UOL Group Limited
Company Registration No. 196300438C

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

Consolidated Income Statement

	Note	The Group		
		For the year ended 31 December		
		2011	2010	+ / (-)
		$'000	(restated) $'000	%
Revenue	A	1,960,234	1,349,057	45
Cost of sales		(1,208,318)	(857,274)	41
Gross profit		751,916	491,783	53
Other income				
- Finance income	B	2,768	3,512	(21)
- Miscellaneous income		13,089	10,343	27
Expenses				
- Marketing and distribution	C	(33,635)	(47,362)	(29)
- Administrative		(65,391)	(58,521)	12
- Finance	D	(39,233)	(26,488)	48
- Other operating	E	(67,172)	(69,830)	(4)
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		165,928	247,786	(33)
Share of loss of a joint venture company		(500)	-	n.m.
Profit before fair value and other (losses)/gains and income tax		727,770	551,223	32
Other (losses)/gains	F	(19,731)	50,790	(139)
Fair value gains on associated companies' investment properties		9,103	152,904	(94)
Fair value gains on the Group's investment properties		187,222	134,863	39
Profit before income tax	G	904,364	889,780	2
Income tax expense	H	(121,534)	(64,296)	89
Net profit		782,830	825,484	(5)
Attributable to:				
Equity holders of the Company		664,193	755,939	(12)
Non-controlling interests		118,637	69,545	71
		782,830	825,484	(5)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other (losses)/gains		535,127	439,166	22
Other (losses)/gains		(15,341)	50,762	(130)
Fair value gains on investment properties including those of associated companies		144,407	266,011	(46)
Net attributable profit		664,193	755,939	(12)

n.m. : not meaningful

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

	The Group		
	For the year ended 31 December		
	2011	2010	+ / (-)
	$'000	(restated) $'000	%
A Revenue			
Revenue from property development	1,393,773	835,535	67
Revenue from property investments	160,308	147,943	8
Gross revenue from hotel ownership and operations	360,038	325,089	11
Revenue from hotel and other management services	19,896	18,540	7
Dividend income from available-for-sale financial assets	26,219	21,950	19
	1,960,234	1,349,057	45
B Finance income			
Interest income	2,768	3,512	(21)
C Marketing and distribution			
Sales commissions	387	12,429	(97)
Showflat expenses	6,173	8,667	(29)
Advertising and promotion	14,007	15,838	(12)
Marketing and distribution payroll expenses	11,629	8,692	34
Others	1,439	1,736	(17)
	33,635	47,362	(29)
D Finance expense			
Bank facility fees	3,832	3,015	27
Interest expense	33,586	20,912	61
Currency exchange losses (net)	1,815	2,561	(29)
	39,233	26,488	48
E Other operating expense			
Property tax	17,065	15,794	8
Repairs, maintenance and security	8,674	9,581	(9)
Heat, light and power	21,957	19,104	15
Others	19,476	25,351	(23)
	67,172	69,830	(4)
F Other (losses)/gains			
Business acquisition costs [1]	(8,143)	-	n.m.
Negative goodwill on acquisition of interests in associated companies	4,093	50,271	(92)
Impairment charge on property, plant and equipment [2]	(2,600)	-	n.m.
Impairment charge on goodwill [3]	(13,081)	-	n.m.
Gain on liquidation of an available-for-sale financial asset	-	362	(100)
Gain on liquidation of a subsidiary	-	157	(100)
	(19,731)	50,790	(139)

n.m. : not meaningful

[1] Transaction costs comprising mainly of stamp duty, legal fees and other professional fees amounting to $8.1 million for the acquisition of PARKROYAL Melbourne Airport was charged to the income statement as the transaction was deemed a business combination under Financial Reporting Standard 103 - Business Combinations.

[2] An additional impairment charge of $2.6 million was recorded on the Upper Pickering hotel development as the projected carrying value exceeded the fair value.

[3] The performance of the hotel in Suzhou continues to be challenging and the Group has assessed that the related goodwill on consolidation of $13.1 million is fully impaired.

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

	The Group		
	For the year ended 31 December		
	2011	2010	+ / (-)
	$'000	(restated) $'000	%
G Profit before income tax			
Profit before income tax is stated after charging:			
Depreciation and amortisation	45,112	43,303	4
H Income tax expense			
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	69,033	37,959	82
- Foreign	15,209	9,850	54
- Withholding tax paid	558	-	n.m.
	84,800	47,809	77
Deferred income tax			
- fair value gains of investment properties	19,457	7,516	159
- others	19,752	12,536	58
	124,009	67,861	83
(Over)/under provision in preceding financial years			
Current income tax			
- Singapore	(2,079)	(4,054)	(49)
- Foreign	2	(6)	(133)
Deferred income tax	(398)	495	(180)
	(2,475)	(3,565)	(31)
	121,534	64,296	89
The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:			
Profit before tax	904,364	889,780	2
Share of profit of associated companies	(175,031)	(400,690)	(56)
Share of loss of a joint venture company	500	-	n.m.
Profit before tax and share of profit/(loss) of associated companies and a joint venture company	729,833	489,090	49
Tax calculated at a tax rate of 17%	124,072	83,145	49
Effects of:			
- Singapore statutory stepped income exemption	(564)	(553)	2
- Different tax rates in other countries	4,647	2,608	78
- Income not subject to tax	(21,010)	(29,321)	(28)
- Expenses not deductible for tax purposes	12,908	11,206	15
- Utilisation of previously unrecognised tax losses	(845)	(170)	397
- Deferred tax assets not recognised in the current financial year	4,801	946	408
Tax charge	124,009	67,861	83

n.m. : not meaningful

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

	Note	The Group		
		For the year ended 31 December		
		2011	2010	+ / (-)
			(restated)	
		$'000	$'000	%
Net profit		782,830	825,484	(5)
Other comprehensive (loss)/income:				
Fair value losses on available-for-sale financial assets	A	(107,857)	(33,600)	221
Cash flow hedges:				
- Fair value gains		3,549	1,194	197
- Transfer to income statement		(1,712)	(1,187)	44
Revaluation of property, plant and equipment prior to transfer to investment property		-	3,188	(100)
Currency translation differences arising from consolidation of foreign operations	B	2,275	356	539
Share of other comprehensive income/(loss) of an associated company		4,586	(1,232)	472
Other comprehensive loss, net of tax		(99,159)	(31,281)	217
Total comprehensive income		683,671	794,203	(14)
Attributable to:				
Equity holders of the Company		565,330	723,084	(22)
Non-controlling interests		118,341	71,119	66
		683,671	794,203	(14)

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

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

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The decrease in value for the financial year ended 31 December 2011 was due to a decrease in the closing bid prices of the relevant quoted equity shares from the previous financial year.

B Currency translation differences arising from consolidation of foreign operations

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

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 31.12.11 $'000	The Group 31.12.10 (restated) $'000	The Group 31.12.09 (restated) $'000	The Company 31.12.11 $'000	The Company 31.12.10 $'000
ASSETS						
Current assets						
Cash and bank balances		297,358	313,169	281,459	6,515	1,727
Trade and other receivables	A	126,247	215,691	112,146	243,732	254,866
Developed properties held for sale		5,452	-	-	-	-
Development properties	B	1,145,435	1,192,916	1,552,077	-	-
Inventories		1,110	1,622	3,153	-	-
Available-for-sale financial assets		402,833	479,767	517,284	402,833	479,767
Other assets		23,258	45,695	5,898	774	315
Current income tax assets		647	904	1,236	-	-
		2,002,340	2,249,764	2,473,253	653,854	736,675
Non-current assets						
Trade and other receivables	C	73,150	1,906	99,201	970,364	685,866
Derivative financial instrument		754	-	-	754	-
Available-for-sale financial assets		220,565	246,972	228,897	64,778	66,184
Investments in associated companies	D	2,264,975	2,116,752	1,330,937	161,589	161,589
Investments in subsidiaries		-	-	-	1,308,546	1,295,483
Investment properties	E	2,838,328	2,261,613	2,027,476	296,580	285,650
Property, plant and equipment	F	1,090,066	980,523	1,096,866	983	843
Intangibles		29,908	42,807	37,571	1,031	793
Deferred income tax assets		4,338	3,651	5,099	-	298
		6,522,084	5,654,224	4,826,047	2,804,625	2,496,706
Total assets		8,524,424	7,903,988	7,299,300	3,458,479	3,233,381
LIABILITIES						
Current liabilities						
Trade and other payables		301,832	360,275	343,675	68,696	155,296
Derivative financial instrument		-	2,213	-	-	1,756
Current income tax liabilities		94,988	61,494	46,045	20,789	19,931
Loans from non-controlling shareholders of subsidiaries		43,364	18,990	33,025	-	-
Bank overdrafts		217	9	-	-	-
3.34% unsecured fixed rate note due 2012		149,959	-	-	149,959	-
Unsecured floating rate note due 2012		99,973	-	-	99,973	-
Bank loans	H	948,581	745,651	723,009	157,382	469,951
Finance lease liabilities		343	-	-	-	-
		1,639,257	1,188,632	1,145,754	496,799	646,934
Non-current liabilities						
Trade and other payables		57,257	53,287	28,638	3,526	3,051
Finance lease liabilities		4,582	-	-	-	-
Bank loans	H	772,299	1,128,939	1,213,455	199,439	-
2.5% unsecured fixed rate notes due 2014	G	299,250	-	-	299,250	-
3.34% unsecured fixed rate notes due 2012		-	149,849	149,739	-	149,849
Unsecured floating rate note due 2012		-	99,899	99,826	-	99,899
Derivative financial instrument		-	-	2,221	-	-
Loans from non-controlling shareholders of subsidiaries		7,353	47,278	45,946	-	-
Provision for retirement benefits		2,758	2,539	2,316	-	-
Deferred income tax liabilities		212,997	185,989	172,623	64,000	77,036
		1,356,496	1,667,780	1,714,764	566,215	329,835
Total liabilities		2,995,753	2,856,412	2,860,518	1,063,014	976,769
NET ASSETS		5,528,671	5,047,576	4,438,782	2,395,465	2,256,612
Capital & reserves attributable to equity holders of the Company						
Share capital	I	1,040,694	1,051,898	1,058,527	1,040,694	1,051,898
Reserves		661,039	758,005	789,422	283,513	358,646
Retained earnings		3,352,998	2,827,072	2,180,740	1,071,258	846,068
		5,054,731	4,636,975	4,028,689	2,395,465	2,256,612
Non-controlling interests		473,940	410,601	410,093	-	-
TOTAL EQUITY		5,528,671	5,047,576	4,438,782	2,395,465	2,256,612

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

The decrease in current Trade and other receivables was due mainly to the repayment of a loan of $73 million by an associated company, Nassim Park Developments Pte Ltd ("NPD").

B Development properties

The decrease in Development properties was due mainly to the completion of the Group's development projects, Breeze by the East, Duchess Residences and Panorama in Kuala Lumpur in the first half of 2011, offset partially by the Group's acquisition of a freehold property at the junction of Tanjong Katong Road and Geylang Road ("Lion City site"). The costs associated with the proposed Lion City site comprising both a retail and a residential component have been segregated into Investment properties and Development properties in the Statement of Financial Position.

C Non-current Trade and other receivables

The increase in non-current Trade and other receivables was due mainly to a loan of $71 million to a new joint venture company, United Venture Development (Bedok) Pte. Ltd. ("UVDB") for its development project, Archipelago.

D Investments in associated companies

The increase in associated companies was due mainly to 1) the Group's share of profit and reserves of associated companies in 2011; 2) the Group's acquisition of shares in United Industrial Corporation Limited ("UIC"); and 3) the Group's additional capital injection into Shanghai Jin Peng Realty Co. Ltd ("SJP") for the construction and development of a land parcel in Changfeng District, Shanghai. The increases were offset substantially by dividends received from NPD following the completion of its development project, Nassim Park Residences.

E Investment properties

Investment properties are stated at valuation as determined by a firm of independent professional valuers at 31 December 2011. It is the practice of the Group to revalue its investment properties half yearly. The increase in investment properties was due mainly to 1) fair value gains on investment properties; 2) reclassification of and additional costs incurred for the office component of the development at Upper Pickering Road, which was previously included under Properties, plant and equipment; and 3) payments for the acquisition of the Lion City site.

F Property, plant and equipment

The increase in property, plant and equipment arose mainly from the Group's acquisition of Hilton Melbourne Airport Hotel on 1 April 2011. Following the acquisition, Hilton Melbourne Airport Hotel was rebranded as PARKROYAL Melbourne Airport.

G 2.5% unsecured fixed rate notes due 2014

In July 2011, the Group issued $300 million of unsecured medium term notes ("Notes") out of its S$1 billion Multicurrency Medium Term Note Programme. The Notes bear a coupon of 2.5% per annum and have a maturity of three years from July 2011.

H Bank loans

The decrease in bank loans was due mainly to repayment from the proceeds of the issue of unsecured fixed rate notes described in Note G above.

I Share capital

Pursuant to a share buyback mandate obtained at the Extraordinary General Meeting held on 21 April 2010, the Company has, from 1 January 2011 until 18 April 2011 purchased a total of 10,413,000 ordinary shares fully paid in the share capital of the Company at a total cost of $49.2 million or at an average cost of $4.72 per share.

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

	As at 31.12.11		As at 31.12.10	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	318,491	924,489	198,770	566,050
Amount repayable after one year	575,606	507,353	846,408	588,278

Details of any collateral

The borrowings are secured by mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties, and/or assignment of all rights and benefits with respect to the properties and/or corporate guarantees from the Company or other group subsidiaries.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the year ended 31 December

	Notes	The Group 2011 $'000	The Group 2010 (restated) $'000
Cash flows from operating activities			
Net profit		782,830	825,484
Adjustments for:			
Income tax expense		121,534	64,296
Non-cash items	i	(121,974)	(351,469)
Dividend income and interest income		(28,987)	(25,462)
Interest expense		37,418	23,927
Fair value gains on the Group's investment properties		(187,222)	(134,863)
Negative goodwill on acquisition of interests in associated companies		(4,093)	(50,271)
Impairment charge on property, plant and equipment		2,600	-
Impairment charge on goodwill		13,081	-
Gain on liquidation of an available-for-sale financial asset		-	(362)
Gain on liquidation of a subsidiary		-	(157)
		615,187	351,123
Change in working capital			
Receivables	ii	59,079	(50,066)
Development properties	iii	(95,650)	385,983
Derivative financial instrument		(754)	-
Inventories		512	1,531
Payables	iv	(25,374)	48,701
		(62,187)	386,149
Cash generated from operations		553,000	737,272
Income tax paid		(48,991)	(28,828)
Retirement benefits paid		(82)	(179)
Net cash provided by operating activities		503,927	708,265
Cash flows from investing activities			
Payments for intangibles		(3,209)	(6,137)
Proceeds from liquidation of an available-for-sale financial asset		-	464
Payments for interests in associated companies	v	(155,396)	(397,381)
Payments for interests in a joint venture company	v	(500)	-
Loan to an associated company		-	(1,906)
Loan to a joint venture company	vi	(71,244)	-
Repayment of loan by an associated company	vi	73,201	76,300
Net proceeds from disposal of property, plant and equipment		140	445
Purchase of property, plant and equipment and investment properties	vii	(460,932)	(85,140)
Interest received		2,802	3,567
Dividends received	viii	233,026	52,895
Net cash used in investing activities		(382,112)	(356,893)
Cash flows from financing activities			
Proceeds from shares issued		2,883	3,218
Loans from non-controlling shareholders of subsidiaries		2,747	7,783
Repayment of loans from non-controlling shareholders of subsidiaries		(18,076)	(20,575)
Proceeds from unsecured fixed rate notes	ix	300,000	-
Proceeds from borrowings		634,920	343,037
Repayment of borrowings	ix	(794,038)	(408,442)
Payments to non-controlling shareholders for acquisition of shares in subsidiaries		-	(46,067)
Expenditure relating to bank borrowings		(2,164)	(2,611)
Interest paid		(44,653)	(46,964)
Dividends paid to equity holders of the Company		(115,101)	(78,353)
Dividends paid to non-controlling interests		(55,002)	(44,832)
Payments for share buy-back		(49,152)	(26,910)
Net cash used in financing activities		(137,636)	(320,716)
Net (decrease)/increase in cash and cash equivalents		(15,821)	30,656
Cash and cash equivalents at the beginning of the financial year		307,160	275,459
Effects of currency translation on cash and cash equivalents		(198)	1,045
Cash and cash equivalents at the end of the financial year	x	291,141	307,160

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Non-cash items

The adjustment for non-cash items includes depreciation, share of profit of associated companies and exchange differences. The decrease from 2010 was due mainly to a lower share of profit from NPD following the completion of its development project, Nassim Park Residences, in the first quarter of 2011.

ii. Receivables

The cash outflow from receivables in 2010 was due mainly to the Group's $52.0 million share of the tender deposit paid for the proposed development in Changfeng district, Shanghai. The cash inflow for 2011 arose mainly from the receipts of progress billings from the Group's development projects in 2011.

iii. Development properties

The cash outflow for development properties for 2011 arose mainly from the Group's acquisition of the Lion City site and expenditure for the on-going development projects.

iv. Payables

The cash outflow from payables in 2011 was due mainly to payments made for the Group's development projects in 2011.

v. Payments for interests in associated companies and a joint venture company

These relate to payments for the Group's acquisition of additional interests in UIC and capital injections into SJP and UVDB.

vi. Loan to a joint venture company/Repayment of loan by an associated company

The loan to a joint venture company was made to UVDB to fund its development project, Archipelago. The repayment of loan by an associated company was by NPD upon its completion of its development project, Nassim Park Residences.

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

Purchases of property, plant and equipment and investment properties relate mainly to payments for the acquisitions of PARKROYAL Melbourne Airport and the Lion City site, as well as expenditures incurred for the Group's construction of the hotel and investment properties at Upper Pickering and Hai He Hua Ding in Tianjin.

viii. Dividends received

Dividends were received mainly from NPD following the completion of its development project, Nassim Park Residences.

ix. Proceeds from unsecured fixed rate notes/Repayment of borrowings

The cash inflow from dividends described in Note 1(c)(viii) above together with those from the Group's operations and issue of unsecured fixed rate notes were used mainly to fund the Group's investments and to reduce the Group's bank borrowings.

x. Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprise the following:

	The Group	
	2011	2010
	$'000	$'000
Fixed deposits with financial institutions	221,919	234,460
Cash at bank and on hand	75,439	78,709
Cash and bank balances per Statement of Financial Position	297,358	313,169
Less: Bank overdrafts	(217)	(9)
Less: Bank deposits pledged as security	(6,000)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	291,141	307,160

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.

Statement of Changes in Equity for the year ended 31 December

	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2011					
Balance at 1 January 2011, as previously reported	1,051,898	758,005	2,936,472	460,354	5,206,729
Effects of adopting INT FRS 115	-	-	(109,400)	(49,753)	(159,153)
Balance at 1 January 2011, as restated	1,051,898	758,005	2,827,072	410,601	5,047,576
Employee share option scheme					
- value of employee services	-	1,897	-	-	1,897
- proceeds from shares issued	2,883	-	-	-	2,883
Shares cancelled upon buy-back	(14,087)	-	(35,065)	-	(49,152)
Dividends	-	-	(115,101)	(55,002)	(170,103)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	11,899	-	11,899
Total comprehensive (loss)/income for the year	-	(98,863)	664,193	118,341	683,671
Balance at 31 December 2011	1,040,694	661,039	3,352,998	473,940	5,528,671
2010					
Balance at 1 January 2010, as previously reported	1,058,527	789,422	2,300,284	459,666	4,607,899
Effects of adopting INT FRS 115	-	-	(119,544)	(49,573)	(169,117)
Balance at 1 January 2010, as restated	1,058,527	789,422	2,180,740	410,093	4,438,782
Employee share option scheme					
- value of employee services	-	1,438	-	-	1,438
- proceeds from shares issued	3,218	-	-	-	3,218
Shares cancelled upon buy-back	(9,847)	-	(17,063)	-	(26,910)
Dividends	-	-	(78,353)	(44,832)	(123,185)
Acquisition of interests from non-controlling shareholders	-	-	(20,288)	(25,779)	(46,067)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	6,097	-	6,097
Total comprehensive (loss)/income for the year, as previously reported	-	(32,855)	745,795	71,299	784,239
Effects of adopting INT FRS 115	-	-	10,144	(180)	9,964
Total comprehensive (loss)/income for the year, as restated	-	(32,855)	755,939	71,119	794,203
Balance at 31 December 2010	1,051,898	758,005	2,827,072	410,601	5,047,576

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

Statement of Changes in Equity for the year ended 31 December

	Share capital	Reserves	Retained earnings	Total equity
	$'000	$'000	$'000	$'000
The Company				
2011				
Balance at 1 January 2011	1,051,898	358,646	846,068	2,256,612
Employee share option scheme				
- value of employee services	-	1,897	-	1,897
- proceeds from shares issued	2,883	-	-	2,883
Shares cancelled upon buy-back	(14,087)	-	(35,065)	(49,152)
Dividends	-	-	(115,101)	(115,101)
Total comprehensive (loss)/income for the year	-	(77,030)	375,356	298,326
Balance at 31 December 2011	1,040,694	283,513	1,071,258	2,395,465
2010				
Balance at 1 January 2010	1,058,527	377,435	775,475	2,211,437
Employee share option scheme				
- value of employee services	-	1,438	-	1,438
- proceeds from shares issued	3,218	-	-	3,218
Shares cancelled upon buy-back	(9,847)	-	(17,063)	(26,910)
Dividends	-	-	(78,353)	(78,353)
Total comprehensive (loss)/income for the year	-	(20,227)	166,009	145,782
Balance at 31 December 2010	1,051,898	358,646	846,068	2,256,612

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

During the financial year ended 31 December 2011, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 January 2011	777,751,154
Shares cancelled upon buy-back	(10,413,000)
Issue of ordinary shares arising from the exercise of:	
2002 Options granted under the UOL 2000 Share Option Scheme	24,000
2003 Options granted under the UOL 2000 Share Option Scheme	30,000
2004 Options granted under the UOL 2000 Share Option Scheme	24,000
2005 Options granted under the UOL 2000 Share Option Scheme	12,000
2006 Options granted under the UOL 2000 Share Option Scheme	155,000
2008 Options granted under the UOL 2000 Share Option Scheme	209,000
2009 Options granted under the UOL 2000 Share Option Scheme	161,000
2010 Options granted under the UOL 2000 Share Option Scheme	295,000
Issued capital as at 31 December 2011	768,248,154

There are no changes in the Company's share capital between 1 October 2011 and 31 December 2011.

As at 31 December 2011, there were unexercised options for 4,478,000 (31.12.2010: 4,129,000) of unissued ordinary shares under the UOL 2000 Share Option Scheme.

The Company did not hold any treasury shares as of 31 December 2011 and 31 December 2010.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	The Company	
	31.12.11	31.12.10
Total number of issued shares, excluding treasury shares	768,248,154	777,751,154

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

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

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

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

Not applicable.

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

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the financial year ended 31 December 2010.

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 2011, the Group adopted the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. The following are the new or revised FRS and INT FRS that are relevant to the Group:

Amendments to FRS 24	Related party disclosures
Amendments to FRS 32	Financial Instruments : Presentation - Classification of rights issues
Amendments to INT FRS 114	Prepayments of a minimum funding requirement
INT FRS 119	Extinguishing financial liabilities with equity instruments
INT FRS 115	Agreements for the Construction of Real Estate

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements except for the following:

<u>Amendments to FRS 24 - Related party disclosures</u>

The amendment clarifies and simplifies the definition of a related party. Under the revised definition of a related party, banks and insurance companies in which certain directors of the holding company have non-controlling interests will not be deemed related to the Group and disclosures of transactions with these banks and insurance companies will no longer be required in the financial statements. This will result in changes in the relevant disclosures in the Group's annual report.

<u>INT FRS 115 - Agreements for the Construction of Real Estate (“INT FRS 115”), with an Accompanying Note (“AN”) to be read in conjunction with INT FRS 115</u>

INT FRS 115 applies retrospectively for annual periods beginning on or after 1 January 2011. Prior to the adoption of INT FRS 115, revenue from sales of development properties of the Group was recognised using the percentage-of-completion method.

Upon the adoption of INT FRS 115, revenue from sales of Singapore residential properties that are within the scope as described in paragraph 2 of the AN continues to be recognised using the percentage of completion method. However, for the sale of overseas properties and Singapore properties sold under the deferred payment scheme, revenue is recognised only upon the completion of construction.

The effects of the adoption on the results and financial position for 2011 and the relevant comparatives, subject to audit, are as follows:

<u>Effects on Consolidated Income Statement</u>	The Group	
	2011	2010
	$'000	$'000
Increase in revenue	395,760	54,477
Increase in cost of sales	(205,393)	(61,982)
Increase in share of profit of associated companies	-	14,838
Increase in profit before income tax	190,367	7,333
(Increase)/decrease in income tax expense	(34,488)	2,631
	155,879	9,964
Increase in net profit attributable to:		
- Equity holders of the Company	106,126	10,144
- Non-controlling interests	49,753	(180)
	155,879	9,964
Increase in basic earnings per share (cents)	13.78	1.30
Increase in diluted earnings per share (cents)	13.77	1.30

<u>Effects on Statement of Financial Position</u>	The Group	
	<u>31.12.10</u>	<u>1.1.10</u>
	$'000	$'000
Decrease in development properties	(31,817)	(10,574)
Decrease in investment in associated companies	(3,274)	(18,112)
Increase in trade and other payables	(158,550)	(172,288)
Decrease in current income tax liabilities	6,644	2,407
Decrease in deferred income tax liabilities	27,844	29,450
	(159,153)	(169,117)
Decrease in retained earnings	(109,400)	(119,544)
Decrease in non-controlling interests	(49,753)	(49,573)
	(159,153)	(169,117)
Decrease in net asset value per ordinary share ($)	(0.14)	(0.15)
Decrease in net tangible asset backing per ordinary share ($)	(0.14)	(0.15)

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)

The following shows the results of the Group should there be no adjustments made in relation to the adoption of INT FRS 115:

Consolidated Income Statement	The Group		
	2011	2010	+ / (-)
	$'000	$'000	%
Revenue	1,564,474	1,294,580	21
Cost of sales	(1,002,925)	(795,292)	26
Share of profit of associated companies	165,928	232,948	(29)
Profit before income tax	713,997	882,447	(19)
Income tax expense	(87,046)	(66,927)	30
Net profit	626,951	815,520	(23)
Net profit attributable to:			
- Equity holders of the Company	558,067	745,795	(25)
- Non-controlling interests	68,884	69,725	(1)
	626,951	815,520	(23)
Basic earnings per share (cents)	72.47	95.64	
Diluted earnings per share (cents)	72.41	95.56	

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	
	2011	2010
		(restated)
Earnings per ordinary share for the financial year ended 31 December		
(i) Based on weighted average number of ordinary shares in issue	cents 86.25	cents 96.94
(ii) On a fully diluted basis	cents 86.18	cents 96.86

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the financial year.

For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than market value.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	The Group		The Company	
	31.12.11	31.12.10	31.12.11	31.12.10
		(restated)		
Net asset value per ordinary share	$6.58	$5.96	$3.12	$2.90
Net tangible asset backing per ordinary share	$6.54	$5.91	$3.12	$2.90

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 2011 increased by $611.2 million or 45% to $1,960.2 million from $1,349.1 million in 2010. The improvement was due mainly to 1) higher recognition of revenue from the sale of the Group's development properties; 2) the full benefit of revenue from PARKROYAL Serviced Suites Kuala Lumpur which commenced operations in the fourth quarter of 2010; and 3) the inclusion of revenue from PARKROYAL Melbourne Airport which was acquired in April 2011.

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)

Expenses

Marketing and distribution expenses decreased by 29%, from $47.4 million to $33.6 million due mainly to sales commissions and showflat expenses incurred for the Waterbank at Dakota and Spottiswoode Residences developments in 2010 but not in 2011. The increase in administrative expenses from $58.5 million to $65.4 million arose mainly from higher payroll costs from additional staff hired to support the expanded operations of the Group, including the PARKROYAL Serviced Suites Kuala Lumpur and PARKROYAL Melbourne Airport.

Finance expenses increased by $12.7 million from $26.5 million to $39.2 million due mainly to additional borrowings secured for the Group's investments and acquisitions.

Associated companies

The decrease in the share of profit of associated companies in 2011 was mainly the result of reduced contribution from Nassim Park Residences following the receipt of TOP in the first quarter of 2011.

Profit & Loss

For the year ended 31 December 2011, pre-tax profit before fair value and other gains/(losses) was $727.8 million, a 32% increase from the profit of $551.2 million in 2010. The increase was due mainly to higher operating profits from all segments and INT FRS 115 adjustments, offset partially by a lower share of profit from associated companies and higher finance expenses.

However, profit before tax for 2011 of $904.4 million has increased by a lower 2% compared with the profit of $889.8 million for 2010 as fair value gains on the investment properties of associated companies were lower in 2011. Profit after tax and non-controlling interest was $664.2 million or a 12% decrease from the profit of $755.9 million for 2010 due mainly to higher income tax and share of profit of non-controlling interests.

Net tangible asset and gearing

The Group shareholders' funds increased from $4.64 billion as at 31 December 2010 to $5.05 billion as at 31 December 2011. The increase was due mainly to profits recognised in 2011 offset partially by lower fair value reserves on available-for-sale financial assets, adjustments for share buy-back and dividends paid. Consequently the net tangible asset per ordinary share of the Group increased to $6.54 as at 31 December 2011 from $5.91 as at 31 December 2010. The Group's gearing ratio as at 31 December 2011 was 0.37, unchanged from 31 December 2010.

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.

Global economic conditions are expected to remain subdued in 2012 and the Singapore GDP is expected to range between 1.0% and 3.0%. The imposition of additional buyer's stamp duty in December 2011 has affected buying sentiment in Singapore's residential property market. With subdued economic growth and consequently weak demand, office rentals are likely to soften. Retail rents are expected to remain stable.

The uncertain global economic outlook may have an impact on visitor arrivals and the hotel industry in the Asia Pacific region.

Rentals from the Furniture Mall at The Plaza, Beach Road will cease from May 2012 as the space will make way for the development of the 180-unit Pan Pacific Serviced Suites Beach Road and a column-free ballroom and meeting rooms for the adjoining PARKROYAL on Beach Road. The Pan Pacific Serviced Suites Beach Road as well as the 363-room PARKROYAL on Pickering and 13-storey One Upper Pickering office building are scheduled to open towards the end of 2012.

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	:	10.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)
Name of dividend	:	Special
Dividend Type	:	Cash
Dividend Rate	:	5.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	10.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)
Name of dividend	:	Special
Dividend Type	:	Cash
Dividend Rate	:	5.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(c) Date payable

First & Final and Special	:	Subject to shareholders' approval for payment of the First & Final and Special Dividends on 14 May 2012

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members will be closed from 2 May 2012 to 3 May 2012, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to close of business at 5.00 pm on 30 April 2012 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 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

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

			Hotel operations					
	Property development	Property investments	Singapore	Australia	Others	Investments	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
2011								
Revenue								
Total segment sales	1,393,773	166,582	112,994	129,569	117,475	431,703	47,050	2,399,146
Inter-segment sales	-	(6,274)	-	-	-	(405,484)	(27,154)	(438,912)
Sales to external parties	1,393,773	160,308	112,994	129,569	117,475	26,219	19,896	1,960,234
Share of profit of associated companies	53,055	115,081	5,790	-	1,061	-	44	175,031
Share of loss of a joint venture company	(500)	-	-	-	-	-	-	(500)
Adjusted EBITDA	457,409	231,527	31,160	37,011	37,198	26,064	9,913	830,282
Depreciation and amortisation	(91)	(3,796)	(10,102)	(10,867)	(18,668)	-	(1,588)	(45,112)
Other gains/(losses)	-	4,093	(2,600)	(8,143)	(13,081)	-	-	(19,731)
Fair value gains on investment properties	-	187,222	-	-	-	-	-	187,222
Unallocated costs								(11,832)
Finance income								2,768
Finance expense								(39,233)
Profit before income tax								904,364
Income tax								(121,534)
Net profit								782,830
2010 (restated)								
Revenue								
Total segment sales	835,535	153,579	111,952	103,531	109,606	149,493	31,831	1,495,527
Inter-segment sales	-	(5,636)	-	-	-	(127,543)	(13,291)	(146,470)
Sales to external parties	835,535	147,943	111,952	103,531	109,606	21,950	18,540	1,349,057
Share of profit of associated companies	152,923	242,111	4,529	-	1,127	-	-	400,690
Adjusted EBITDA	310,986	348,279	30,651	22,940	42,104	21,752	4,183	780,895
Depreciation and amortisation	(33)	(3,716)	(10,898)	(7,092)	(20,598)	-	(966)	(43,303)
Other gains	-	50,271	157	-	-	362	-	50,790
Fair value gains on investment properties	-	134,863	-	-	-	-	-	134,863
Unallocated costs								(10,489)
Finance income								3,512
Finance expense								(26,488)
Profit before income tax								889,780
Income tax								(64,296)
Net profit								825,484

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

Please refer to paragraph 8.

16 A breakdown of sales

	The Group		
	For the year ended		
	31.12.11	31.12.10	Increase/ (decrease)
		(restated)	
	$'000	$'000	%
(a) Sales reported for first half year	1,180,994	685,546	72
(b) Profit after tax before deducting non-controlling interests reported for first half year	515,394	310,432	66
(a) Sales reported for second half year	779,240	663,511	17
(b) Profit after tax before deducting non-controlling interests reported for second half year	267,436	515,052	(48)

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

	Latest Full Year	Previous Full Year
	$'000	$'000
Ordinary one-tier dividend	76,825	76,734
Special one-tier dividend	38,412	38,367
	115,237	115,101
Preference	-	-
Total	115,237	115,101

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wee Wei Ling	60	Daughter of Mr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL"). Sister of Mr Wee Ee-chao, Mr Wee Ee Lim and Mr Wee Ee Cheong, substantial shareholders of UOL. Mr Wee Ee-chao and Mr Wee Ee Lim are also directors of UOL.	Executive Director of listed subsidiary Pan Pacific Hotels Group Limited ("PPHG"). Oversees the asset management of PPHG's owned hotel properties. Also responsible for the management of St Gregory Spa Pte Ltd and Dou Hua Restaurants Pte Ltd. Director of PPHG since 1994.	Nil

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
24 February 2012