies acquired during the year.

The Group's pre-tax profit in 2006 was S\$406.8 million, an increase of S\$257.0 million or 171% over the pre-tax profit of S\$149.8 million in 2005. Excluding the exceptional items, the Group's pre-tax profit in 2006 was S\$158.6 million representing a 6% increase over the comparable pre-tax profit of S\$149.3 million in 2005. In 2006, the Group benefited from higher income from property developments and improved performance by its hotel operations. Group attributable profit in 2006 increased by S\$239.3 million or 239% to S\$339.4 million over the attributable profit of S\$100.1 million in 2005.

Based on the latest independent valuation of the Group's investment properties by professional valuers, the Group's Asset Revaluation Reserve increased from S\$234.6 million at end 2005 to S\$429.8 million at end 2006. Reflecting higher share prices, the Group's Fair Value Reserve increased from S\$356.5 million at end 2005 to S\$626.3 million at end 2006. As a result, the shareholders' funds of the Group increased from S\$2.36 billion as at 31 December 2005 to S\$3.16 billion as at 31 December 2006. Consequently, the net tangible asset per ordinary share of the Group increased from S\$2.96 as at 31 December 2005 to S\$3.95 as at 31 December 2006. The Group's debt equity ratio increased marginally to 22% at 31 December 2006 from 21% as at 31 December 2005.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Nil.

- 10 A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The economic outlook for Singapore remains positive with GDP growth forecast at between 4.5% and 6.5% for 2007. The private residential market is expected to remain buoyant, underpinned by a high level of buying interests especially in the high-end segment. Occupancy and rental rates for office space could improve further given the limited new supply while rentals for retail space should benefit from the continued economic growth. The continued buoyancy in the tourism sector in Singapore and the region will benefit our subsidiary, Hotel Plaza Limited, though the hotels in Perth, Australia and Kuala Lumpur, Malaysia will be affected by on-going conversion works.

In October 2006, a wholly-owned subsidiary, UOL Capital Investments Pte. Ltd. (formerly known as "UOL Tiong Bahru Plaza Pte Ltd"), entered into a conditional Sale and Purchase Agreement to sell its 20-storey office known as Central Plaza at Tiong Bahru Road, Singapore for a total cash consideration of \$175.0 million. The sale was completed in January 2007 and the gain of \$79.0 million will be reflected in the results for the financial year ending 31 December 2007.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend : First & Final  
 Dividend Type : Cash  
 Dividend Rate : 7.5 cents per ordinary share  
 Tax Rate : Not applicable (one-tier)

Name of dividend : Special  
 Dividend Type : Cash  
 Dividend Rate : 7.5 cents per ordinary share  
 Tax Rate : Not applicable (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	7.5 cents per ordinary share (one-tier)
Tax Rate	:	Not applicable (one-tier)

(c) Date payable

First, Final & Special : Subject to shareholders' approval for payment of the First, Final and Special Dividends on 17 May 2007

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members will be closed from 8 May 2007 to 9 May 2007, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by our Share Registrar, Lim Associates (Pte) Ltd, 3 Church Street, #08-01, Samsung Hub, Singapore 049483, will be accepted for registration up to close of business at 5.00 pm on 7 May 2007 will be registered to determine entitlements to the above dividends. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said first and final and special dividends will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

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

Not applicable.

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

(a)	<u>Group Revenue</u>		<u>Group Profit</u>	
	<u>Year ended</u>		<u>Year ended</u>	
	<u>31.12.06</u>	<u>31.12.05</u>	<u>31.12.06</u>	<u>31.12.05</u>
	\$'000	\$'000	\$'000	\$'000
<u>Business Segments</u>				
Property development	169,297	104,411	32,566	21,048
Property investments	92,000	95,138	54,040	62,126
Hotel operations	300,062	259,576	42,009	23,400
Trading, retail operations and management services	10,823	11,431	2,764	1,008
Investments	32,939	34,926	32,919	34,888
	<u>605,121</u>	<u>505,482</u>	<u>164,298</u>	<u>142,470</u>
Other miscellaneous gains			5,115	25,884
Exceptional items			248,165	494
Unallocated expenses			(5,709)	(4,792)
			<u>411,869</u>	<u>164,056</u>
Finance income			6,634	13,674
Finance expense			(25,842)	(26,694)
Share of results of associated companies			14,138	(1,201)
Profit before income tax			<u>406,799</u>	<u>149,835</u>
Income tax expense			(33,773)	(29,986)
Total profit			<u>373,026</u>	<u>119,849</u>

(b)	<u>Group Revenue</u>		<u>Group Profit</u>	
	<u>Year ended</u>		<u>Year ended</u>	
	<u>31.12.06</u>	<u>31.12.05</u>	<u>31.12.06</u>	<u>31.12.05</u>
	\$'000	\$'000	\$'000	\$'000
<u>Geographical Segments</u>				
Singapore	399,868	315,443	377,369	140,687
Australia	82,047	88,746	11,215	14,654
Vietnam	31,436	26,844	8,513	6,296
Malaysia	38,366	33,075	5,592	4,214
The People's Republic of China	47,792	36,640	9,223	(315)
Myanmar	5,612	4,734	(1,043)	(1,480)
Others	-	-	1,000	-
	<u>605,121</u>	<u>505,482</u>	<u>411,869</u>	<u>164,056</u>
Finance income			6,634	13,674
Finance expense			(25,842)	(26,694)
Share of results of associated companies			14,138	(1,201)
Profit before income tax			<u>406,799</u>	<u>149,835</u>
Income tax expense			(33,773)	(29,986)
Total profit			<u>373,026</u>	<u>119,849</u>



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

Please refer to paragraph 8.

- 15 A breakdown of sales

Group			
For the year ended			
	31.12.06	31.12.05	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	295,153	233,827	26
(b) Profit after tax before deducting minority interests reported for first half year	85,164	57,740	47
(a) Sales reported for second half year	309,968	271,655	14
(b) Profit after tax before deducting minority interests reported for second half year	287,862	62,109	363

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

	Latest Full Year	Previous Full Year
	(\$'000)	(\$'000)
Ordinary one-tier dividend	59,618	59,492
Special one-tier dividend	59,618	-
	119,236	59,492
Preference	-	-
Total :	119,236	59,492

#### 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 year ended 31 December 2006 to be false or misleading.

#### BY ORDER OF THE BOARD

Foo Thiam Fong Wellington  
Company Secretary  
16 February 2007