ROBUST

RELEVANT

RESPONSIVE

ANNUAL REPORT 2011

华业集团有限公司

UOL Group Limited

CONTENTS

COVER: NASSIM PARK RESIDENCES

VISION

A robust property group dedicated to creating value, shaping future.

MISSION

Driving Inspirations, Fulfilling Aspirations.

CORE VALUES

Passion drives us
Innovation defines us
Enterprise propels us
People, our leading asset

ABOUT US

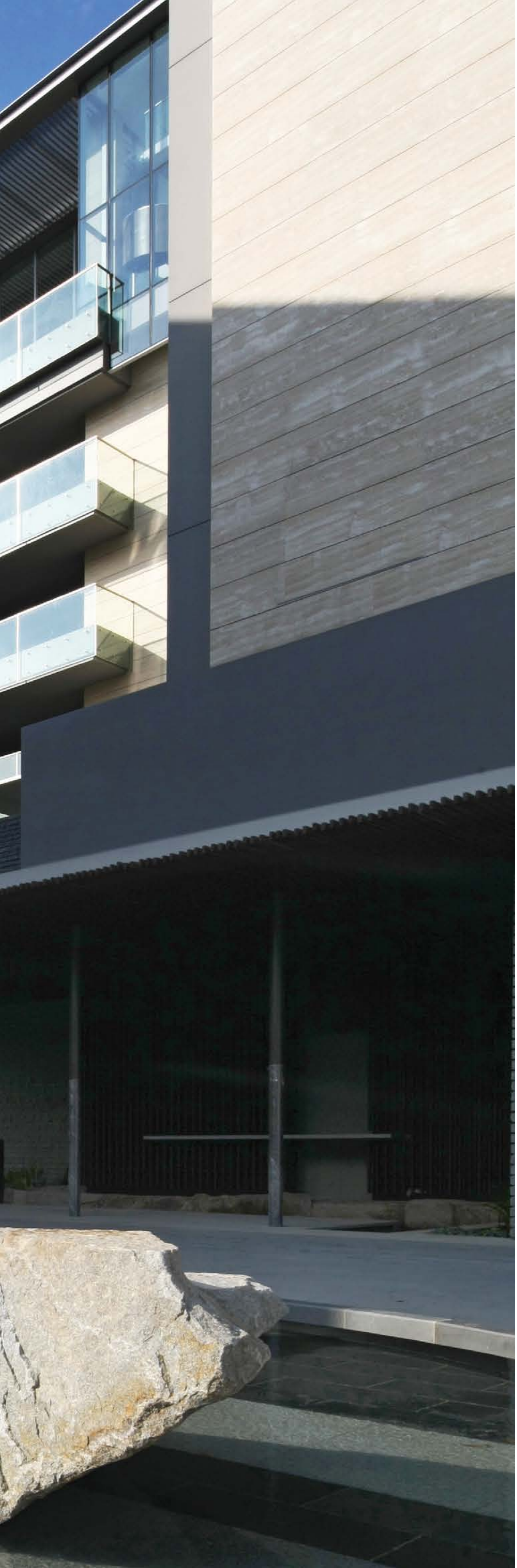
UOL Group is one of Singapore's leading public-listed property companies with an extensive portfolio of development and investment properties, hotels and serviced suites.

With a track record of nearly 50 years, UOL strongly believes in delivering product excellence and quality service in all our business ventures. Our list of property development projects includes best-selling residential units, award-winning office towers and shopping malls, premium hotels and serviced suites.

Our unwavering commitment to architecture and quality excellence is reflected in all our developments, winning us prestigious prizes such as the FIABCI Prix d'Excellence Award, the Aga Khan Award for Architecture, Urban Land Institute Awards for Excellence and President's Design Award.

UOL, through our listed hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns two acclaimed brands namely Pan Pacific and PARKROYAL. PPHG now owns and/or manages over 25 hotels in Asia, Australia and North America with over 8,000 rooms in its portfolio.

Even as we venture into new markets, we stay true to our core values, building on Passion, Innovation, Enterprise and People.

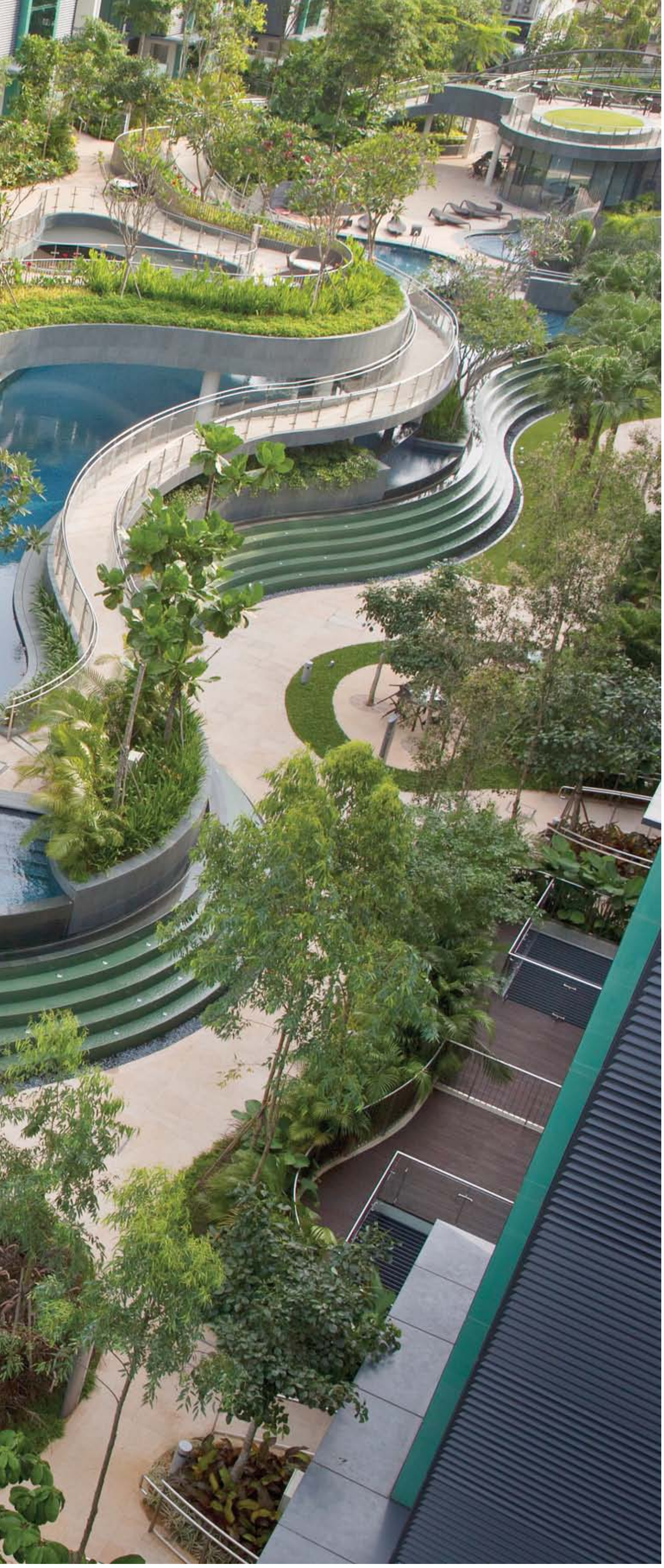


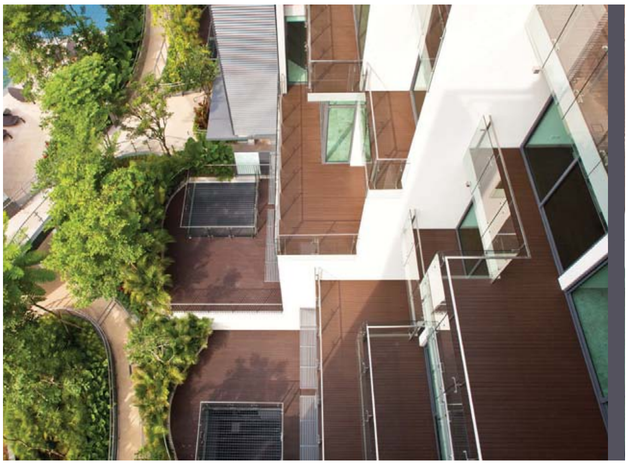
ROBUST

DIVERSIFIED BUSINESS MODEL, SOLID FINANCIALS

We adopt a robust business model comprising three core segments – property development, property investments and hotel operations. Our diversified income streams enable us to ride through different business cycles as well as retain financial flexibility for future growth.

ABOVE: NOVENA SQUARE
LEFT: NASSIM PARK RESIDENCES





RELEVANT

INNOVATIVE PRODUCTS, AWARD-WINNERS

We stay relevant by engaging our customers and business partners, and feeling the pulse of the market. This collaborative and insightful approach enables us to develop well-designed products that meet the aspirations of customers, winning us recognition and accolades around the world.

ABOVE AND LEFT: DUCHESS RESIDENCES

RESPONSIVE

SUSTAINABLE STRATEGY, CARING ORGANISATION

Our sustainable business model ensures our growth is in line with our philosophy of protecting the environment and caring for the community we operate in. We also adhere to high standards of corporate governance and social responsibility.

ABOVE: VELOCITY@NOVENA SQUARE
LEFT: PARKROYAL ON PICKERING

FINANCIAL HIGHLIGHTS

REVENUE
$1.96b
Increased 45% from FY2010's $1.35b

PROFIT BEFORE INCOME TAX
$904.4m
Increased 2% from FY2010's $889.8m

NET ATTRIBUTABLE PROFIT
$664.2m
Decreased 12% from FY2010's $755.9m

CASH DIVIDEND PER SHARE
15¢
First and Final of 10¢ and Special of 5¢

EARNINGS PER SHARE
86.3¢
Decreased 11% from FY2010's 96.9¢

RETURN ON EQUITY
13.1%
Decreased 19% from FY2010's 16.3%

GEARING RATIO
0.37
Unchanged from FY2010

INTEREST COVER RATIO
17x
Down from FY2010's 19x

SHAREHOLDERS' FUNDS
$5.05b
Increased 9% from FY2010's $4.64b

TOTAL ASSETS
$8.52b
Increased 8% from FY2010's $7.90b

TWO-YEAR FINANCIAL HIGHLIGHTS

	2011 $'000	2010 (restated*) $'000	Increase/ (Decrease) %
For the financial year			
Revenue	**1,960,234**	1,349,057	45
Profit before income tax	**904,364**	889,780	2
Profit after income tax and non-controlling interests	**664,193**	755,939	(12)
Return on equity (%)	**13.1**	16.3	(19)
At 31 December			
Share capital	**1,040,694**	1,051,898	(1)
Reserves	**661,039**	758,005	(13)
Retained earnings	**3,352,998**	2,827,072	19
Total assets	**8,524,424**	7,903,988	8
Per ordinary share			
Basic earnings (cents)	**86.3**	96.9	(11)
Gross dividend declared (cents)	**15.0**	15.0	–
Dividend cover (times)	**5.8**	6.5	(11)
Net tangible asset backing ($)	**6.54**	5.91	11

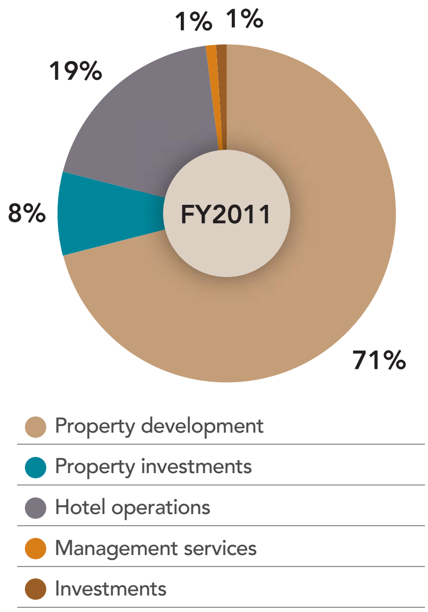
QUARTERLY RESULTS

	1st Quarter $'000	%	2nd Quarter $'000	%	3rd Quarter $'000	%	4th Quarter $'000	%	Total $'000	%
Revenue										
2011	**725,076**	**37**	**455,918**	**23**	**413,281**	**21**	**365,959**	**19**	**1,960,234**	**100**
2010 (restated)	358,863	27	326,683	24	301,963	22	361,548	27	1,349,057	100
Profit before income tax										
2011	**333,162**	**37**	**255,766**	**28**	**125,344**	**14**	**190,092**	**21**	**904,364**	**100**
2010 (restated)	142,513	16	201,439	23	137,766	15	408,062	46	889,780	100
Net profit										
2011	**285,997**	**37**	**229,399**	**29**	**110,266**	**14**	**157,168**	**20**	**782,830**	**100**
2010 (restated)	123,583	15	186,846	23	125,262	15	389,793	47	825,484	100
Profit after income tax and non-controlling interests										
2011	**229,993**	**35**	**202,218**	**30**	**100,977**	**15**	**131,005**	**20**	**664,193**	**100**
2010 (restated)	98,675	13	173,688	23	113,963	15	369,613	49	755,939	100
Basic earnings per ordinary share (in cents)										
2011	**29.6**	**34**	**26.1**	**30**	**13.1**	**15**	**17.5**	**21**	**86.3**	**100**
2010 (restated)	12.6	13	22.2	23	14.6	15	47.5	49	96.9	100

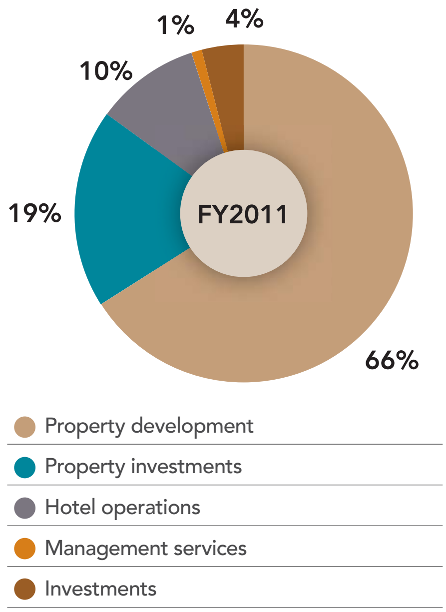
* The results for 2010 were restated due to the adoption of INT FRS 115 which took effect on 1 January 2011.

BUSINESS AT A GLANCE

REVENUE BY BUSINESS SEGMENT



PROFIT FROM OPERATIONS BY BUSINESS SEGMENT



The Group's key revenue drivers are Property Development, Property Investments and Hotel Operations.

REVENUE

$1,960.2m

+45% (y-o-y)

Higher recognition of revenue from sale of residential projects, and inclusion of revenue from PARKROYAL Serviced Suites Kuala Lumpur and PARKROYAL Melbourne Airport hotel

PRE-TAX PROFIT BEFORE FAIR VALUE AND OTHER GAINS/ LOSSES

$727.8m

+32% (y-o-y)

Double-digit growth in profit contribution across all business segments

PATMI

$664.2m

-12% (y-o-y)

Higher minority interests, higher income tax expense and lower fair value gains on investment properties of associated companies

RETURN ON EQUITY

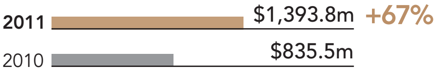
13.1%

-19% (y-o-y)

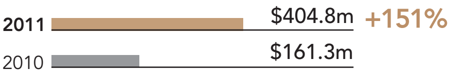
Lower PATMI over a higher equity base

PROPERTY DEVELOPMENT

REVENUE



PROFIT FROM OPERATIONS



We are committed to design and quality excellence, as reflected in our best-selling and award-winning residential homes.

KEY FACTS

- Profit recognition from nine projects under construction, with over 2,700 units sold
- Achieved Temporary Occupation Permit (TOP) for Duchess Residences, Breeze by the East, Nassim Park Residences and Panorama
- Launched new project – Archipelago
- Sale of 164 residential units of sales value $311 million including share of joint-venture projects
- Developments available for sale – Spottiswoode Residences, Duchess Residences, Panorama and Archipelago
- Acquired three sites – Bedok Reservoir (now known as Archipelago) site, residential-cum-retail Lion City site and St Patrick's Garden site (conditional agreement)

PROPERTY INVESTMENTS

REVENUE

PROFIT FROM OPERATIONS

Our owned and managed investment properties include commercial offices and retail malls, as well as serviced suites.

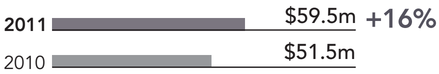
KEY FACTS

- Five commercial offices – Novena Square, United Square, Odeon Towers, Faber House and The Plaza, with total net lettable area of 91,066 sqm
- Two themed retail shopping malls – Velocity@Novena Square and United Square, with total net lettable area of 34,791 sqm
- Three serviced suites properties – Pan Pacific Serviced Suites Singapore, PARKROYAL Serviced Suites Singapore and PARKROYAL Serviced Suites Kuala Lumpur, totalling 503 rooms
- Largest single shareholder, owning 42.86% stake, of listed property company United Industrial Corporation (UIC) Limited
- Holds 22.7% stake in Marina Centre Holdings Pte Ltd which has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin
- Acquired residential-cum-retail Lion City site, with retail component of 19,519 sqm due to open in 2014
- Secured office tenant – Attorney-General's Chambers – for One Upper Pickering for a 30-year lease of $127.2 million
- Redevelopment of The Furniture Mall of The Plaza into 180-unit Pan Pacific Serviced Suites (on Beach Road) due to open in end 2012

HOTEL OPERATIONS

REVENUE

PROFIT FROM OPERATIONS



UOL through our listed hotel subsidiary, Pan Pacific Hotels Group (PPHG), owns "Pan Pacific" and "PARKROYAL" brand. PPHG owns and/or manages over 25 hotels and serviced suites in Asia, Australia and North America.

KEY FACTS

- Pan Pacific's portfolio comprises 20 hotels and serviced suites including those under development
- PARKROYAL's portfolio comprises 13 hotels and serviced suites including those under development
- Holds 25.0% stake in Aquamarina Hotel Private Limited which owns Marina Mandarin
- Pan Pacific Perth was rebranded in January, marking the "Pan Pacific" brand foray into Australia
- Completed acquisition of 276-room Hilton Melbourne Airport Hotel (now known as PARKROYAL Melbourne Airport)
- Secured new hotel management agreement for PARKROYAL Serviced Suites Green City, Shanghai
- Launched brand campaign with refreshed brand identities for Pan Pacific and PARKROYAL
- Refurbished six hotels and resorts – Pan Pacific Nirwana Bali Resort, Pan Pacific Manila, Pan Pacific Perth, PARKROYAL Parramatta, PARKROYAL Saigon and PARKROYAL Yangon

GROUP BUSINESS

(as at 27 February 2012)

UOL GROUP LIMITED

- **Property Development**
  - Residential Developments
    - Wholly-owned projects
    - Joint-venture projects
- **Property Investments**
  - Commercial Properties/ Serviced Suites
    - Wholly-owned projects
    - Joint-venture properties
    - **United Industrial Corporation Limited*** (42.9%)
      - **Singapore Land Limited*** (78.4%)
    - Marina Centre Holdings Pte Ltd[1] (22.7%)
- **Hotel Operations**
  - Hotel Investments
    - **Pan Pacific Hotels Group Limited*** (81.6%)
      - Owned hotels
    - Wholly-owned hotels
    - Joint-venture hotel
    - Aquamarina Hotel Private Limited[2] (25.0%)
- **Management Services**
  - Project Management
  - Facilities Management
  - Hotel and Other Management
- **Investments**
  - Investment in Securities

[1] Marina Centre Holdings Pte Ltd has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin.
[2] Aquamarina Hotel Private Limited owns Marina Mandarin.
* Listed on the Singapore Exchange.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Wee Cho Yaw
Chairman

Gwee Lian Kheng
Group Chief Executive

Alan Choe Fook Cheong
Low Weng Keong
Wee Ee-chao
Wee Ee Lim
Wee Sin Tho
James Koh Cher Siang*
Pongsak Hoontrakul

EXECUTIVE COMMITTEE

Wee Cho Yaw
Chairman

Gwee Lian Kheng
Alan Choe Fook Cheong
Wee Ee-chao

AUDIT COMMITTEE

Low Weng Keong
Chairman

Alan Choe Fook Cheong
Wee Ee Lim

NOMINATING COMMITTEE

Alan Choe Fook Cheong
Chairman

Wee Cho Yaw
Low Weng Keong

REMUNERATION COMMITTEE

Alan Choe Fook Cheong
Chairman

Wee Cho Yaw
Wee Sin Tho

MANAGEMENT

Gwee Lian Kheng
Group Chief Executive

Liam Wee Sin
President (Property)

Foo Thiam Fong Wellington
Chief Financial Officer

Kam Tin Seah
Senior General Manager
(Investment & Strategic Development)

Kwan Weng Foon
Senior General Manager
(Development)

Chan Weng Khoon
General Manager
(Property & Engineering)

Yeong Sien Seu
General Counsel

Quak Hiang Whai
General Manager
(Corporate Communications & Investor Relations)

Yeo Bin Hong
Deputy General Manager
(Group Internal Audit)

* Resigned with effect from 1 April 2012.

COMPANY SECRETARIES

Foo Thiam Fong Wellington
Yeong Sien Seu

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge:
Tan Khiaw Ngoh
Year of appointment: 2011

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Ltd

Malayan Banking Berhad

Sumitomo Mitsui Banking Corporation

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

REGISTERED OFFICE

101 Thomson Road
#33-00 United Square
Singapore 307591
Telephone : 6255 0233
Facsimile : 6252 9822
Website : www.uol.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : 6536 5355
Facsimile : 6536 1360

ARCHIPELAGO

PARKROYAL MELBOURNE AIRPORT

HIGHLIGHTS

JANUARY

UOL Residential Development Pte. Ltd. and UOL Property Investments Pte. Ltd., wholly-owned subsidiaries, successfully tendered for the freehold sites of Lion City Hotel and adjoining Hollywood Theatre for $313 million. Located near the Paya Lebar MRT Interchange, the site area of about 13,740 sqm would be redeveloped into a commercial-cum-residential development.

TOP was obtained for Duchess Residences.

MARCH

United Venture Development (Bedok) Pte. Ltd., a 50:50 joint venture with Singapore Land Limited, successfully tendered for the land nestled within the Bedok Reservoir Park for $320 million. The 99-year site of about 45,622.9 sqm would be redeveloped into a residential project of 553 condominium units and 24 strata houses.

TOP was obtained for Nassim Park Residences and Breeze by the East.

APRIL

Success City Pty Limited, a wholly-owned subsidiary of PPHG, completed the acquisition of Hilton Melbourne Airport Hotel, Australia (rebranded to PARKROYAL Melbourne Airport).

TOP was obtained for Panorama.

MAY

UOL appointed internationally renowned architect Richard Rogers of Rogers Stirk Harbour + Partners to design our upcoming luxury residential development in Changfeng, Shanghai. To celebrate the collaboration with Mr Rogers, UOL and Singapore Land Limited sponsored a retrospective of his works from over four decades at the Urban Redevelopment Authority Gallery in Singapore from 21 May to 20 August titled “The Richard Rogers + Architects: From the House to the City”.

LION CITY MIXED DEVELOPMENT

DUCHESS RESIDENCES

SEPTEMBER
As part of our corporate social responsibility programme, UOL donated $10,000 to Singapore Disability Sports Council's Live That Dream Fund to encourage and support Singaporeans with disabilities to realise their fullest abilities in sports. Our staff also played against students from Grace Orchard School in the 3-on-3 caged basketball match, a signature event of the Velocity@Novena Square.

OCTOBER
Hotel Plaza Property (Singapore) Pte. Ltd., a wholly-owned subsidiary of PPHG, successfully inked a 30-year lease with the Attorney-General's Chambers for its office building at One Upper Pickering at an upfront premium of $127.2 million.

Duchess Residences bagged the Residential (Low-rise) category at the inaugural FIABCI Singapore Property Awards 2011.

NOVEMBER
UOL won the Most Improved Award at the Singapore Corporate Governance Award 2011. The award recognised the Group's efforts in improving corporate governance standards over the year.

PARKROYAL on Pickering being developed by subsidiary PPHG, was conferred a Solar Pioneer Award by the Energy Innovation Programme Office. It was one of the first in Singapore's hospitality sector to feature a solar energy system.

UOL partnered CARE Singapore to organise a Reading Fiesta to reach out to a group of primary school students. It also donated $5,000 towards the event which aimed to stimulate the children's interest in reading.

Nassim Park Residences clinched two of the highest honours at the inaugural South East Asia Property Awards – the Best Condo Development (Singapore) and Best Condo Development (South East Asia).

DECEMBER
Flamegold Pte. Ltd., a wholly-owned subsidiary, entered into a conditional sale and purchase agreement for the collective purchase of the freehold St. Patrick's Garden estate off East Coast Road at $172 million.

UOL sponsored WOHA, Singapore's award-winning architectural firm, for the latter's solo exhibition at Deutsches Architekturmuseum in Frankfurt, Germany from 2 December 2011 to 29 April 2012. The exhibition showcased 15 to 20 key projects of WOHA, of which three were UOL's award-winning developments – 1 Moulmein Rise, Newton Suites and upcoming PARKROYAL on Pickering.

MR WELLINGTON FOO [MIDDLE], CHIEF FINANCIAL OFFICER, RECEIVES THE AWARD FROM MS JOSEPHINE TEO, MINISTER OF STATE, MINISTRY OF FINANCE AND MINISTRY OF TRANSPORT

AWARDS & ACCOLADES

MR KWAN WENG FOON [MIDDLE], SENIOR GENERAL MANAGER FOR DEVELOPMENT, RECEIVES THE FIABCI SINGAPORE PROPERTY AWARD 2011 FOR DUCHESS RESIDENCES

CORPORATE

UOL Group Limited

- Singapore Corporate Governance Award (Most Improved Award)
- Davey Awards – Annual Report Category (Silver Winner)
- BCI Asia Top 10 Developer Awards

BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

Nassim Park Residences, Singapore

- South East Asia Property Awards – Best Condo Development (South East Asia)
- South East Asia Property Awards – Best Condo Development (Singapore)

Duchess Residences, Singapore

- FIABCI Singapore Property Awards – Residential (Low-rise) category

Pavilion 11, Singapore

- BCA Construction Excellence Award (Residential Buildings – $1,200m^2$ & Above Category)

PRODUCT AND SERVICE EXCELLENCE

PARKROYAL on Pickering, Singapore

- BCA Green Mark Platinum Award
- Solar Pioneer Award by Singapore Economic Development Board

Terrene at Bukit Timah, Singapore

- BCA Green Mark GoldPlus Award

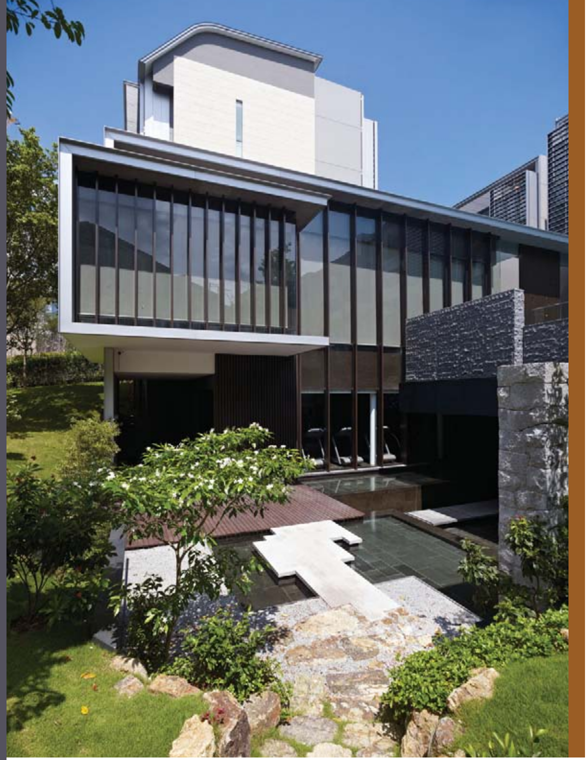
United Square Shopping Mall, Singapore

- ‘We Welcome Families’ Achiever Award by Businesses for Families Council

Pan Pacific Hotels Group

- TTG Travel Awards – Best Regional Hotel Chain
- HM Awards for Hotel and Accommodation Excellence – Asia-Pacific Hotelier of the Year (A. Patrick Imbardelli, President and CEO of Pan Pacific Hotels Group)

PARKROYAL ON PICKERING



NASSIM PARK RESIDENCES

Pan Pacific Hotels and Resorts
- Condé Nast Traveler's Best of Business Travel Readers' Poll – Top 25 Best Business Hotel Brands

Pan Pacific Singapore
- World Travel Awards – World's Leading City Hotel
- Association of Rooms Division Executives – IFH Best Concierge Award (Deluxe Category)
- World Travel Awards – Asia's Leading Business Hotel
- Singapore Hotel Association – Singapore Green Hotel
- Travel+Leisure's 500 World's Best Hotels – Top 6 Hotels in Singapore (No.3)

PARKROYAL on Kitchener Road
- Security and Safety Watch Group (SSWG) – Commendation Award
- Singapore Workforce Development Agency – WSQ Training Excellence Award

Pan Pacific Perth
- Australian Hotels Association Accommodation Industry Awards – Winner of Deluxe Accommodation Award
- Australian Hotels Association (WA) Aon Hotel & Hospitality Awards for Excellence – Conference and Banquet Award

Pan Pacific Suzhou
- China Hotel Starlight Awards – Top 10 Resort Hotels in China

PARKROYAL Yangon
- Tourism Alliance Awards – Business Hotel of the Year

Pan Pacific Vancouver
- Condé Nast Traveler Readers' Choice Awards – Top Hotels in Canada (No.22)
- Travel+Leisure's 500 World's Best Hotels – Top 10 Hotels in Canada

Pan Pacific Whistler Village Center
- Condé Nast Traveler Readers' Choice Awards – Top Resorts in Canada (No.5)
- Condé Nast Traveler's 16th Best Places to Ski and Stay in North America Readers' Poll – Top 50 Ski Hotels (No.9)

Pan Pacific Whistler Mountainside
- Condé Nast Traveler Readers' Choice Awards – Top Resorts in Canada (No.18)
- Condé Nast Traveler's 16th Best Places to Ski and Stay in North America Readers' Poll – Top 50 Ski Hotels (No.35)

Pan Pacific Seattle
- Annual Stars of the Industry – Community Service Award

Pan Pacific Nirwana Bali Resort
- World Travel Awards – Indonesia's Leading Golf Resort

Pan Pacific Kuala Lumpur International Airport
- World Travel Awards – Asia's Leading Airport Hotel
- World Luxury Hotel Awards – Global Luxury Airport Hotel

Pan Pacific Manila
- World Travel Awards – Philippines' Leading Business Hotel

CHAIRMAN'S STATEMENT

2011 REVIEW

Singapore
Growth in the Singapore economy moderated to 4.9% in 2011 compared with 14.8% in 2010. New home sales in 2011 was 15,904 units, marginally below the record 16,292 units sold in 2010. The increase in price levels of private residential properties moderated to 5.9% from the high base of 17.6% in 2010. In tandem with the slower economic growth, rentals of office space increased by 8.4% compared with 12.6% in 2010. Rentals of retail space remained stable, growing by 2.6% in 2011.

Total visitor arrivals in Singapore increased by 13% to a record 13.2 million from 11.6 million in 2010. Average occupancy for the hotel industry in Singapore increased by one percentage point to 86% while average room rate increased by 13% to $245. Benefitting from the increased visitor arrivals, the Group's hotels and serviced suites in Singapore reported higher revenue and profits in 2011.

Overseas
According to the World Tourism Organisation, international tourist arrivals to Asia and the Pacific region grew 6% to reach an estimated 216 million tourists. Arrivals to South Asia and South East Asia both grew by 9%, benefitting from strong intra regional demand while growth was comparatively weaker in North East Asia (+4%) and Oceania (+0.3%) partly due to the temporary decline in the Japanese outbound market.

PROFIT AND DIVIDEND

The Group recorded a pre-tax profit of $904.4 million in 2011 representing an increase of 2% over the pre-tax profit of $889.8 million in 2010. Excluding the fair value gain on investment properties (including those from associated companies) and other gains/losses, the Group's pre-tax profit for 2011 was $727.8 million or an increase of 32% over the profit of $551.2 million in 2010. If the effects of Interpretation of Financial Reporting Standard 115 which was adopted by the Group on 1 January 2011 were excluded, the Group's pre-tax profit for 2011 would have been $714.0 million or a 19% decline compared to the pre-tax profit of $882.4 million reported for 2010. The decrease was due mainly to (i) lower share of profits of associated companies with reduced development profits from Nassim Park Residences following its completion in the first quarter of 2011 and lower fair value gains recognised by United Industrial Corporation Limited; and (ii) higher interest incurred for the Group's investments and acquisitions. Group profit after tax and non-controlling interests for 2011 was $664.2 million representing a 12% decline compared to the profit of $755.9 million in 2010 due mainly to higher income tax and share of profit of non-controlling interests. The Group's shareholders' funds increased from $4.64 billion as at 31 December 2010 to $5.05 billion as at 31 December 2011. 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.

In view of the creditable performance, the Board recommends a first and final dividend of 10.0 cents per share and a special dividend of 5.0 cents per share making a total dividend of 15.0 cents per share, unchanged from 2010. Total dividend payout will amount to $115.2 million for the year ended 31 December 2011 (2010: $115.1 million).

CORPORATE DEVELOPMENTS

Acquisition of Land Parcel 805 at Bedok Reservoir Road (now known as Archipelago)
In March 2011, United Venture Development (Bedok) Pte. Ltd. ("UVD"), a 50:50 joint venture between UOL Group and Singapore Land Limited, successfully tendered for the Urban Redevelopment Authority's Land Parcel 805 at Bedok Reservoir Road, Singapore for $320.0 million. The 99-year leasehold site with an area of approximately 45,622.9 sqm will be developed into 553 units of low-rise apartment units and 24 units of strata houses. Nestled within the Bedok Reservoir Park, Archipelago is conveniently located near the upcoming Bedok North Downtown Line MRT Station.

Acquisition of St Patrick's Garden at St Patrick's Road
In December 2011, wholly-owned subsidiary, Flamegold Pte. Ltd. entered into a conditional sale and purchase agreement for the proposed collective purchase of the freehold property known as St Patrick's Garden at St Patrick's Road for a consideration of $172.0 million. Among other things, the acquisition is conditional upon the Order for Sale from the Strata Titles Board.

Lease of Office Building at Upper Pickering Street (now known as One Upper Pickering)
In October 2011, subsidiary Hotel Plaza Property (Singapore) Pte Ltd granted a 30-year lease of approximately 8,088 sqm of office space at One Upper Pickering to the Government of the Republic of Singapore (for the Attorney-General's Chambers) at a provisional upfront premium of $127.2 million. Construction of the 13-storey office building is expected to be completed before the end of 2012.

Issue of $300.0 Million 2.5% Notes due 2014
On 1 July 2011, the Company raised $300.0 million through an inaugural issue of fixed rate notes under its S$1 billion multicurrency medium term note programme. The notes will mature on 1 July 2014 and bear interest at the rate of 2.5% per annum payable semi-annually in arrears. The net proceeds from the issue was used for refinancing the Group's bank borrowings.

OUTLOOK FOR 2012

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 could 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 (on Beach Road) and a column-free ballroom and meeting rooms for the adjoining PARKROYAL on Beach Road. The said Pan Pacific Serviced Suites 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.

ACKNOWLEDGEMENT

Mr James Koh Cher Siang who has served as a director since November 2005, has decided to resign from the Board with effect from 1 April 2012. On behalf of the Board, I would like to thank Mr Koh for his invaluable contributions during the past years. I would like to welcome Mr Wee Sin Tho, our new non-executive independent director who joined the Board in May 2011.

On behalf of the Board, I wish to express my appreciation and thanks to the management and staff for their hard work and to our shareholders and business associates for their continuing support. My appreciation also goes to my colleagues on the Board for their counsel and guidance during the past year.

DR WEE CHO YAW
Chairman
February 2012

BOARD OF DIRECTORS

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1. WEE CHO YAW
Chairman

A career banker with more than 50 years of experience, Dr Wee has been the Chairman of the Company ("UOL") and its listed subsidiary, Pan Pacific Hotels Group Limited ("PPHG") since 1973. He was appointed to the Board since 23 April 1973 and was last re-appointed as Director at UOL's Annual General Meeting on 19 April 2011. Dr Wee, who is a non-executive and non-independent Director of UOL, is also the Chairman of the Executive Committee and a Member of the Nominating and Remuneration Committees.

Dr Wee is the Chairman of United Overseas Bank Limited, Far Eastern Bank Limited, United Overseas Insurance Limited, United International Securities Ltd, Haw Par Corporation Limited, United Industrial Corporation Limited, Singapore Land Limited and Marina Centre Holdings Private Limited. He is also the Chairman of Wee Foundation.

Dr Wee was conferred the Businessman of the Year award twice at the Singapore Business Awards in 2001 and 1990. In 2006, he received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award for his outstanding achievements in the Singapore business community. In 2009, he was conferred the Lifetime Achievement Award by The Asian Banker. Dr Wee is the Pro-Chancellor of Nanyang Technological University and Honorary President of Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan. He received Chinese high school education and was conferred an Honorary Doctor of Letters by National University of Singapore in 2008. He was also conferred the Distinguished Service Order, Singapore's highest National Day Awards in 2011, for his outstanding contributions in community work.

2. GWEE LIAN KHENG
Group Chief Executive

Mr Gwee has been with the UOL Group since 1973. He is the Group Chief Executive of UOL and PPHG and was appointed to the Board since 20 May 1987. He was last re-elected as Director at UOL's Annual General Meeting on 19 April 2011. Mr Gwee, who is an executive and non-independent Director, is also a Member of the Executive Committee.

Mr Gwee sits on the board of various subsidiaries in the UOL Group and PPHG Group. He is also a Director of United Industrial Corporation Limited and Singapore Land Limited.

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

Mr Gwee was awarded the Pingat Bakti Masyarakat (PBM) Public Service Medal and the Bintang Bakti Masyarakat (BBM) Public Service Star in 1994 and 2002 respectively by the President of Singapore.

3. ALAN CHOE FOOK CHEONG

An architect and town planner by profession, Mr Choe was appointed to the Board since 28 March 1979 and was last re-appointed as Director at UOL's Annual General Meeting on 19 April 2011. Mr Choe, who is an independent and non-executive Director, is also the Chairman of the Nominating and Remuneration Committees and a Member of the Executive and Audit Committees. He is also a Director of PPHG.

Mr Choe holds a Bachelor of Architecture degree, a Diploma in Town & Regional Planning from University of Melbourne and a Fellowship Diploma from the Royal Melbourne Institute of Technology. He is a Fellow Member of the Singapore Institute of Architects, Singapore Institute of Planners and Royal Australian Institute of Architects. He is also a Member of the Royal Institute of British Architects, Royal Town Planning Institute, Royal Australian Planning Institute and American Planning Association.

Mr Choe was the first General Manager of Urban Redevelopment Authority, Chairman of Sentosa Development Corporation and Sentosa Cove Pte Ltd and Board Member of Singapore Tourist Promotion Board.

He was awarded the Public Administration Medal (Gold) in 1967, the Meritorious Service Medal in 1990, and the Distinguished Service Order in 2001.

BOARD OF DIRECTORS

4. LOW WENG KEONG

Appointed to the Board since 23 November 2005, Mr Low was last re-elected as Director at UOL's Annual General Meeting on 21 April 2010. Mr Low, who is an independent and non-executive Director, is the Chairman of the Audit Committee and a Member of the Nominating Committee. He is also a Director of PPHG.

Mr Low is also an independent Director of listed companies Riverstone Holdings Limited and Unionmet (Singapore) Limited. He is also a Director of Singapore Institute of Accredited Tax Professionals Limited and CPA Australia Limited. He was a former Country Managing Partner of Ernst & Young, Singapore and is the Immediate Past President of CPA Australia Limited.

Mr Low is a Life Member of CPA Australia, a Fellow Member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants of Singapore and an Associate Member of the Chartered Institute of Taxation (UK).

5. WEE EE-CHAO

Appointed to the Board since 9 May 2006, Mr Wee was last re-elected as Director at UOL's Annual General Meeting on 28 April 2009. A non-executive and non-independent Director, he is also a Member of the Executive Committee and a Director of PPHG.

Having led the management of UOB-Kay Hian Holdings Limited for more than 25 years, Mr Wee is currently 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 also manages Kheng Leong Company (Private) Limited which is involved in real estate development and investments and is a non-executive Director of Haw Par Corporation Limited.

Mr Wee holds a Bachelor of Business Administration degree from The American University Washington DC, USA.

6. WEE EE LIM

Appointed to the Board since 9 May 2006, Mr Wee was last re-elected as Director at UOL's Annual General Meeting on 28 April 2009. A non-executive and non-independent Director, he is also a Member of the Audit Committee and a Director of PPHG.

He joined Haw Par Corporation Limited ("Haw Par") in 1986 and is currently the President and Chief Executive Officer of Haw Par. He is also a Director of United Industrial Corporation Limited, Singapore Land Limited, Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange) and Wee Foundation.

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

7. WEE SIN THO

Mr Wee was appointed to the Board on 13 May 2011 as an independent and non-executive Director.
He was appointed as a Member of the Remuneration Committee on 11 August 2011.

Mr Wee is the Vice President, Endowment and Institutional Development, of the National University of Singapore. He also sits on the board of Keppel Telecommunications & Transportations Ltd and Hwa Hong Corporation Limited. He had previously served as Chief Executive Officer of HLG Capital Bhd, a holding company in Malaysia with interests in asset management and stockbroking.

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

8. JAMES KOH CHER SIANG*

Appointed to the Board since 23 November 2005, Mr Koh was last re-elected as Director at UOL's Annual General Meeting on 19 April 2011. Mr Koh, who is an independent and non-executive Director, is also a Director of PPHG.

After retiring from 35 years of distinguished service in the civil service, Mr Koh joined the Housing & Development Board ("HDB") in July 2005. He is currently the Chairman of the HDB.

Mr Koh is also the Chairman of CapitaMall Trust Management Limited, Singapore Deposit Insurance Corporation Limited and Singapore Island Country Club. He is also a Director of CapitaLand Limited, Singapore Cooperation Enterprise and CapitaLand Hope Foundation. He is also a Member of the Presidential Council for Religious Harmony and a Director of the Thye Hua Kwan Moral Charities Limited.

Mr Koh holds a Bachelor of Arts (Honours) degree in Philosophy, Political Science and Economics, Master of Arts degree from University of Oxford, UK and holds a Master in Public Administration degree from Harvard University, USA.

He was awarded the Public Administration Medal (Gold) in 1983 and the Meritorious Service Medal in 2002.

* Resigned as Director of UOL with effect from 1 April 2012.

9. PONGSAK HOONTRAKUL

Dr Hoontrakul was appointed to the Board since 21 May 2008 and was last re-elected as Director at UOL's Annual General Meeting on 19 April 2011. He is a non-executive and independent Director.

Dr Hoontrakul is currently the Senior Research Fellow at Sasin Institute, Chulalongkorn University, Thailand and a Director 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.

He served as an independent Director of United Overseas Bank (Thai) Pcl. from 2005 to April 2008, and was the Chairman of the Audit Committee from 2005 to 2006. He was also the Advisor to the Senate Committee for Fiscal, Banking and Financial Institutions, Parliamentary Committee for Economic Affairs and Parliamentary Committee for Justice and Human Rights, in Thailand.

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

KEY MANAGEMENT EXECUTIVES

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1. GWEE LIAN KHENG
Group Chief Executive

Information on Mr Gwee is found in the "Board of Directors" section of this report.

2. LIAM WEE SIN
President (Property)

Mr Liam oversees the Group's property investment, property development, engineering, marketing and human resources departments. He also sits on the boards of several UOL subsidiaries. Prior to joining the Group in 1993, Mr Liam practised with an architectural firm and spent eight years in the public sector handling architectural works and facilities management. He also worked two years with Jones Lang Wootton undertaking project management and consultancy. Mr Liam holds a Bachelor of Architecture degree from the National University of Singapore. He is a Council Member of the Real Estate Developers Association of Singapore as well as a member of the URA Design Advisory Committee, URA Architecture and Urban Design Excellence Committee, and the National Crime Prevention Council. He has previously served as a Member of the Preservation of Monuments Board.

3. FOO THIAM FONG, WELLINGTON
Chief Financial Officer/
Group Company Secretary

Mr Foo oversees financial management and corporate secretarial matters of the Group. He is Company Secretary of both UOL and Pan Pacific Hotels Group, and a Director of several of their subsidiaries. Mr Foo joined the Group in 1977, and holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia, and an Associate of both the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators.

4. KAM TIN SEAH
Senior General Manager
(Investment & Strategic Development)

Mr Kam is responsible for formulating business strategy and identifying investment opportunities for the Group. He also oversees marketing activities for the Group's residential and commercial properties in Singapore and overseas. He serves as a Director of several of the Group's subsidiaries. Mr Kam joined the Group in 2005. Previously, Mr Kam spent over 17 years with Parkway Properties Pte Ltd and Centrepoint Properties Limited in multi-functional and key managerial roles. He holds a Bachelor in Estate Management (Honours) degree from the National University of Singapore.

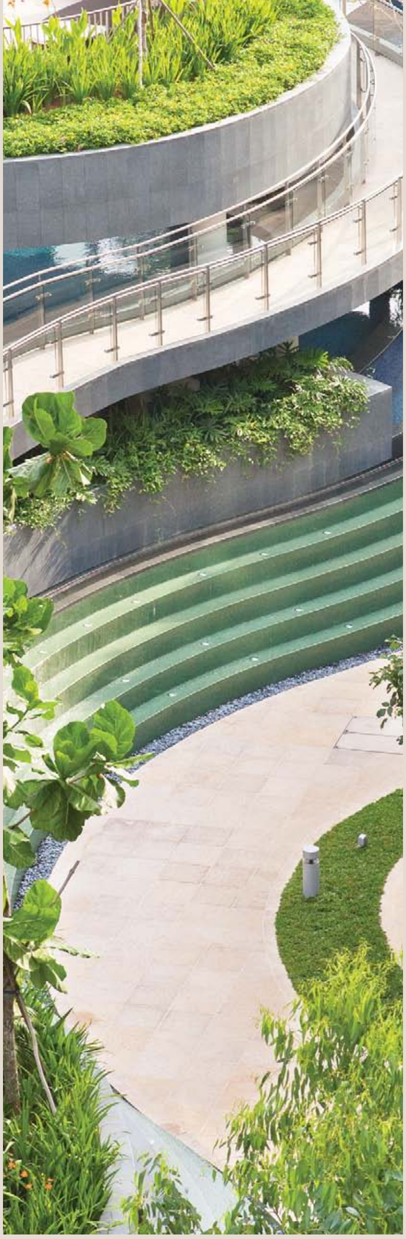
5. KWAN WENG FOON
Senior General Manager
(Development)

Mr Kwan oversees property development projects and sits on the boards of several UOL subsidiaries. He joined the Group in 2006, bringing with him over 30 years of experience in construction and property development, having worked in various capacities in residential, commercial, retail and hotel development. His previous employers include Guocoland Limited and Equus Land Pte Ltd. Mr Kwan holds a Bachelor of Science degree in Building Science from the National University of Singapore and a Master of Business Administration from the University of Hull, UK.

6. CHAN WENG KHOON
General Manager
(Property & Engineering)

Mr Chan is responsible for engineering and property management of the Group. He is also a Director of several of the Group's subsidiaries. Mr Chan joined the Group in 2007 and had previously worked with Indeco Engineers Pte Ltd where he was responsible for facilities management. Mr Chan holds a Bachelor of Electrical and Electronics Engineering (Honours) degree and a Master of Business Administration (International Business) from the Nanyang Technological University. He is a Member of the Fire Safety and Shelter Department Standing Committee and Fire Code Review Committee of the Singapore Civil Defence Force.

KEY MANAGEMENT EXECUTIVES



7. YEONG SIEN SEU
General Counsel/
Company Secretary

Mr Yeong is responsible for the legal and corporate secretarial functions of the Group and Pan Pacific Hotels Group. He also facilitates the UOL's risk management programme.
Mr Yeong is a Director of several of the Group's subsidiaries. Before joining UOL in 2006, he was responsible for legal matters at Fraser and Neave Limited. Mr Yeong completed his pupillage and practised at Rajah & Tann before joining Sembcorp Limited.
He graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1995. He is a Member of the Singapore Academy of Law.

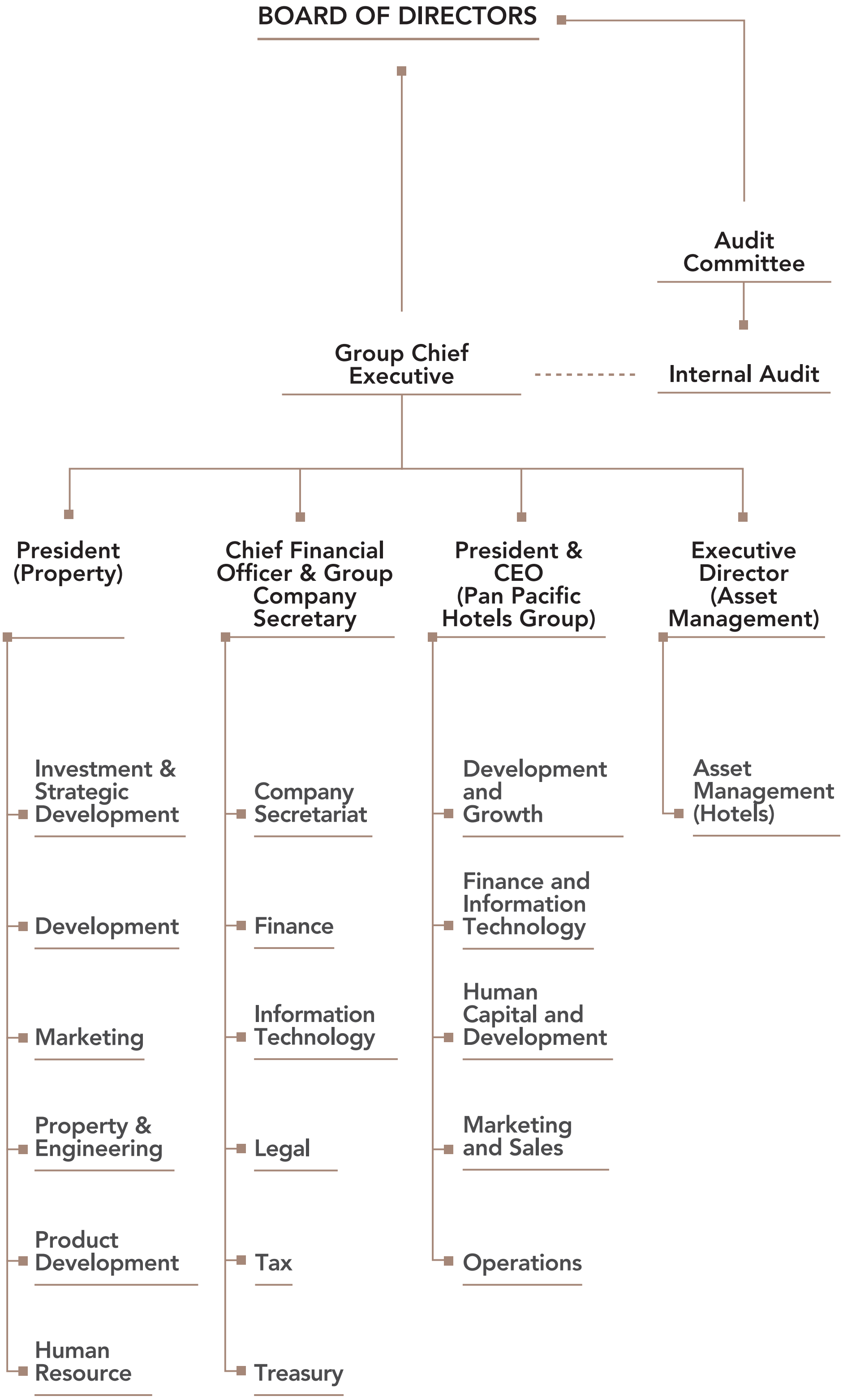
8. QUAK HIANG WHAI
General Manager
(Corporate Communications & Investor Relations)

Mr Quak is responsible for the corporate communications and investor relations functions of the Group. He joined the Group in 2011, bringing with him over two decades of experience in media, corporate communications and investor relations. He had previously worked for Singapore Press Holdings and Mediacorp Press, holding various key editorial positions. He also headed the group communications and investor relations unit for United Overseas Bank Group from 2005 to 2008. Mr Quak holds a Bachelor of Business Administration degree from the National University of Singapore and a Master of Public Administration from the Lee Kuan Yew School of Public Policy.

9. YEO BIN HONG
Deputy General Manager
(Internal Audit)

Mr Yeo oversees internal audit for both UOL and Pan Pacific Hotels Group. Prior to joining UOL in 1997, he spent four years as an external auditor with PricewaterhouseCoopers Singapore, working on statutory audit assignments for various companies. Mr Yeo holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University. He is a non-practising Member of the Institute of Certified Public Accountants of Singapore and a Member of the Institute of Internal Auditors (Singapore).

ORGANISATION CHART



OPERATION HIGHLIGHTS

PROPERTY INVESTMENTS

NOVENA SQUARE

COMMERCIAL PROPERTIES

United Square
United Square is a household name and a favourite among parents and children. Known as the Kids Learning Mall, it offers many educational activities. The Mall also won the 'We Welcome Families' Achiever Award, a recognition of our dedication to equip the Mall with family-friendly services and infrastructure.

With a total lettable office space of 27,205 sqm and retail space of 18,822 sqm, United Square achieved high occupancy rate for office and retail at 93% and 99% respectively. The Mall also increased net lettable area by approximately 836 sqm in the basement area, level one and level four.

As part of its commitment to create a pleasant environment for shoppers, United Square added new amenities. It constructed a sheltered walkway connecting the Mall to a bus-stop and provided more user-friendly valet parking.

Mall Promotions

United Square continued to strengthen its niche positioning as the Kids Learning Mall where children get to learn through play by participating in a slew of educational and entertaining events organised by the Mall. One of the key events was the island-wide casting held in collaboration with the Kids Performing Repertory Theatre for The Narnia Musical production. Another well-received event was the award-winning *Kids in The Big World 2*, where participants had a chance to role-play seven occupations through the guidance of professionals from each field. *Great Kids Cook Out*, a one-stop culinary event, held in conjunction with the Mall's ninth anniversary celebration, offered participants a chance to learn simple recipes and pick up kitchen safety tips. The Mall's highlight was the year-end exclusive character show. Held for the first time in Singapore, *The Little Big Club* featured a huge cast of 12 all-time favourite pre-schooler superstars – Barney & Friends, Thomas & Friends, Bob the Builder, Angelina Ballerina, Fireman Sam and Pingu Penguin performing a medley of musical to a full house audience daily.

Novena Square

Novena Square is a premier development of offices and a retail mall. It is conveniently located above Novena MRT Station.

With a total lettable office space of 41,503 sqm and retail space of 15,969 sqm, the occupancy rates for office and retail were 98% and 99% respectively.

During the year, Novena Square converted part of the office lobby space into a café and upgraded the toilets and common area of the office towers.

Mall Promotions

Velocity@Novena Square reinforced its position as a sports mall and established strong alliances with the sporting community by organising innovative sports events. Some of the high profile events included the first Singapore National Squash Championships and the only 3-on-3 caged basketball. During the year, the Mall was the choice venue for a number of highly-anticipated events like the Eighth Singapore HeritageFest 2011, National Students Lianhe Zaobao Table Tennis Cup Challenge, Adidas Footbag Challenge and National University of Singapore Netballuxion. Velocity@Novena Square also gained popularity as an official venue partner for race kit collections for popular runs such as New Balance Real Run, Mizuno Run, Saucony Passion Run, Kids Run and Singapore Sprint Series. Renowned French outdoor brand Saloman also made Velocity@Novena Square the choice for its first and only signature store in Singapore because of the Mall's distinct positioning.

3-ON-3 CAGED BASKETBALL

GREAT KIDS COOK OUT

SINGAPORE NATIONAL SQUASH CHAMPIONSHIPS

OPERATION HIGHLIGHTS

PROPERTY INVESTMENTS

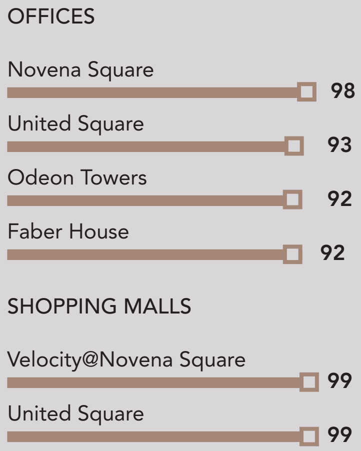
Odeon Towers
Odeon Towers renovated and upgraded the main office lobby during the year. It has a total lettable office space of 18,402 sqm. For the year, occupancy remained above 92%.

Faber House
Faber House has a total lettable office space of 3,956 sqm. Occupancy remained above 92% for the year.

The Plaza
The Furniture Mall is being redeveloped into a 180-unit tower of serviced suites and a separate building with approximately 1,900 sqm of meeting and ballroom facilities. Construction is expected to complete by end of 2012, and the facilities to be completed by the mid of 2013.

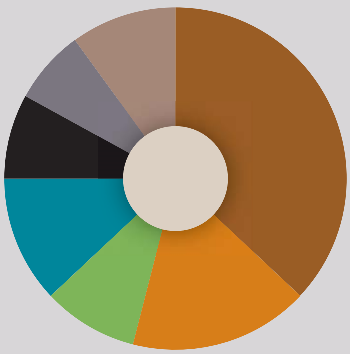
Lion City site
UOL Residential Development Pte. Ltd. and UOL Property Investments Pte Ltd, wholly-owned subsidiaries, successfully tendered for the freehold sites of Lion City Hotel and Hollywood Theatre for $313 million. Located at the junction of Tanjong Katong Road and Geylang Road near the existing Paya Lebar MRT Interchange, the 13,740 sqm site can be developed into approximately 244 residential units and 19,519 sqm of retail space.

OCCUPANCY RATE (%)

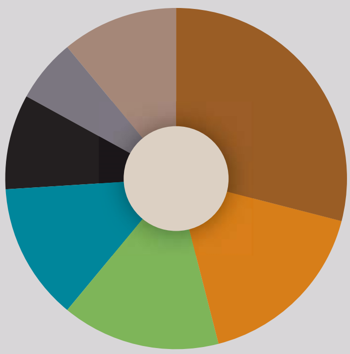


COMMERCIAL TENANT MIX (%)

OFFICE SPACE



RETAIL SPACE



OFFICE SPACE	RETAIL SPACE
Consumer Goods **37%**	Food & Beverage **29%**
Property, Construction & Transportation **17%**	Health, Beauty, Wellness & Fitness **17%**
Banking, Insurance & Financial Services **9%**	Sports & Fashion **15%**
Energy, Resources & Engineering **12%**	Education **13%**
Electronics, IT & Telco **8%**	Supermarket **9%**
Institutions **7%**	Children's Fashion, Toys & Maternity **6%**
Others **10%**	Others **11%**

PAN PACIFIC SERVICED SUITES SINGAPORE

SERVICED SUITES

Pan Pacific Serviced Suites, Singapore
The 16-storey, 126-suite extended-stay property, is located in the heart of Orchard Road and next to the Somerset MRT Station. Its prime location in Singapore's famous shopping district offers guests a host of dining and retail options. The Serviced Suites offer guests a differentiated stay experience with the unique services of personal assistants.

Since its opening, Pan Pacific Serviced Suites has been commanding one of the highest room rates in the premium extended-stay segment in Singapore. The occupancy rate increased from 90% in 2010 to 94% in 2011.

PARKROYAL Serviced Suites, Beach Road, Singapore
Held by subsidiary PPHG, PARKROYAL Serviced Suites comprises 90 units of serviced suites at The Plaza on Beach Road. The suites, which underwent refurbishment in 2010, now feature welcoming interiors and well-defined spaces as well as panoramic views of the sea or city skyline.

The suites currently command one of the highest room rates within its competitive set in the extended-stay segment. Occupancy for 2011 was 95% against 89% in 2010.

PARKROYAL Serviced Suites, Kuala Lumpur, Malaysia
Located in the heart of Kuala Lumpur's Golden Triangle, the city's premier shopping and entertainment belt, the 287-suite property is surrounded by mega malls such as Suria KLCC, Starhill Gallery, Pavilion and Lot 10, as well as the famous food streets of Jalan Alor and Bintang Walk.

The property's performance has grown since its opening in October 2010. Occupancy for 2011 is 70% for its first full year of operation while average room rate was RM276.

OPERATION HIGHLIGHTS

PROPERTY DEVELOPMENT

PROPERTY DEVELOPMENT

Replenishment of Landbank
In 2011, the Group replenished our residential landbank with three acquisitions. We successfully tendered for the freehold sites of Lion City Hotel and adjoining Hollywood Theatre near Paya Lebar MRT Interchange in January, and the 99-year Bedok Reservoir Park site in March. In December, the Group entered into a conditional sale and purchase agreement for the collective purchase of the freehold St. Patrick Garden site off East Coast Road.

NASSIM PARK RESIDENCES

Spottiswoode Residences and Nassim Park Residences
The 351-unit Spottiswoode Residences, launched in November 2010, continued to see good response during the year and achieved 90% sales while Nassim Park Residences achieved 100% sales.

Archipelago
Archipelago, a 50%-owned development, located at Bedok Reservoir Park was previewed in December and became the best-selling condominium in the same month based on caveats lodged with the Urban Redevelopment Authority. More than 100 units were booked out of the 180 units launched for sale. The development, nestled within the lush greenery of the reservoir, was thoughtfully designed to bring the home into the park and the park into the home. It has an approximately 400-metre frontage to the park and is a stone's throw away from the upcoming Bedok North Downtown Line MRT Station. Sitting on a 45,622 sqm site, it comprises 553 condominium units and 24 units of three-storey strata houses.

Completion of Projects
The year witnessed the successful completion of four developments. TOP was issued in January for Duchess Residences, a low-rise 120-unit development within the premier Duchess Avenue neighbourhood. In March, TOP was obtained for Nassim Park Residences, a 100-unit luxurious development on Nassim Road in prime district 10 as well as Breeze by the East, a 88-unit freehold development along Upper East Coast Road. The 223-unit Panorama located in Kuala Lumpur opposite the KLCC obtained its TOP in April.

ARCHIPELAGO

PANORAMA

SALE AND COMPLETION STATUS OF LAUNCHED PROJECTS

Projects	No. of Units	% Sold (as at 31 Dec 2011)	% Complete (as at 31 Dec 2011)	Expected TOP Date
Duchess Residences	120	99	100	Obtained
Breeze by the East	88	100	100	Obtained
Nassim Park Residences	100	100	100	Obtained
Panorama	223	96	100	Obtained
Meadows@Peirce	479	100	97	1Q2012
Double Bay Residences	646	100	76	2Q2012
Waterbank at Dakota	616	100	64	2Q2013
Terrene at Bukit Timah	172	100	43	1Q2013
Spottiswoode Residences	351	90	15	3Q2013
Archipelago	577	16	0	1Q2015

OPERATION HIGHLIGHTS

HOTEL OPERATIONS

SINGAPORE

PARKROYAL on Beach Road
PARKROYAL on Beach Road with 343 rooms is conveniently located within the city's central business district. In 2011, the hotel saw its revenue per available room increased by 12% over 2010. This was due to the year-on-year improvement of 11% in the average room rate and a marginal year-on-year increase of 1 percentage point in the average occupancy rate.

PARKROYAL on Kitchener Road
The 534-room PARKROYAL on Kitchener Road is located in the heart of the city's cultural rich district – Little India. In 2011, the average room rate of the hotel grew by 12% year-on-year. This, coupled with an increase in the average occupancy of 2 percentage points, resulted in an increase in the revenue per available room of 15% over 2010.

PARKROYAL on Pickering
The 99-year leasehold property is being developed into a city hotel with 363 rooms and an office block with 8,088 sqm of office space. The Group has successfully secured a single tenant, Attorney-General's Chambers, on a 30-year lease for an upfront premium of $127.2 million for the office block.

Apart from being awarded the Building and Construction Authority Green Mark Platinum Award by BCA, the development won the Solar Pioneer Award in the year for its innovative solar energy system. The development is expected to complete in the third quarter of 2012.

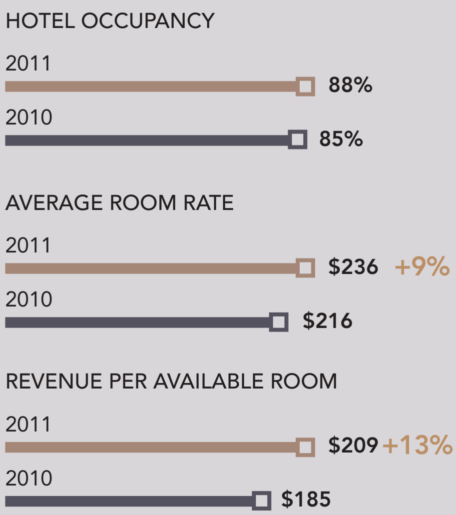
Pan Pacific Orchard
The 21-storey, 206-room hotel on Claymore Road saw average occupancy improved by 3 percentage points and average room rate increased by 9% in 2011. As a result, the revenue per available room improved by 12% over 2010.

Marina Mandarin Singapore
The Marina Mandarin Singapore is a 22-storey, 575-room hotel at Raffles Boulevard. It is owned by Aquamarina Hotel Private Limited, in which UOL has a 25% interest. Average occupancy improved by 2 percentage points while average room rate increased by 6% and revenue per available room improved 8% as compared to the preceding year.

PAN PACIFIC SINGAPORE

Pan Pacific Singapore
The Group has a 22.67% equity interest in Marina Centre Holdings Pte Ltd which owns the 778-room Pan Pacific Singapore located in the Marina Bay area. The hotel improved its occupancy by 4 percentage points in 2011 with its average room rate increasing by 7% and revenue per available room increasing by 13% year-on-year.

SINGAPORE



PARKROYAL PENANG RESORT

MALAYSIA

PARKROYAL Kuala Lumpur
The 426-room PARKROYAL Kuala Lumpur is strategically located in the Golden Triangle, the capital's main commercial and retail district. In 2011, the average occupancy of the hotel remained the same as 2010 and the average room rate increased by 3% over 2010. Its revenue per available room increased by 3% over 2010.

PARKROYAL Penang Resort
PARKROYAL Penang Resort, with 309 rooms, is located alongside Batu Ferringhi beach. Average occupancy decreased by 2 percentage points whereas the average room rate remained constant as 2010. The revenue per available room declined by 2% over 2010.

VIETNAM

Sofitel Plaza Hanoi, Hanoi
PPHG has a 75% interest in the 309-room Sofitel Plaza Hanoi. The hotel commands a scenic view of the West Lake and Red River in Hanoi, with convenient access to the central business district. Average occupancy decreased by 11 percentage points compared to 2010 due to renovations carried out at the hotel. However, the average room rate increased 4% compared to 2010. The revenue per available room decreased 11% compared to the preceding year.

The hotel has completed its renovation for the Chinese restaurant, lounge, meeting facilities and 291 guestrooms.

PARKROYAL Saigon, Ho Chi Minh City
The 186-room PARKROYAL Saigon is located within minutes from the city's International Airport and the Exhibition and Convention Centre. Average occupancy for the year dipped by 13 percentage points due to renovations carried out at the hotel. The average room rate decreased by 3% compared to 2010. As a result, revenue per available room declined by 21% from 2010.

Refurbishment of guestrooms, expansion and renovation of meeting and ballroom facilities and enhancement to hotel guests' facilities were completed in end 2011.

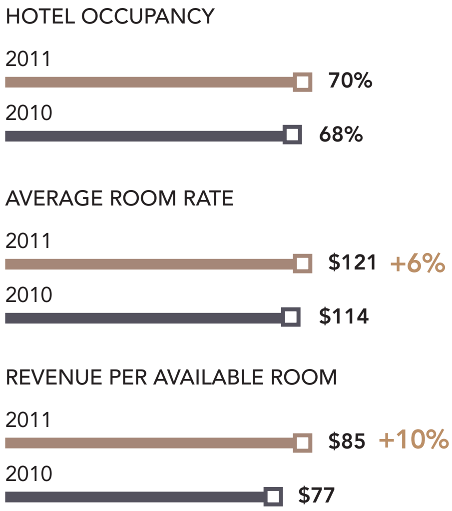
Sofitel Saigon Plaza and Central Plaza, Ho Chi Minh City
The 286-room Sofitel Saigon Plaza, in which PPHG has a 26% interest, is conveniently located in the commercial precinct. Average occupancy improved by 10 percentage points in 2011, while the average room rate decreased by 2%. The revenue per available room increased by 14% compared to the preceding year.

The hotel renovated 18 club guest rooms and 10 suites in 2011. It will be renovating the remaining guest rooms in 2012.

MYANMAR

PARKROYAL Yangon
PPHG has a 95% interest in the 323-room hotel, centrally located in the heart of the city. Average occupancy for the hotel increased by 5 percentage points and the average room rate rose by 38% in 2011. Consequently, revenue per available room increased significantly by 47% compared to 2010.

SOUTHEAST ASIA



OPERATION HIGHLIGHTS

HOTEL OPERATIONS

AUSTRALIA

PARKROYAL Melbourne Airport, Melbourne
On 1 April 2011, a wholly-owned subsidiary of PPHG completed the acquisition of the 276-room Hilton Melbourne Airport Hotel, Australia located in Tullamarine, Melbourne. Following the completion, the hotel was rebranded as PARKROYAL Melbourne Airport.

Since its opening in April 2011, the hotel has enjoyed an average occupancy rate of 82%. In 2011, its average room rate was S$244 and the revenue per available room was S$199.

PARKROYAL Darling Harbour, Sydney
The 345-room PARKROYAL Darling Harbour is located on Day Street near the scenic waterfront. In 2011, the average occupancy decreased by 4 percentage points while the average room rate remained constant as 2010. As a result, the revenue per available room declined by 4% year-on-year.

PARKROYAL Parramatta, Sydney
The 196-room hotel is located at Phillip Street in the heart of the business district of Parramatta. The hotel's average occupancy for 2011 improved by 3 percentage points and its average room rate increased by 5% over 2010. Revenue per available room grew by 9% year-on-year.

During the year, the hotel completed its refurbishment of the public areas and food and beverage outlets.

Pan Pacific Perth (formerly Sheraton Perth Hotel)
PPHG has a 100% interest in the 486-room hotel which was rebranded as Pan Pacific Perth on 6 January 2011. In 2011, the hotel enjoyed a 4% increase in revenue per available room over 2010. The year-on-year improvement of 6% in average room rate was partially offset by the decline in average occupancy of 1 percentage point over 2010.

The Group completed renovations of the ballrooms in early 2011.

OCEANIA

HOTEL OCCUPANCY

AVERAGE ROOM RATE

REVENUE PER AVAILABLE ROOM

PAN PACIFIC PERTH

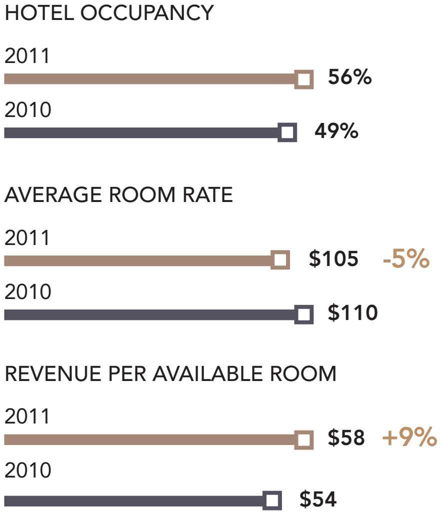
PAN PACIFIC SUZHOU

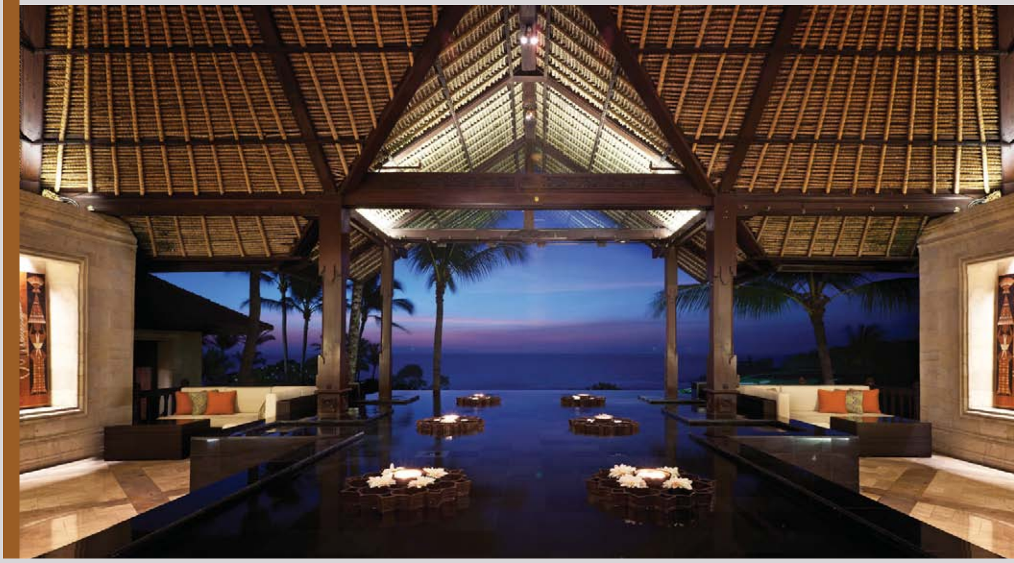
THE PEOPLE'S REPUBLIC OF CHINA

Pan Pacific Suzhou
The 481-room Pan Pacific Suzhou is located at Xinshi Road within the Suzhou city precinct. During the year, average occupancy was 3 percentage points higher than 2010. As the hotel operates in a highly competitive environment, its average room rate registered a decline of 10% over 2010. Consequently, its revenue per available room decreased by 3% year-on-year.

Pan Pacific Xiamen
The 387-room hotel is located in the heart of Xiamen's financial and entertainment district. Average occupancy improved by 11 percentage points in 2011 and the average room rate decreased by 2% compared to 2010. Overall, the revenue per available room increased by 18% year-on-year.

CHINA





PAN PACIFIC NIRWANA BALI RESORT

OPERATION HIGHLIGHTS

HOTEL MANAGEMENT

HOTEL MANAGEMENT

In 2011, PPHG was able to extend its global presence as well as align and strengthen its Pan Pacific and PARKROYAL brands.

Focused on growing our hotel portfolio, the Group made further headway in China as we secured a new hotel management agreement for PARKROYAL Serviced Suites Green City, Shanghai which will mark the debut of the PARKROYAL brand in China in 2012. With the addition, the Group now has six properties in this key growth market, including those under development.

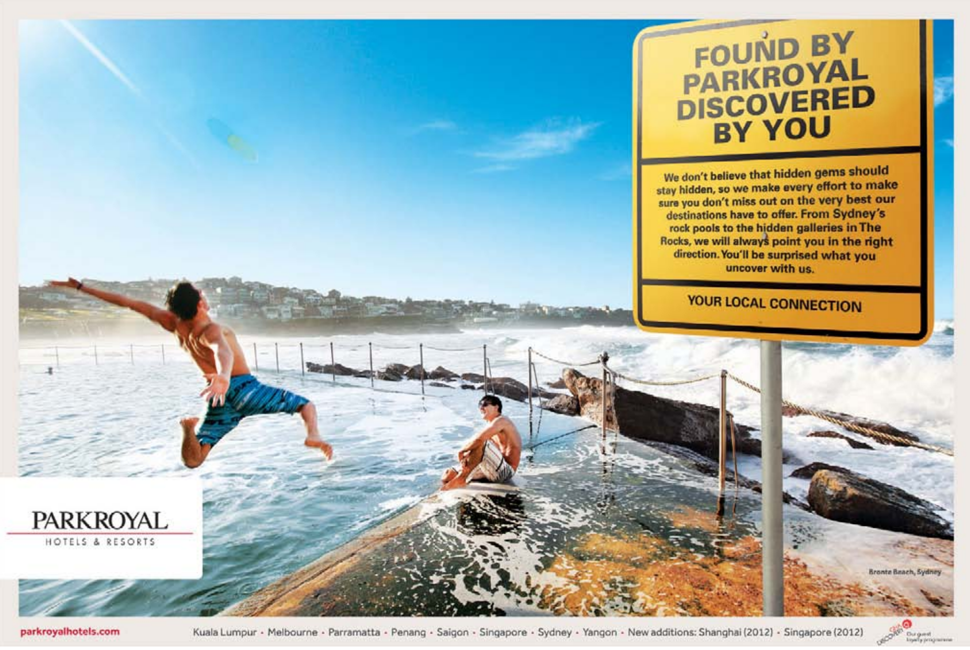
In Australia, the Group expanded our brand footprint with the rebranding of Pan Pacific Perth in January. This was followed by the rebranding of the A$109 million (S$141.4 million) PARKROYAL Melbourne Airport in April.

Six hotels under the Group's portfolio were refurbished. They were Pan Pacific Nirwana Bali Resort, Pan Pacific Perth, Pan Pacific Manila, PARKROYAL Saigon, PARKROYAL Yangon and PARKROYAL Parramatta.

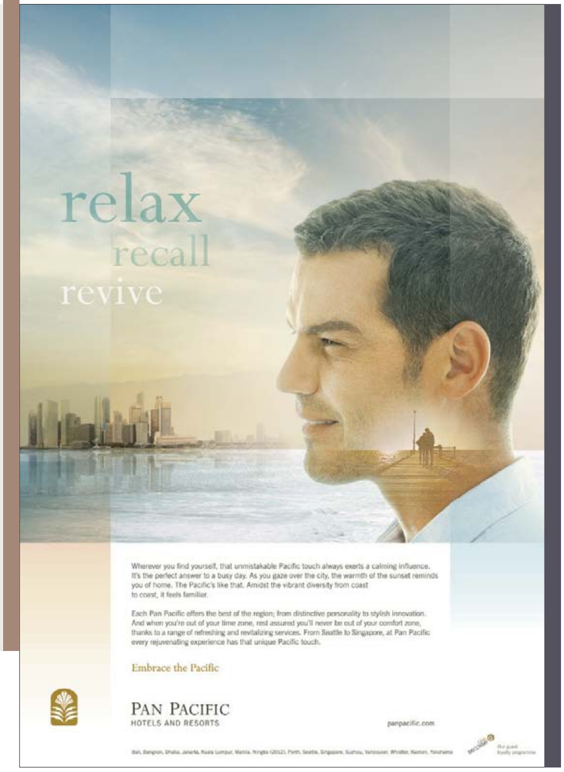
Continuing the brands journey
PPHG continued to strengthen its brands during the year to make deeper connections with guests and to prime the Group for growth. In September, the Group launched our brand campaign globally and unveiled the refreshed brand propositions for Pan Pacific and PARKROYAL. The refreshed identities were articulated into new brand advertisements that were rolled out across different media platforms locally and regionally. New and consistent visual and verbal identities were also introduced across the portfolio of over 30 properties for the brand logos and marketing collaterals.

Additionally, a brand research survey was conducted in partnership with travel and hospitality experts from BDRC Continental, an independant research consultancy to evaluate the level of brand awareness in key markets.

Pan Pacific Hotels and Resorts
Pan Pacific Hotels and Resorts is a leading premium hotel brand comprising 20 hotels, resorts and serviced suites across Asia, Greater China, North America and Oceania including those under development. It seeks to create meaningful and refreshing



REFRESHED BRAND ADVERTISEMENT OF PARKROYAL



REFRESHED BRAND ADVERTISEMENT OF PAN PACIFIC

experiences through offering guests relevant choices to make each stay personal and effortless. With the hotels strategically located along the Pacific Rim, the brand lays claim to creatively blending Asian and Western cultures along the Pacific Rim to delight guests.

In 2011, Pan Pacific Hotels and Resorts was recognised on the regional and international stage with a record number of esteemed awards and accolades. These included garnering titles such as Asia's Leading Business Hotel (Pan Pacific Singapore), Indonesia's Leading Golf Resort (Pan Pacific Nirwana Bali Resort), Asia's Leading Airport Hotel (Pan Pacific Kuala Lumpur International Airport), Philippines' Leading Business Hotel (Pan Pacific Manila) and Canada's Leading Business Hotel (Pan Pacific Vancouver) in the World Travel Awards.

Within a year of rebranding, Pan Pacific Perth received affirmation from the industry with the Deluxe Accommodation Award and Conference and Banquet Award presented by the Australian Hotels Association. In North America, Pan Pacific Vancouver, Pan Pacific Whistler Mountainside and Pan Pacific Whistler Village Centre also secured coveted rankings in Condé Nast Traveler Readers Choice Awards.

We continue to grow our presence with the opening of Pan Pacific Ningbo and Pan Pacific Serviced Suites Ningbo, our first joint hotel and serviced suites in China and the second Pan Pacific Serviced Suites property in Singapore in 2012. We will also make our foray into Northern China in 2013, with the opening of Pan Pacific Tianjin.

PARKROYAL Hotels & Resorts
The PARKROYAL portfolio consists of 13 hotels, resorts and serviced suites conveniently located in gateway cities across Australia, China, Malaysia, Myanmar, Singapore and Vietnam, including those in the pipeline. Each PARKROYAL reflects the spirit and individuality of its location through creative touches, authentic experiences and local connections. Committed to providing a modern, supportive and comfortable environment, PARKROYAL is backed by a long-standing heritage and has established its reputation as a trusted and upscale brand in Asia Pacific.

In 2011, the opening of PARKROYAL Melbourne Airport marked the return of the brand to its birth city of Melbourne where it was founded in 1962. The brand will also debut in China this year with the launch of PARKROYAL Serviced Suites Green City, Shanghai.

Further extending its presence in Singapore, PARKROYAL will launch its flagship property, PARKROYAL on Pickering in 2012. Featuring a hotel-in-a-garden concept with lofty skygardens and sustainable facilities, the hotel is poised to be one of the greenest hotels in the city state.

OPERATION HIGHLIGHTS

OVERSEAS PROJECTS & INVESTMENTS

SHANGHAI CHANGFENG PROJECT

OVERSEAS PROJECTS

Shanghai
The development, a 40:30:30 joint venture by the Group's wholly-owned subsidiary UOL Capital Investments Pte. Ltd., Singapore Land Limited and Kheng Leong Company (Private) Limited, is situated within the Changfeng Ecological Business Park in Putuo District. Located about 5 km to the north-east of the Hongqiao Transportation Hub and less than 10 km from The Bund, the financial hub of Shanghai, the mixed-use development can be developed into approximately 400 residential units and 8,000 sqm of retail component. The development is being designed by internationally renowned architectural firm Rogers Stirk Harbour + Partners.

Construction is expected to commence in the fourth quarter of 2012.

Tianjin
The Esplanade (海河华鼎) is 90%-owned by UOL Capital Investments Pte. Ltd. It has a gross development area of approximately 154,600 sqm consisting of 120,000 sqm above ground and 34,600 sqm of basement. The mixed development will comprise approximately 522 residential apartments, a 330-room hotel, 17,510 sqm of office space and 10,920 sqm of retail space.

Sales launch for the residential units was scheduled for the second quarter of 2012. As at December 2011, the project was 32% completed.

Kuala Lumpur
The freehold property at Jalan Conlay near Kuala Lumpur City Centre is owned by Suasana Simfoni Sdn. Bhd., a 60%-owned subsidiary. Piling works are expected to complete in the second quarter of 2012.

THE ESPLANADE (海河华鼎) TIANJIN

INVESTMENTS IN SECURITIES

	Percentage Holdings in investee		Fair Value		Gross Dividend received	
	2011 %	2010 %	**2011 $'m**	2010 $'m	**2011 $'m**	2010 $'m
Listed Securities						
United Overseas Bank Limited	**2.3**	2.3	**552.3**	640.4	**24.8**	20.6
Others			**28.5**	33.7	**1.3**	1.3
			580.8	674.1	**26.1**	21.9
Unlisted Securities			**42.6**	52.6	**0.1**	0.1
Total			**623.4**	726.7	**26.2**	22.0

The fair value of the Group's available-for-sale securities decreased by 14.2% from $726.7 million as at 31 December 2010 to $623.4 million as at 31 December 2011. This decrease was slightly lower than the 17.0% decline in STI during the corresponding period. Overall, an unrealised loss of $107.9 million arising from changes in the fair value of investments has been charged to the fair value reserve account in 2011.

Dividend yield from investment in securities was 4.1% in 2011 (2010: 3.0%).

IMPERIAL HIGH TEA AT TIAN FU TEA ROOM

RELAX LOUNGE AT ST. GREGORY

OPERATION HIGHLIGHTS

MANAGEMENT SERVICES & HUMAN RESOURCES

MANAGEMENT SERVICES

UOL Management Services Pte Ltd continues to provide property management services for the Group's various properties in Singapore. Project management and related services to the Group's development projects and properties are provided by another of the Group's wholly-owned subsidiary, UOL Project Management Services Pte. Ltd.

Spa/Lifestyle-related Operations

St. Gregory
Established in Singapore in 1997, St. Gregory promotes an integrated lifestyle management concept built on the four unique pillars of therapy, fitness, aesthetics and active-ageing. A pioneer and leader in the spa and wellness industry, it has consistently set the benchmark for spa expertise, offering traditional healing therapies.

As a one-stop wellness centre, St. Gregory's fitness facilities are equipped with state-of-the-art workout systems, personal training programmes and specialised fitness classes. St. Gregory also partners a team of aesthetic and wellness professionals to provide specialised treatments and health management programmes.

In 2011, St. Gregory launched its first outlet in China at Pan Pacific Suzhou with the debut of St. Gregory Wellness Suites, allowing customers to enjoy their health consultations and treatments in the complete privacy of a duplex suite.

St. Gregory currently owns and/or manages nine spas in the Asia Pacific region including Singapore, Malaysia, Japan, China and Vietnam.

Si Chuan Dou Hua Restaurant
Si Chuan Dou Hua marked its 15th year of establishment with a new restaurant at PARKROYAL on Kitchener Road in Singapore in June 2011. It is the latest addition to the brand's stable of five restaurants in Singapore, Kuala Lumpur and Tokyo, all of which uphold the restaurant's fine tradition of presenting authentic Sichuan and Cantonese cuisine.

Tian Fu Tea Room
Tian Fu Tea Room is a fully dedicated tea room that delivers a holistic epicurean experience with an extensive dim sum menu.

The latest outlet was launched at PARKROYAL on Kitchener Road in June 2011. Currently, it has three outlets in Singapore.

INAUGURAL LEADERSHIP DEVELOPMENT PROGRAMME FOR SENIOR EXECUTIVES

THE BOWLING TOURNAMENT WAS ONE OF THE MORE POPULAR SPORT ACTIVITIES

THUMBS-UP FOR THE DURIAN PARTY

HUMAN RESOURCES

People, our Leading Asset

Today's business environment demands high-quality human capital. Our people are the key to UOL's continued success. We value them as our greatest asset. The Group's people philosophy and long-term commitment to investing in our human capital are demonstrated in three strategic areas.

People Engagement

We believe in inculcating shared values and a strong sense of belonging. This is done through engaging our people's hearts through various communication channels, including dialogues and brainstorming sessions. These regular features provide direct engagement with the Management and allow our people to understand the Group's strategic direction. At the same time, our people are given the opportunity to contribute views and ideas towards the implementation of new initiatives.

We also organise staff bonding activities, such as festive get-togethers, annual Dinner and Dance and monthly birthday parties to further promote teamwork and camaraderie across departments. Other events like sports activities and movie screening were also well-received by our staff and their families.

People Development

With the rapid changing business landscape, we believe in building our people through learning and development opportunities. Equipping our people with the relevant skills and knowledge will help them to grow with the Group. In collaboration with the Singapore Management University, we conducted the inaugural Leadership Development Programme, a training workshop tailored to the development needs of the senior executives. In addition, the Group also sponsors training programmes.

As the Group progresses towards a stronger emphasis on pay-for-performance, we embarked on a performance management workshop training for all staff to align our performance review philosophy and standards.

People – Positioning for Growth

As UOL positions for the next phase of growth, we will focus on developing new capabilities and specialisation. In doing so, we have restructured some of the departments to align with a knowledge-based and customer-centric approach.

STAKEHOLDERS COMMUNICATIONS

UOL actively engages in communication with our shareholders, investors, analysts, customers, media, regulators and the general public. This is in line with our commitment to good governance and our role as a responsible corporate citizen. The Group aims to foster a strong and long-term relationship with key stakeholders in the business sector and the community at large.

To uphold a high standard of corporate transparency and disclosure, UOL provides timely and consistent releases of our quarterly financial results, presentations, annual reports, legal and other material announcements on the Singapore Exchange and UOL corporate websites. Access to such information enables the Group's stakeholders to be updated on our latest activities.

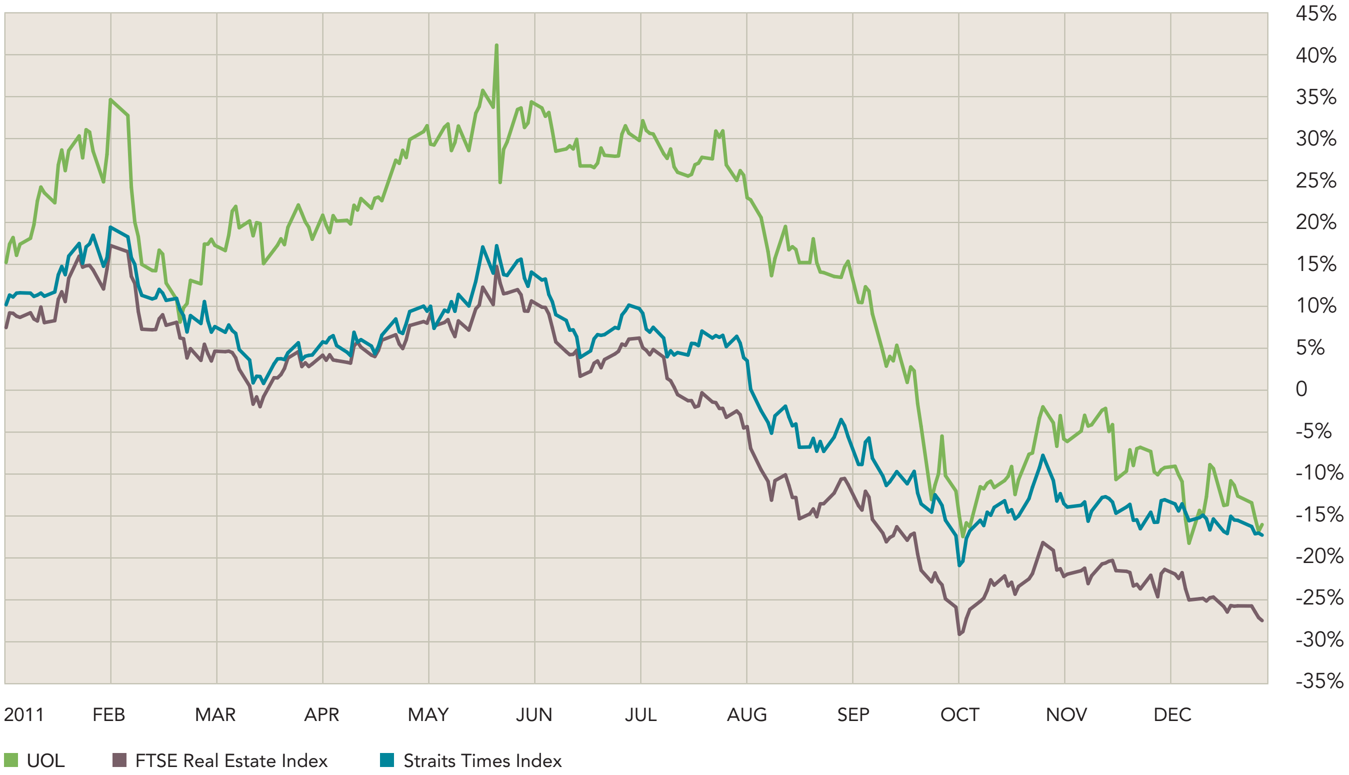
UOL conducts investor relations (IR) activities that create opportunities for a two-way communication between the Group and our institutional and retail investors. During the year, we increased our corporate access avenues by introducing Quarterly Earnings Call for the management to communicate with analysts and investors on the quarterly results. The Annual General Meeting held on 19 April 2011 at Pan Pacific Singapore saw a good turnout where shareholders engage in open and lively discussion with the Board of Directors. We also held full-year results briefing for analysts and media where the management updated on the Group's activities and performance.

In 2011, UOL met over 120 shareholders, potential investors and analysts through conferences, face-to-face meetings and small group meetings. The Group participated in four major investor conferences in Singapore, namely, Citi Asia Pacific Property Conference in May, Nomura Asia Equity Forum in June, Credit Suisse ASEAN and India Conference in August and UBS ASEAN Conference in September. The management also attended investor luncheons hosted by Goldman Sachs, Bank of America Merrill Lynch and Macquarie Securities for their clients. Such engagements with the investing community increased their understanding of UOL's business and strategies, and promote continued interest in the Group. UOL is now covered by 10 securities houses, an increase from six in 2010.

Throughout the year, UOL maintained communication with stakeholders, responding to IR and media queries via telephone, email and direct meetings. We also coordinated site visits for analysts, fund managers and the media to projects such as Archipelago and Nassim Park Residences for them to gain better understanding of the developments. In preparation for the launch of the residential apartments in the Tianjin project, The Esplanade, the Group organised a familiarisation tour for key media from Tianjin and Beijing to Singapore to raise their understanding of UOL Group and the project. Towards the year-end, UOL also held our first cocktail party where the media and analysts in Singapore mingled with the management and other executives.

The Group's commitment to transparency has made an impression on the business and investment community. At the 12th Investors Choice Awards organised by Securities Investors Association of Singapore (SIAS), UOL won the Most Improved Award under the Singapore Corporate Governance Award 2011 in recognition of our improved corporate governance standards over the year. To uphold good corporate governance practice, we pledged our support in the Corporate Governance Pledge advertisement, an initiative by SIAS.

2011 SHARE PRICE PERFORMANCE



During the year, UOL was ranked 46th out of 657 companies listed locally on the Governance and Transparency Index (GTI) jointly conducted by NUS Business School's Centre for Governance, Institutions and Organizations and The Business Times. This was an improvement from 115th a year ago. The GTI is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcement.

Amid gloomy global economic outlook in the second half of 2011, UOL's share price held up, closing the year at $4.00, down from $4.75 in 2010, representing a decrease of 15.8%. This was better than the declines in the FTSE Real Estate Index (27.2%) and STI (17.0%) during the corresponding period. The company's share price averaged $4.67 during the year, registering a low of $3.80 on 5 October, and a high of $5.19 on 27 July.

Daily turnover in 2011 averaged 1.02 million shares. UOL's market capitalisation was $3.1 billion as at end-2011, down from $3.7 billion a year ago. UOL has remained on the STI Reserve List after the semi-annual review in March 2012.

FINANCIAL CALENDAR	2011	2010
Announcement of first quarter results	**13.05.11**	12.05.10
Announcement of second quarter results	**11.08.11**	06.08.10
Announcement of third quarter results	**11.11.11**	10.11.10
Announcement of unaudited full year results	**24.02.12**	22.02.11
Annual General Meeting	**19.04.12**	19.04.11
Books closure dates	**02.05.12 to 03.05.12**	04.05.11 to 05.05.11
First & final dividends payment date	**14.05.12**	18.05.11

"RICHARD ROGERS + ARCHITECTS: FROM THE HOUSE TO THE CITY" EXHIBITION AT URA GALLERY

SUSTAINABILITY

At UOL, we believe in growing our business in a responsible and sustainable manner, with stakeholders such as customers, investors, employees and the community in mind. We make a conscious effort to integrate sustainability into our business operations, conserve the environment and give back to the communities we operate in.

Our sustainability framework comprises three areas: business, environment and community.

BUSINESS

UOL believes in pursuing business practices that demonstrate a dynamic mindset, rigorous standards and responsible management. We are also committed to achieving product and service excellence for our residential homes, commercial offices, retail malls as well as hotels and serviced suites that exceed our customers' expectations.

Enterprise-wide Risk Management
In 2009, the Enterprise-wide Risk Management Programme (ERM) was implemented. In 2011, ERM was further embedded in our businesses and operations. With ERM, the Group has a system to deal with current and evolving risks in our business and regulatory environment. This would enable the Group to stay on a sustainable growth path in the long term. Details of the ERM can be found in pages 163 to 164 of the Annual Report (Corporate Governance Report).

Product and Service Excellence
Our commitment to design and quality excellence is reflected in our best-selling development projects which won prestigious awards. At the inaugural FIABCI Singapore Property Awards 2011 in October, our Duchess Residences clinched an award in the Residential (Low-rise) category which automatically placed the development project in line for the international FIABCI Prix d'Excellence Awards 2012. Nassim Park Residences also won two titles at the South East Asia Property Awards 2011 – the Best Condo Development (Singapore) and Best Condo Development (South East Asia) in November.

During the year, the Group also appointed internationally renowned architect Richard Rogers of Rogers Stirk Harbour + Partners (RSHP) to design our upcoming residential development in Shanghai, Changfeng District. Mr Rogers is a founder of RSHP and the 2007 Pritzker Architect Prize Laureate and recipient of many international awards. The famed British architect is best known for clear design focus and intuitive understanding of how cities and people interact and for his impact on contemporary architecture.

Human Capital
UOL believes that people are our biggest asset. We motivate and reward our people with a competitive compensation and benefits package. Over and above, we also develop our people through training and mentorship so that they can realise their maximum potential. Our Group also has a culture of work-life balance. At the same time, we have in place our Code of Business Conduct. Apart from setting out best practices

for our employees to adhere to, the Code also includes a "whistle-blowing" policy for our employees to report any fraud or issues of non-compliance.

ENVIRONMENT

UOL is committed to making a tangible difference to our environment. An important aspect of this is making sure that our developments are environmentally friendly. In keeping with this, we have committed to achieving high CONQUAS score and Green Mark certification for all our projects. We seek to harmonise our development projects with the surrounding environment to preserve its inherent character and cultural heritage. We are also instituting energy conservation measures in our existing projects.

The Group's flagship PARKROYAL on Pickering was conferred a Solar Pioneer Award by the Energy Innovation Programme. The hotel is one of the first in Singapore's hospitality sector to feature a solar energy system. Besides winning the award, its hotel-in-a-garden concept also earned a BCA Green Mark Platinum Award. Its green features include rainwater harvesting, automatic sensors to regulate energy and water usage.

Our Terrene at Bukit Timah was also conferred the BCA Green Mark GoldPlus Award. The assessment criteria covered areas like energy efficiency, water efficiency, environmental protection and other green features.

COMMUNITY

As a good corporate citizen, UOL is committed to four areas in our community work – children, youth, education and sports. Every child and youth should have access to education as it helps him or her to eventually contribute to society. Sports aid in character development and groom future leaders. Through education and sports, we hope to nurture and develop children and youth so that they can realise their full potential.

During the year, we partnered CARE Singapore to organise a Reading Fiesta to reach out to a group of primary school students. The event was aimed at promoting children's interest in reading through learning new words in fun ways such as Charades, Hangman and Twister where our staff volunteered as "teachers". UOL also donated $5,000 to CARE Singapore towards the organising of the event.

Through collaborating with the Singapore Disability Sports Council (SDSC), our staff also participated in friendly matches with students from Grace Orchard School. The objective of the event was to bring sports to the community. UOL also contributed $10,000 to SDSC's Live That Dream Fund which is set up to help Singaporeans with disabilities to realise their fullest abilities in sports.

Besides volunteering for the activities organised by the Group, our people also brought their family members to participate in the Race Against Cancer 2011, an event aimed at raising funds for various programmes such as welfare assistance for needy patients and hospice home care.

UOL was also a key sponsor for "Richard Rogers + Architects: From the House to the City" exhibition. Held at the URA Centre from 21 May to 20 August 2011, the Exhibition presented over 40 years of Richard Rogers' best works with his collaborators and gave an insightful journey on how architecture has shaped cities and transformed lives. Some iconic projects included Pompidou Centre in Paris, the Lloyd's of London, One Hyde Park, Millennium Dome in London and Terminal 4 of Barajas Airport in Madrid. Our project in Shanghai, Changfeng District was also featured in the Exhibition. The showcase offered Singaporeans the opportunity to view this rare exhibition locally. It attracted more than 35,000 visitors.

Setting up a Sustainability Steering Committee

The Group recognises the importance of sustainability as part and parcel of its business operations. To further integrate sustainability into our management philosophy and discipline, the Group set up a Sustainability Steering Committee to review our sustainability efforts and recommend the strategy going forward. Led by two senior executives, the Committee comprise representatives from key departments. The President (Property) also sits on the Committee as Adviser.

To formalise our approach towards sustainability, the Committee also appointed a consultant to make a preliminary assessment of UOL's current sustainability strengths and weaknesses and our position vis-à-vis the industry. The findings of this report would be used to assist the Board and Committee to structure the Group's sustainability roadmap.

OUR ENTHUSIASTIC VOLUNTEERS AT THE READING FIESTA

OUR STAFF HAVING A FRIENDLY BASKETBALL MATCH WITH STUDENTS FROM GRACE ORCHARD SCHOOL

GEOGRAPHICAL FOOTPRINT

REGIONAL

Residential
MALAYSIA
Panorama, Kuala Lumpur
Site at Jalan Conlay, Kuala Lumpur

Mixed Development
CHINA
Tianjin Hai He Hua Ding[1]
Changfeng, Shanghai[2]

Hotels/ Serviced Suites
AUSTRALIA
Pan Pacific Perth
PARKROYAL Darling Harbour
PARKROYAL Melbourne Airport
PARKROYAL Parramatta

MALAYSIA
Pan Pacific Kuala Lumpur International Airport
PARKROYAL Kuala Lumpur
PARKROYAL Serviced Suites Kuala Lumpur
PARKROYAL Penang

CHINA
Pan Pacific Xiamen
Pan Pacific Suzhou

VIETNAM
PARKROYAL Saigon
Hotel Sofitel Saigon Plaza
Hotel Sofitel Plaza Hanoi

MYANMAR
PARKROYAL Yangon

INDONESIA
Sari Pan Pacific Jakarta
Pan Pacific Nirwana Bali Resort

THAILAND
Pan Pacific Serviced Suites Bangkok

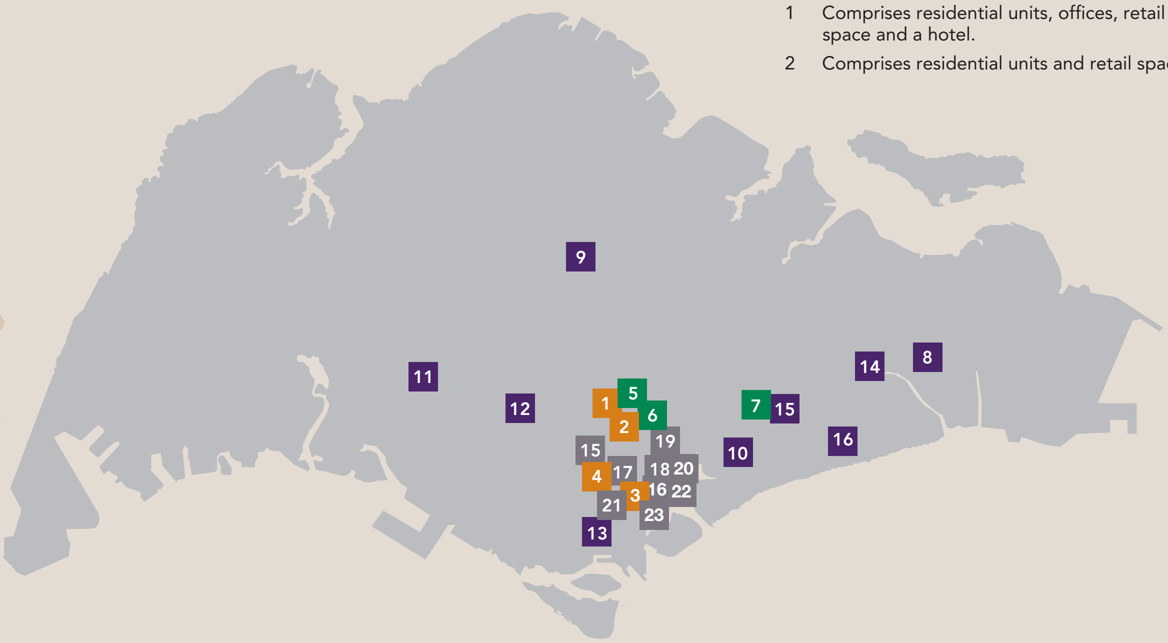
PHILIPPINES
Pan Pacific Manila

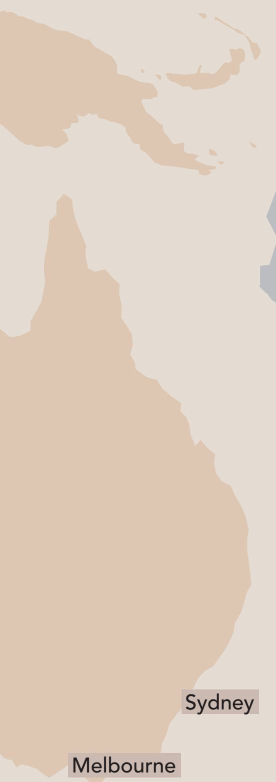
BANGLADESH
Pan Pacific Sonargaon Dhaka

NORTH AMERICA
Pan Pacific Seattle
Pan Pacific Vancouver
Pan Pacific Whistler Mountainside
Pan Pacific Whistler Village Centre

Managed hotels
Owned by the Group and managed by Third Parties

1 Comprises residential units, offices, retail space and a hotel.
2 Comprises residential units and retail space.





SINGAPORE

Offices
1. Novena Square
2. United Square
3. Odeon Towers
4. Faber House

Retail Malls
5. Velocity@Novena Square
6. United Square
7. Lion City site

Residential
8. Double Bay Residences (Fully Sold)
9. Meadows@Peirce (Fully Sold)
10. Waterbank at Dakota (Fully Sold)
11. Terrene at Bukit Timah (Fully Sold)
12. Duchess Residences
13. Spottiswoode Residences
14. Archipelago
15. Lion City site
16. St. Patrick's Garden site[3]

Hotels/Serviced Suites
15. Pan Pacific Orchard
16. Pan Pacific Singapore[4]
17. Pan Pacific Serviced Suites
18. PARKROYAL on Beach Road
19. PARKROYAL on Kitchener Road
20. PARKROYAL Serviced Suites
21. PARKROYAL on Pickering[5]
22. Pan Pacific Serviced Suites (on Beach Road)[5]
23. Marina Mandarin[6]

3 Conditional agreement
4 22.7% stake held through Marina Centre Holdings Pte Ltd
5 Opening in 2012
6 25.0% stake held through Aquamarina Hotel Private Limited

PROPERTY SUMMARY 2011

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2011 Average Occupancy %	Present Capital Value ($m)	Effective Percentage of Interest %
Investment Properties Owned by the Group								
FABER HOUSE 230 Orchard Road, Singapore 12-storey commercial building (excluding first storey which was sold)	1973	–	Freehold	3,956	48	92	61.7	100.0
ODEON TOWERS 331 North Bridge Road, Singapore 23-storey commercial building with 3 basement levels and a 2-storey podium block	1992 & 2003	–	999-Year Lease from 1827	18,402	167	92	295.6	100.0
UNITED SQUARE 101 Thomson Road, Singapore Commercial building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks								
Shops	1982 & 2002	1987	Freehold	18,822	658	99	740.5	100.0
Offices	1982			27,205		93		
NOVENA SQUARE 238/A/B Thomson Road, Singapore Office cum retail development above the Novena MRT Station, comprising 2 blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks (excluding #01-38 which was sold)								
Shops	2000	–	99-Year Lease from 1997	15,969	491	99	900.0	60.0
Offices	2000			41,503		98		
THE PLAZA 7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, hotel function rooms, shops, offices and serviced suites, two adjacent commercial buildings and a multi-storey carpark block								
Shops & Offices of Pan Pacific Hotels Group Limited	1974 & 1979	–		14,901	385 (portion of multi-storey carpark under construction)	99	181.1	81.6
Shops & Offices of UOL Group Limited	1974 & 1979	–	99-Year Lease from 1968	195		–		100.0
90 serviced suites and 1 owner-occupied unit	1979	–		6,125 & 165 respectively		95		81.6
PAN PACIFIC SERVICED SUITES 96 Somerset Road, Singapore 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark	2008 (redeveloped)	1979	Freehold	8,821	40	94	143.0	100.0
PARKROYAL SERVICED SUITES KUALA LUMPUR Jalan Nagasari, Kuala Lumpur, Malaysia 287-unit serviced suite with ground floor commercial space and a carpark	2010	2005	Freehold	19,005	270	70	73.6	100.0
Hotels Owned and Managed by the Group								
PAN PACIFIC ORCHARD 10 Claymore Road, Singapore 21-storey hotel with 206 rooms	1995	2006	Freehold	17,597*	76	87	142.0	100.0
PARKROYAL ON BEACH ROAD 7500C Beach Road, Singapore 7-storey hotel building with 343 rooms	1971 & 1979	–	99-Year Lease from 1968	19,900*	41	87	128.0	81.6
PARKROYAL ON KITCHENER ROAD 181 Kitchener Road, Singapore Comprising a 5-storey podium with a basement and a 16-storey Y-shaped tower with 534 rooms	1976 & 1981	1989	Freehold	37,811*	271	89	250.0	81.6

PROPERTY SUMMARY 2011

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2011 Average Occupancy %	Present Capital Value ($m)	Effective Percentage of Interest %
Hotels Owned and Managed by the Group (continued)								
PAN PACIFIC XIAMEN Hubin North Road, Xiamen, The People's Republic of China Comprising two towers of 19-storey and 29-storey each with 387 rooms, including a two-storey basement carpark	2005 (redeveloped)	2001	70-Year Lease from 1991	31,775*	76	68	61.8	100.0
PAN PACIFIC SUZHOU Xinshi Road, Suzhou, Jiangsu, The People's Republic of China A hotel built in the Ming Dynasty style, with 481 rooms accommodated within a cluster of low-rise buildings	1998	2001	50-Year Lease from 1994	63,232*	100	46	72.1	81.6
PARKROYAL SAIGON Nguyen Van Troi Street, Ho Chi Minh City, Vietnam Comprising a 10-storey hotel building with a 9-storey extension wing, with a total of 186 rooms and a 4-storey annex office building	1997	–	49-Year Lease from 1994	12,165*	25	59	34.0	81.6
PARKROYAL YANGON At the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar 8-storey V-shaped tower comprising 323 rooms	1997	2001	30-Year Lease from 1997	17,700*	140	79	19.4	77.5
PARKROYAL KUALA LUMPUR AND PRESIDENT HOUSE Jalan Sultan Ismail, Kuala Lumpur, Malaysia Comprising a 23-storey tower with a 6-storey podium together with an annexed 8-storey carpark building, with the 426-room hotel occupying the tower and part of the podium								
Hotel and President House	1974		Freehold	56,707*	–			
		1999				79	101.5	81.6
Car Park Annex	–		Leasehold, expiring in 2080	11,128*	320			
PARKROYAL PENANG RESORT Batu Ferringhi Beach, Penang, Malaysia 309-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502*	147	73	61.1	81.6
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 345 rooms	1991	1993	Freehold	24,126*	53	84	105.1	81.6
PARKROYAL MELBOURNE AIRPORT Arrivals Drive, Melbourne Airport, Tullamarine, Victoria, Australia 6-level hotel with 276 rooms	2001	2011	Leasehold expiring in 2047 (with an option to extend for a further 49 years subject to renewal of head lease)	20,584*	–	82	140.5	81.6
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia 13-level hotel with 196 rooms	1986	1994	Freehold	16,694*	176	77	39.4	81.6
PAN PACIFIC PERTH At the corner of Adelaide Terrace and Hill Street, Perth, Australia Comprising a 23-storey hotel tower with a 4-level extension wing with a total of 486 rooms	1973	1995	Freehold	31,513*	220	78	210.2	81.6
Hotels Owned by the Group and Managed by Third Parties								
SOFITEL PLAZA HANOI Thanh Nien Road, Hanoi, Vietnam 20-storey hotel with 309 rooms and 36 serviced apartments	1998	2001	48-Year Lease from 1993	39,250*	45	62	91.7	61.2
Other Properties Owned by the Group								
EUNOS WAREHOUSE COMPLEX 1 Kaki Bukit Road 2, Singapore Retained interests in 2 units of a 4-storey flatted warehouse	1983	–	60-Year Lease from 1982	1,134	–	–	1.9	100.0

PROPERTY SUMMARY 2011

	Purchased	Tenure of Land	Approximate Gross Floor Area (sqm)	Stage of Completion as at 31.12.2011 %	Expected Completion	Effective Percentage of Interest %
Properties Under Construction						
LION CITY SITE Tanjong Katong Road Proposed development comprising a retail mall with 282 carpark lots	2011	Freehold	28,938	–	1st Quarter 2014	100.0
THE ESPLANADE 海河华鼎 Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China Proposed mixed-use development comprising 522 residential apartments, a hotel with 330 rooms, 17,510 square metres of office space and 10,920 square metres of retail space	2007	50-Year & 40-Year Lease from 2007 for residential & commercial components respectively	120,000	32	4th Quarter 2013	90.0
ONE UPPER PICKERING AND PARKROYAL ON PICKERING Proposed development comprising a 363-room hotel and approximately 8,088 square metres of office space	2008	99-Year Lease from 2008	29,812	52	3rd Quarter 2012	81.6
THE PLAZA BEACH ROAD EXTENSION Proposed redevelopment of existing Furniture Mall located at The Plaza, comprising 180 units of serviced suites and approximately 1,900 square metres of meeting rooms and a column-free ballroom	–	99-Year Lease from 1968	17,844	–	4th Quarter 2012	81.6

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2011 %	Stage of Completion as at 31.12.2011 %	Expected Completion	Effective Percentage of Interest %
Properties for Sale Under Development								
MEADOWS@PEIRCE Tagore Avenue 479 units of condominium apartments	Residential	Freehold	63,970	42,828	100	97	1st Quarter 2012	100.0
DOUBLE BAY RESIDENCES Simei Street 4 652 units of residential apartments and retail components	Residential & Retail	99-Year leasehold commencing 7.4.2008	76,276	32,211	100	76	2nd Quarter 2012	60.0
SPOTTISWOODE RESIDENCES Spottiswoode Park/ Oakswood Heights 351 units of condominium apartments	Residential	Freehold	29,586	9,531	90	15	3rd Quarter 2013	100.0
WATERBANK AT DAKOTA Dakota Crescent 616 units of condominium apartments	Residential	99-Year leasehold commencing 7.12.2009	60,164	17,190	100	64	2nd Quarter 2013	100.0
LION CITY SITE Tanjong Katong Road 244 units of condominium apartments	Residential	Freehold	19,292	14,278	–	–	4th Quarter 2014	100.0
SITE AT JALAN CONLAY Kuala Lumpur, Malaysia Proposed 494 units of condominium apartments	Residential	Freehold	162,717	15,986	–	–	3rd Quarter 2016	60.0

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2011 %	Effective Percentage of Interest %
Completed properties for sale						
DUCHESS RESIDENCES Duchess Walk 120 units of condominium apartments	Residential	999-Year leasehold commencing 27.12.1875	19,802	14,144	99	70.0
PANORAMA Kuala Lumpur, Malaysia 223 units of condominium apartments	Residential	Freehold	32,578	4,573	96	55.0

SIMPLIFIED GROUP FINANCIAL POSITION

TOTAL ASSETS OWNED

	2011 $m	2010 (restated*) $m	2011 %	2010 %
Property, plant and equipment	**1,090**	981	**13**	12
Investment properties	**2,838**	2,262	**33**	29
Available-for-sale financial assets	**623**	727	**7**	9
Associated companies	**2,269**	2,197	**27**	28
Joint venture companies	**71**	–	**1**	0
Development properties	**1,151**	1,193	**13**	15
Other assets and cash	**482**	544	**6**	7
	8,524	7,904	**100**	100

TOTAL LIABILITIES OWED AND CAPITAL INVESTED

	2011 $m	2010 (restated) $m	2011 %	2010 %
Shareholders' funds	**5,055**	4,637	**59**	59
Non-controlling interests	**474**	410	**6**	5
Borrowings	**2,326**	2,191	**27**	28
Trade and other payables	**359**	414	**4**	5
Deferred income tax liabilities	**213**	186	**3**	2
Other liabilities	**97**	66	**1**	1
	8,524	7,904	**100**	100

* The results for 2010 were restated due to the adoption of INT FRS 115 which took effect on 1 January 2011.

FIVE-YEAR FINANCIAL SUMMARY

	2007 $'000	2008 $'000	2009 $'000	2010 (restated) $'000	**2011** **$'000**
Group Revenue					
Property development	230,442	379,161	533,843	835,535	**1,393,773**
Hotel operations	322,941	339,040	294,485	325,089	**360,038**
Property investments	99,080	126,104	141,674	147,943	**160,308**
Investments	51,199	30,776	21,192	21,950	**26,219**
Trading and retail operations and management services	9,830	24,095	15,867	18,540	**19,896**
	713,492	899,176	1,007,061	1,349,057	**1,960,234**
Group Income Statement					
Property development	71,527	122,907	155,149	161,304	**404,762**
Property investments	62,639	76,166	100,572	99,178	**112,649**
Hotel operations	61,930	70,533	44,175	51,451	**59,511**
Investments	50,944	30,720	20,915	21,752	**26,064**
Trading and retail operations and management services	3,449	6,758	3,032	3,217	**8,282**
	250,489	307,084	323,843	336,902	**611,268**
Unallocated costs	(6,702)	(7,667)	(7,467)	(10,489)	**(12,461)**
Profit from operations	243,787	299,417	316,376	326,413	**598,807**
Finance income	9,678	8,977	3,887	3,512	**2,768**
Finance expense	(16,989)	(18,748)	(44,728)	(26,488)	**(39,233)**
Share of profit of associated companies excluding fair value gains/(losses) of associated companies' investment properties	36,846	61,838	154,372	247,786	**165,928**
Share of loss of a joint venture company	–	–	–	–	**(500)**
Profit before fair value and other gains/(losses) and income tax	273,322	351,484	429,907	551,223	**727,770**
Other gains/(losses)	56,549	(37,000)	277,269	50,790	**(19,731)**
Fair value gains/(losses) on associated companies' investment properties	18,407	2,749	(66,102)	152,904	**9,103**
Fair value gains/(losses) on the Group's investment properties	590,534	(106,794)	(147,562)	134,863	**187,222**
Profit before income tax	938,812	210,439	493,512	889,780	**904,364**
Profit attributable to equity holders of the Company	758,915	147,246	424,178	755,939	**664,193**
Group Statement of Financial Position					
Property, plant and equipment	696,635	1,029,276	1,096,866	980,523	**1,090,066**
Investment properties	2,284,659	2,202,260	2,027,476	2,261,613	**2,838,328**
Associated companies, joint venture company, receivables and other assets (non-current)	501,698	480,470	1,448,250	2,118,658	**2,338,879**
Available-for-sale financial assets (non-current)	685,979	323,189	228,897	246,972	**220,565**
Intangibles	39,225	38,398	37,571	42,807	**29,908**
Deferred tax assets	5,043	4,439	5,099	3,651	**4,338**
Net current assets (excluding borrowings)	1,715,833	1,828,010	2,263,988	1,825,782	**1,605,520**
Non-current liabilities (excluding borrowings)	(237,437)	(207,702)	(233,027)	(241,815)	**(273,012)**
	5,691,635	5,698,340	6,875,120	7,238,191	**7,854,592**

FIVE-YEAR FINANCIAL SUMMARY

	2007 $'000	2008 $'000	2009 $'000	2010 (restated) $'000	**2011** **$'000**
Group Statement of Financial Position (continued)					
Share capital	1,075,266	1,075,315	1,058,527	1,051,898	**1,040,694**
Reserves	2,871,864	2,319,389	3,089,706	3,585,077	**4,014,037**
Interests of the shareholders	3,947,130	3,394,704	4,148,233	4,636,975	**5,054,731**
Non-controlling interests	421,996	420,528	459,666	410,601	**473,940**
Borrowings	1,322,509	1,883,108	2,267,221	2,190,615	**2,325,921**
	5,691,635	5,698,340	6,875,120	7,238,191	**7,854,592**
Financial Ratios					
Basic earnings per ordinary share* (cents)	95.40	18.50	53.72	96.94	**86.25**
Gross dividend declared ($'000)	119,408	59,705	78,353	115,101	**115,237**
Gross dividend declared					
First and Final (cents)	10.0	7.5	10.0	10.0	**10.0**
Special (cents)	5.0	–	–	5.0	**5.0**
Cover (times)	6.4	2.5	5.4	6.5	**5.8**
Net tangible asset backing per ordinary share ($)					
Before accounting for surplus on revaluation of hotel properties	4.91	4.22	5.25	5.91	**6.54**
After accounting for surplus on revaluation of hotel properties	5.46	4.72	5.75	6.51	**7.20**
Gearing ratio	0.21	0.42	0.43	0.37	**0.37**

*Note: Basic earnings per ordinary share is calculated by reference to the weighted average number of ordinary shares in issue during the year.

SEGMENTAL PERFORMANCE ANALYSIS

TOTAL REVENUE BY BUSINESS SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Property development	**1,393,773**	**71.1**	835,535	61.9
Hotel operations	**360,038**	**18.4**	325,089	24.1
Property investments	**160,308**	**8.2**	147,943	11.0
Investments	**26,219**	**1.3**	21,950	1.6
Management services	**19,896**	**1.0**	18,540	1.4
	1,960,234	**100.0**	1,349,057	100.0

ADJUSTED EBITDA* BY BUSINESS SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Property development	**457,409**	**55.1**	310,986	39.8
Property investments	**231,527**	**27.9**	348,279	44.6
Hotel operations	**105,369**	**12.7**	95,695	12.3
Investments	**26,064**	**3.1**	21,752	2.8
Management services	**9,913**	**1.2**	4,183	0.5
	830,282	**100.0**	780,895	100.0

* Excludes unallocated costs, other gains/losses and fair value gains on investment properties

TOTAL ASSETS BY BUSINESS SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Property development	**1,817,680**	**21.3**	1,907,026	24.1
Property investments	**4,680,462**	**54.9**	4,107,069	52.0
Hotel operations	**1,343,384**	**15.8**	1,116,019	14.1
Investments	**631,958**	**7.4**	732,760	9.3
Management services	**35,944**	**0.4**	32,952	0.4
	8,509,428	**99.8**	7,895,826	99.9
Unallocated assets	**14,996**	**0.2**	8,162	0.1
	8,524,424	**100.0**	7,903,988	100.0

SEGMENTAL PERFORMANCE ANALYSIS

TOTAL REVENUE BY GEOGRAPHICAL SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Singapore	**1,595,528**	**81.4**	1,119,671	83.0
Australia	**129,569**	**6.6**	103,531	7.7
Malaysia	**158,670**	**8.1**	45,786	3.4
The People's Republic of China	**33,918**	**1.7**	32,678	2.4
Vietnam	**27,279**	**1.4**	33,847	2.5
Myanmar	**12,573**	**0.6**	9,664	0.7
Others	**2,697**	**0.2**	3,880	0.3
	1,960,234	**100.0**	1,349,057	100.0

ADJUSTED EBITDA* BY GEOGRAPHICAL SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Singapore	**731,892**	**88.1**	724,631	92.8
Australia	**30,593**	**3.7**	26,817	1.0
Malaysia	**54,572**	**6.6**	7,354	3.4
Vietnam	**11,720**	**1.4**	17,478	0.2
Myanmar	**3,927**	**0.5**	2,543	2.3
The People's Republic of China	**(2,662)**	**(0.3)**	1,747	0.3
Others	**240**	**–**	325	–
	830,282	**100.0**	780,895	100.0

* Excludes unallocated costs, other gains/losses and fair value gains on investment properties

TOTAL ASSETS BY GEOGRAPHICAL SEGMENTS

	2011		2010 (restated)	
	$'000	%	$'000	%
Singapore	**7,341,071**	**86.1**	7,044,828	89.1
The People's Republic of China	**468,923**	**5.5**	273,680	3.5
Malaysia	**321,925**	**3.8**	335,547	4.2
Australia	**318,751**	**3.7**	187,618	2.4
Vietnam	**54,774**	**0.6**	48,398	0.6
Myanmar	**14,894**	**0.2**	8,916	0.1
Others	**4,086**	**0.1**	5,000	0.1
	8,524,424	**100.0**	7,903,987	100.0

VALUE-ADDED STATEMENT

	2011 $'000	2010 (restated) $'000
Sales of goods and services	**1,934,015**	1,327,107
Purchase of materials and services	**(1,216,902)**	(857,351)
Gross value added	**717,113**	469,756
Share of profit of associated companies	**175,031**	400,690
Share of loss of a joint venture company	**(500)**	–
Income from investments and interest	**28,987**	25,462
Other (losses)/gains	**(19,731)**	50,790
Fair value gains on investment properties	**187,222**	134,863
Currency exchange differences	**(1,815)**	(2,561)
Total Value Added	**1,086,307**	1,079,000
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	**151,076**	137,188
Directors' remuneration	**3,271**	3,285
	154,347	140,473
To government		
Corporate and property taxes	**139,072**	80,635
To providers of capital		
Interest expense	**56,037**	48,534
Dividend attributable to non-controlling interests	**55,002**	44,832
Dividend attributable to equity holders of the Company	**115,101**	78,353
	226,140	171,719
Total Value Added Distributed	**519,559**	392,827

VALUE-ADDED STATEMENT

	2011 $'000	2010 (restated) $'000
Retained in the business		
Depreciation	**42,637**	42,402
Retained earnings	**330,191**	434,590
	372,828	476,992
Non-production cost and income		
Bad debts	**(743)**	627
Income from investments and interest	**28,987**	25,462
Other (losses)/gains	**(19,731)**	50,790
Fair value gains on investment properties	**187,222**	134,863
Currency exchange differences	**(1,815)**	(2,561)
	193,920	209,181
	1,086,307	1,079,000

Productivity Ratios:	**$**	$
Value added per employee	**154,917**	100,397
Value added per $ employment costs	**4.65**	3.34
Value added per $ investment in property, plant and equipment and investment properties (before depreciation)		
- at cost	**0.30**	0.21
- at valuation	**0.20**	0.14
Value added per $ net sales	**0.37**	0.35

FINANCIAL CONTENTS

REPORT OF THE DIRECTORS

For the financial year ended 31 December 2011

The directors have pleasure in submitting this report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2011.

Directors

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

Wee Cho Yaw	–	Chairman
Gwee Lian Kheng	–	Group Chief Executive
Alan Choe Fook Cheong		
Low Weng Keong		
Wee Ee-chao		
Wee Ee Lim		
Wee Sin Tho		(appointed 13 May 2011)
James Koh Cher Siang*		
Pongsak Hoontrakul		

* Resigned with effect from 1 April 2012.

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 63 to 65 of this report.

Directors' interests in shares or debentures

(a) The directors holding office at 31 December 2011 are also the directors holding office at the date of this report. 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 31.12.2011	At 1.1.2011 or date of appointment, if later	**At 31.12.2011**	At 1.1.2011 or date of appointment, if later
UOL Group Limited ("UOL")				
– Ordinary Shares				
Wee Cho Yaw	**3,388,151****	3,388,151**	**228,818,442****	228,818,442**
Gwee Lian Kheng	**388,000**	388,000	**–**	–
Wee Ee-chao	**30,748****	30,748**	**82,820,597****	82,820,597**
James Koh Cher Siang	**385**	385	**–**	–
Wee Ee Lim	**241,489**	241,489	**80,553,452****	80,553,452**
Wee Sin Tho	**100,000**	100,000	**–**	–
– Executives' Share Options				
Gwee Lian Kheng	**680,000**	580,000	**–**	–
Pan Pacific Hotels Group Limited ("PPHG")				
– Ordinary Shares				
Wee Cho Yaw	**–**	–	**489,440,652****	489,440,652**
Gwee Lian Kheng	**171,000**	171,000	**315,000**	315,000
Wee Ee-chao	**–**	–	**892,500****	892,500**

** 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 2012, were the same as those at 31 December 2011 except for the following:

	Holdings registered in name of director	
	At 21.1.2012	At 31.12.2011
UOL		
– Executives' Share Options		
Gwee Lian Kheng	**600,000**	680,000

(c) Save as disclosed above, none of the other directors holding office at 31 December 2011 has any interest in the ordinary shares and Executives' Share Options of the Company and the ordinary shares of PPHG and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

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.

(b) Under the terms of the 2000 Scheme, the total number of shares granted shall not exceed 15% of the issued share capital of the Company 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 Offering Price.

The Offering 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 3 consecutive trading days immediately prior to the relevant offering date.

(c) On 4 March 2011, options were granted pursuant to the 2000 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,421,000 ordinary shares in the Company (known as "the 2011 Options") at the offer price of $4.62 per ordinary share. 1,421,000 options granted were accepted by the executives, including Mr Gwee Lian Kheng. The total fair value of the options granted was estimated to be $1,918,000 using the Trinomial Tree Model.

The details of the options accepted are as follows:

	No. of employees	At offer price of $4.62 per share
Executive Director	1	100,000
Other Executives	55	1,321,000
	56	1,421,000

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

(d) Statutory information regarding the 2011 Options is as follows:

(i) The vesting of granted options is conditional on the completion of one year of service from the grant date. The option period begins on 4 March 2012 and expires on 3 March 2021 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 13 of the Rules of the 2000 Scheme.

(ii) The options may be exercised in full or in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company in the Group.

Details of options granted in previous financial years were set out in the Report of the Directors 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 administer the 2000 Scheme:

Alan Choe Fook Cheong	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Wee Sin Tho (appointed 11 August 2011)	Member	(Independent)

(ii) The details of options granted to a director of the Company, Mr Gwee Lian Kheng, under the 2000 Scheme are as follows:

Aggregate options granted since commencement of the 2000 Scheme to 31.12.2010	Options granted during the financial year	Aggregate options granted since commencement of the 2000 Scheme to 31.12.2011	Aggregate options exercised since commencement of the 2000 Scheme to 31.12.2011	Aggregate options outstanding at 31.12.2011
980,000	100,000	1,080,000	400,000	680,000

(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 2000 Scheme. No options were granted at a discount during the financial year.

Outstanding Share Options
At 31 December 2011, 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, 910,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2002 Options	24,000	1.81
2003 Options	30,000	2.05
2004 Options	24,000	2.28
2005 Options	12,000	2.23
2006 Options	155,000	3.21
2008 Options	209,000	3.68
2009 Options	161,000	1.65
2010 Options	295,000	3.95
	910,000	

Unissued ordinary shares under options at 31 December 2011 comprise:

	At 1.1.2011	Options granted in 2011	Options exercised	Options forfeited	At 31.12.2011	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2002 Options	24,000	–	24,000	–	–	1.81	27.06.2003 to 26.06.2012
2003 Options	72,000	–	30,000	–	42,000	2.05	27.06.2004 to 26.06.2013
2004 Options	184,000	–	24,000	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	54,000	–	12,000	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	389,000	–	155,000	–	234,000	3.21	18.05.2007 to 17.05.2016
2007 Options	808,000	–	–	86,000	722,000	4.91	16.03.2008 to 15.03.2017
2008 Options	868,000	–	209,000	–	659,000	3.68	07.03.2009 to 06.03.2018
2009 Options	452,000	–	161,000	–	291,000	1.65	06.03.2010 to 05.03.2019
2010 Options	1,278,000	–	295,000	20,000	963,000	3.95	05.03.2011 to 04.03.2020
2011 Options	–	1,421,000	–	56,000	1,365,000	4.62	04.03.2012 to 03.03.2021
	4,129,000	1,421,000	910,000	162,000	4,478,000		

Audit Committee

The Audit Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Alan Choe Fook Cheong

Non-independent and non-executive director
Wee Ee Lim

The Audit 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 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 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
Chairman

GWEE LIAN KHENG
Director

24 February 2012

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2011

In the opinion of the directors,

(a) the income statements, statements of comprehensive income, statements of financial position and statements of changes in equity of the Company and of the Group and the consolidated statement of cash flows of the Group as set out on pages 69 to 157 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, of the results of the business and the changes in equity of the Company and of the Group for the financial year then ended; and the cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

WEE CHO YAW
Chairman

GWEE LIAN KHENG
Director

24 February 2012

INDEPENDENT AUDITOR'S REPORT

To the Members of UOL Group Limited

Report on the Financial Statements

We have audited the accompanying financial statements of UOL Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 69 to 157, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2011, the consolidated income statement of the Group, the income statement of the Company, the consolidated statement of comprehensive income of the Group, the statement of comprehensive income of the Company, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the income statements, statements of comprehensive income, statements of financial position and statements of changes in equity of the Company and of the Group and the consolidated statement of cash flows of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and the results, changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 24 February 2012

INCOME STATEMENTS

For the financial year ended 31 December 2011

	Note	The Group 2011 $'000	The Group 2010 (restated) $'000	The Company 2011 $'000	The Company 2010 $'000
Revenue	4	**1,960,234**	1,349,057	**380,715**	145,917
Cost of sales		**(1,208,318)**	(857,274)	**(2,670)**	(2,409)
Gross profit		**751,916**	491,783	**378,045**	143,508
Other income					
– Finance income	4	**2,768**	3,512	**11,139**	10,685
– Miscellaneous income	4	**13,089**	10,343	**2,945**	1,244
Expenses					
– Marketing and distribution		**(33,635)**	(47,362)	**(420)**	(235)
– Administrative		**(65,391)**	(58,521)	**(14,952)**	(14,562)
– Finance	7	**(39,233)**	(26,488)	**(18,716)**	(12,134)
– Other operating		**(67,172)**	(69,830)	**(1,275)**	(1,681)
Share of profit of associated companies	17	**175,031**	400,690	**–**	–
Share of loss of a joint venture company	18	**(500)**	–	**–**	–
		736,873	704,127	**356,766**	126,825
Other (losses)/gains	8	**(19,731)**	50,790	**11,063**	16,090
Fair value gains on investment properties	20	**187,222**	134,863	**10,930**	26,460
Profit before income tax		**904,364**	889,780	**378,759**	169,375
Income tax expense	9(a)	**(121,534)**	(64,296)	**(3,403)**	(3,366)
Net profit		**782,830**	825,484	**375,356**	166,009
Attributable to:					
Equity holders of the Company		**664,193**	755,939	**375,356**	166,009
Non-controlling interests		**118,637**	69,545	**–**	–
		782,830	825,484	**375,356**	166,009
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10				
– Basic		**86.25**	96.94		
– Diluted		**86.18**	96.86		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2011

	Note	The Group 2011 $'000	The Group 2010 (restated) $'000	The Company 2011 $'000	The Company 2010 $'000
Net profit		**782,830**	825,484	**375,356**	166,009
Other comprehensive (loss)/income:					
Fair value losses on available-for-sale financial assets	31(b)	**(107,857)**	(33,600)	**(78,487)**	(20,249)
Cash flow hedges					
– Fair value gains	31(f)	**3,549**	1,194	**3,348**	1,630
– Transfer to income statement	31(f)	**(1,712)**	(1,187)	**(1,891)**	(1,608)
Revaluation of property, plant and equipment prior to transfer to investment property	31(c)	**–**	3,188	**–**	–
Currency translation differences arising from consolidation of foreign operations	31(e)	**2,275**	356	**–**	–
Share of other comprehensive income/(loss) of an associated company	31(a),(e)	**4,586**	(1,232)	**–**	–
Other comprehensive loss, net of tax		**(99,159)**	(31,281)	**(77,030)**	(20,227)
Total comprehensive income		**683,671**	794,203	**298,326**	145,782
Total comprehensive income attributable to:					
Equity holders of the Company		**565,330**	723,084	**298,326**	145,782
Non-controlling interests		**118,341**	71,119	**–**	–
		683,671	794,203	**298,326**	145,782

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2011

		The Group			The Company	
	Note	**2011**	2010 (restated)	2009 (restated)	**2011**	2010
		$'000	$'000	$'000	**$'000**	$'000
ASSETS						
Current assets						
Cash and bank balances	11	**297,358**	313,169	281,459	**6,515**	1,727
Trade and other receivables	12	**126,247**	215,691	112,146	**243,732**	254,866
Development properties	13	**1,150,887**	1,192,916	1,552,077	**–**	–
Inventories	14	**1,110**	1,622	3,153	**–**	–
Available-for-sale financial assets	15	**402,833**	479,767	517,284	**402,833**	479,767
Other assets	16	**23,258**	45,695	5,898	**774**	315
Current income tax assets	9(b)	**647**	904	1,236	**–**	–
		2,002,340	2,249,764	2,473,253	**653,854**	736,675
Non-current assets						
Trade and other receivables	12	**73,150**	1,906	99,201	**970,364**	685,866
Derivative financial instrument	26	**754**	–	–	**754**	–
Available-for-sale financial assets	15	**220,565**	246,972	228,897	**64,778**	66,184
Investments in associated companies	17	**2,264,975**	2,116,752	1,330,937	**161,589**	161,589
Investment in a joint venture company	18	**–**	–	–	**–**	–
Investments in subsidiaries	19	**–**	–	–	**1,308,546**	1,295,483
Investment properties	20	**2,838,328**	2,261,613	2,027,476	**296,580**	285,650
Property, plant and equipment	21	**1,090,066**	980,523	1,096,866	**983**	843
Intangibles	22	**29,908**	42,807	37,571	**1,031**	793
Deferred income tax assets	29	**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	23	**301,832**	360,275	343,675	**68,696**	155,296
Derivative financial instrument	26	**–**	2,213	–	**–**	1,756
Current income tax liabilities	9(b)	**94,988**	61,494	46,045	**20,789**	19,931
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**43,364**	18,990	33,025	**–**	–
Borrowings	24	**1,199,073**	745,660	723,009	**407,314**	469,951
		1,639,257	1,188,632	1,145,754	**496,799**	646,934
Non-current liabilities						
Trade and other payables	23	**57,257**	53,287	28,638	**3,526**	3,051
Borrowings	24	**1,076,131**	1,378,687	1,463,020	**498,689**	249,748
Derivative financial instrument	26	**–**	–	2,221	**–**	–
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**7,353**	47,278	45,946	**–**	–
Provision for retirement benefits	28	**2,758**	2,539	2,316	**–**	–
Deferred income tax liabilities	29	**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
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	30	**1,040,694**	1,051,898	1,058,527	**1,040,694**	1,051,898
Reserves	31	**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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2011

	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
2011							
Beginning of financial year, as previously reported		1,051,898	758,005	2,936,472	4,746,375	460,354	5,206,729
Effects of adopting INT FRS 115	2.1	–	–	(109,400)	(109,400)	(49,753)	(159,153)
Beginning of financial year, as restated		**1,051,898**	**758,005**	**2,827,072**	**4,636,975**	**410,601**	**5,047,576**
Employee share option scheme							
– Value of employee services	31(a)	–	1,897	–	1,897	–	1,897
– Proceeds from shares issued	30	2,883	–	–	2,883	–	2,883
Shares cancelled upon buy-back	30	(14,087)	–	(35,065)	(49,152)	–	(49,152)
Dividends	32	–	–	(115,101)	(115,101)	(55,002)	(170,103)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	11,899	11,899	–	11,899
Total comprehensive (loss)/ income for the year		–	(98,863)	664,193	565,330	118,341	683,671
End of financial year		**1,040,694**	**661,039**	**3,352,998**	**5,054,731**	**473,940**	**5,528,671**
2010							
Beginning of financial year, as previously reported		1,058,527	789,422	2,300,284	4,148,233	459,666	4,607,899
Effects of adopting INT FRS 115	2.1	–	–	(119,544)	(119,544)	(49,573)	(169,117)
Beginning of financial year, as restated		**1,058,527**	**789,422**	**2,180,740**	**4,028,689**	**410,093**	**4,438,782**
Employee share option scheme							
– Value of employee services	31(a)	–	1,438	–	1,438	–	1,438
– Proceeds from shares issued	30	3,218	–	–	3,218	–	3,218
Shares cancelled upon buy-back	30	(9,847)	–	(17,063)	(26,910)	–	(26,910)
Dividends	32	–	–	(78,353)	(78,353)	(44,832)	(123,185)
Acquisition of interests from non-controlling shareholders		–	–	(20,288)	(20,288)	(25,779)	(46,067)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	6,097	6,097	–	6,097
Total comprehensive (loss)/ income for the year, as previously reported		–	(32,855)	745,795	712,940	71,299	784,239
Effects of adopting INT FRS 115	2.1	–	–	10,144	10,144	(180)	9,964
Total comprehensive (loss)/ income for the year, as restated		–	(32,855)	755,939	723,084	71,119	794,203
End of financial year		**1,051,898**	**758,005**	**2,827,072**	**4,636,975**	**410,601**	**5,047,576**

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.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2011

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
2011					
Beginning of financial year		**1,051,898**	**358,646**	**846,068**	**2,256,612**
Employee share option scheme					
– Value of employee services	31(a)	–	1,897	–	1,897
– Proceeds from shares issued	30	2,883	–	–	2,883
Shares cancelled upon buy-back	30	(14,087)	–	(35,065)	(49,152)
Dividends	32	–	–	(115,101)	(115,101)
Total comprehensive (loss)/income for the year		–	(77,030)	375,356	298,326
End of financial year		**1,040,694**	**283,513**	**1,071,258**	**2,395,465**
2010					
Beginning of financial year		**1,058,527**	**377,435**	**775,475**	**2,211,437**
Employee share option scheme					
– Value of employee services	31(a)	–	1,438	–	1,438
– Proceeds from shares issued	30	3,218	–	–	3,218
Shares cancelled upon buy-back	30	(9,847)	–	(17,063)	(26,910)
Dividends	32	–	–	(78,353)	(78,353)
Total comprehensive (loss)/income for the year		–	(20,227)	166,009	145,782
End of financial year		**1,051,898**	**358,646**	**846,068**	**2,256,612**

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 2011

	2011 $'000	2010 (restated) $'000
Cash flows from operating activities		
Net profit	**782,830**	825,484
Adjustments for		
– Income tax expense	**121,534**	64,296
– Depreciation and amortisation	**45,112**	43,303
– Allowance/(write-back of allowance) for impairment of loans and receivables	**189**	(627)
– Share of profit of associated companies	**(175,031)**	(400,690)
– Share of loss of a joint venture company	**500**	–
– Unrealised translation losses	**3,960**	2,467
– Net provision for retirement benefits	**374**	343
– Employee share option expense	**1,818**	1,262
– Dividend income and interest income	**(28,987)**	(25,462)
– Interest expense	**37,418**	23,927
– Fair value gains on investment properties	**(187,222)**	(134,863)
– Property, plant and equipment written off and net loss on disposals	**550**	2,473
– Negative goodwill on acquisition of interests in associated companies	**(4,092)**	(50,271)
– Impairment charge on property, plant and equipment	**2,600**	–
– Impairment charge on goodwill	**13,080**	–
– Gain on liquidation of an available-for-sale financial asset	**–**	(362)
– Gain on liquidation of a subsidiary	**–**	(157)
	614,633	351,123
Change in working capital		
– Receivables	**59,633**	(50,066)
– Development properties	**(95,650)**	385,983
– Derivative financial instrument	**(754)**	–
– Inventories	**512**	1,531
– Payables	**(25,374)**	48,701
	(61,633)	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	**(155,396)**	(397,381)
Payments for interests in a joint venture company	**(500)**	–
Loan to an associated company	**–**	(1,906)
Loan to a joint venture company	**(71,244)**	–
Repayment of loan by an associated company	**73,201**	76,300
Net proceeds from disposal of property, plant and equipment	**140**	445
Acquisition of assets via business combination	**(141,474)**	–
Purchase of property, plant and equipment and investment properties	**(319,458)**	(85,140)
Interest received	**2,802**	3,567
Dividends received	**233,026**	52,895
Net cash used in investing activities	**(382,112)**	(356,893)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the financial year ended 31 December 2011

	Note	2011 $'000	2010 (restated) $'000
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		**300,000**	–
Proceeds from borrowings		**634,920**	343,037
Repayment of borrowings		**(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	11(c)	**291,141**	307,160

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, listed and unlisted securities and property development. 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"). The financial statements have been prepared 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 2011

On 1 January 2011, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. 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 Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed below:

<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.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

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 on adoption are as follows:

	Consolidated statement of financial position	
	At 31 December 2010	At 1 January 2010
	$'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)

	Consolidated income statement for year ended	
	31 December 2011	31 December 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

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 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

Sales of development properties whereby sale and purchase agreements are entered into prior to the completion of construction are recognised when the completed properties are delivered to the buyers. Sales where it has been determined that the control and the risk and rewards of the property are transferred to the buyers as construction progresses, the Group recognises revenue by reference to the stage of completion of the development properties. The stage of completion is measured by reference to the physical surveys of construction work completed. No revenue is recognised for unsold units.

(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.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(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 entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated 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 but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position. 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 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 the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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 net identifiable assets.

The excess of (i) 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 net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(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, joint venture companies and associated 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 in retained earnings.

(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 contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. 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 and joint venture companies represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture 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 or exceeds its interest in the associated company or joint venture company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture company.

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 transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies and joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies and joint venture companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the income statement.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, joint venture companies and associated 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)

(b) Depreciation

Freehold land, properties under development, construction in progress and renovation in progress are not depreciated. Leasehold land is amortised evenly over the term of the lease. Please refer to Note 21(e) 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 asset is transferred to retained earnings directly.

2.5 Development properties

Development properties refer to properties developed for sale.

Completed development properties 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 development and selling expenses. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

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 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 net identifiable 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 net identifiable assets acquired.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the income statement as a bargain purchase.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on joint venture companies and associated companies are included in the carrying amount of the investments.

Gains and losses on the disposal of the subsidiaries, joint venture companies and associated companies include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(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 price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Computer software under development is not amortised. 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. 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 once at the end of each reporting period. 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 investments 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.

2. Significant accounting policies (continued)

2.8 Investment properties (continued)

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 improvement is charged to 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, joint venture companies and associated companies

Investments in subsidiaries, joint venture companies and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, joint venture companies and associated companies, 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.

(b) *Intangibles*
Property, plant and equipment
Investments in subsidiaries, joint venture companies and associated companies

Intangibles, property, plant and equipment and investments in subsidiaries, joint venture companies and associated 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.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Intangibles*
Property, plant and equipment
Investments in subsidiaries, joint venture companies and associated companies (continued)

An impairment loss for an asset other than goodwill is reversed if, and 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" and "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.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries, joint venture companies and associated companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, joint venture companies or associated companies 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', joint venture companies' and associated companies' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank 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). If not, 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.

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 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.

Derivatives that do not qualify for hedge accounting

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when changes in fair value arise.

2. Significant accounting policies (continued)

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 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 that are based on market conditions 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 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 balance sheet 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 out certain investment properties 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, joint venture companies and associated 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.

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 plan

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 plan

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.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the present value of the defined benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

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.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under the 2000 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 translation 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 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 in the income statement within "finance income". 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 end of the reporting period;

(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

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) *Translation of Group entities' financial statements* (continued)

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation 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 end of the reporting period.

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, 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 balance sheet.

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 $279,742,000 (2010: $258,752,000).

3. Key accounting estimates, assumptions and judgements (continued)

(b) *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 determination of fair values of investment properties by independent professional valuers;
(ii) the assessment of adequacy of provision for income taxes;
(iii) the level of impairment of goodwill;
(iv) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of development properties;
(v) the determination of the fair values of unquoted available-for-sale financial assets; and
(vi) the determination of fair value of options granted under the employee share option scheme.

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		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
Revenue from property development	**1,393,773**	835,535	**–**	–
Revenue from property investments	**160,308**	147,943	**16,066**	16,659
Gross revenue from hotel ownership and operations	**360,038**	325,089	**–**	–
Revenue from hotel and other management services	**19,896**	18,540	**–**	–
Dividend income from available-for-sale financial assets	**26,219**	21,950	**19,252**	16,043
Dividend income from subsidiaries	**–**	–	**141,528**	76,170
Dividend income from associated companies	**–**	–	**203,869**	37,045
Total revenue	**1,960,234**	1,349,057	**380,715**	145,917
Interest income				
– fixed deposits with financial institutions	**1,245**	2,223	**–**	–
– loans to subsidiaries	**–**	–	**10,906**	9,940
– loans to associated companies	**168**	913	**64**	734
– loan to a joint venture company	**909**	–	**–**	–
– others	**446**	376	**12**	11
	2,768	3,512	**10,982**	10,685
Currency exchange gains – net	**–**	–	**157**	–
Finance income	**2,768**	3,512	**11,139**	10,685
Fair value gains on derivative financial instruments	**754**	–	**754**	–
Other miscellaneous income	**12,335**	10,343	**2,191**	1,244
Miscellaneous income	**13,089**	10,343	**2,945**	1,244
	1,976,091	1,362,912	**394,799**	157,846

5. Expenses by nature

	The Group		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
Cost of inventories sold	**36,236**	29,465	**–**	–
Depreciation of property, plant and equipment (Note 21)	**42,637**	42,402	**397**	484
Amortisation of intangibles [Note 22(a),(b),(c)]	**2,475**	901	**258**	–
Total depreciation and amortisation	**45,112**	43,303	**655**	484
Hospitality expenses	**51,786**	49,561	**–**	–
Property, plant and equipment written off and net loss on disposals	**550**	2,473	**–**	20
Auditors' remuneration paid/payable to:				
– auditor of the Company	**690**	636	**166**	145
– other auditors	**727**	558	**–**	–
Other fees paid/payable to:				
– auditor of the Company	**33**	39	**–**	–
– other auditors	**124**	178	**–**	–
Employees compensation (Note 6)	**153,481**	139,609	**11,079**	10,217
Rent paid to a subsidiary	**–**	–	**442**	412
Rent paid to other parties	**1,704**	1,425	**–**	–
Heat, light and power	**25,601**	22,673	**808**	818
Property tax	**17,538**	16,339	**1,247**	1,350
Development cost included in cost of sales	**979,334**	647,957	**–**	–
Advertising and promotion	**23,861**	42,242	**298**	521
Management fees	**1,240**	5,059	**28**	–
Repair and maintenance	**18,939**	20,235	**798**	736
Allowance/(write-back of allowance) for impairment of receivables	**189**	(627)	**–**	–
Other expenses	**17,371**	11,862	**3,796**	4,184
Total cost of sales, marketing and distribution, administrative and other operating expenses	**1,374,516**	1,032,987	**19,317**	18,887

6. Employees compensation

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Wages and salaries	**139,383**	129,341	**16,694**	16,874
Employer's contribution to defined contribution plans including Central Provident Fund	**11,906**	8,663	**1,225**	1,031
Retirement benefits	**374**	343	**–**	–
Share options granted to directors and employees	**1,818**	1,262	**1,361**	1,044
	153,481	139,609	**19,280**	18,949
Less: Recharged to subsidiaries	**–**	–	**(8,201)**	(8,732)
	153,481	139,609	**11,079**	10,217

7. Finance expense

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Interest expense:				
– bank loans, notes and overdrafts	**49,504**	41,373	**16,467**	10,309
– loans from non-controlling shareholders of subsidiaries	**166**	467	**–**	–
– finance lease liabilities	**254**	–	**–**	–
– bank facility fees	**6,113**	6,694	**358**	184
	56,037	48,534	**16,825**	10,493
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	**1,712**	1,187	**1,891**	1,608
Less:				
Amount capitalised to development properties [Note 13(c)]	**(15,080)**	(22,698)	**–**	–
Amount capitalised to investment properties [Note 20(f)]	**(2,098)**	(945)	**–**	–
Amount capitalised to properties, plant and equipment [Note 21(b)]	**(3,153)**	(2,151)	**–**	–
	(20,331)	(25,794)	**–**	–
	37,418	23,927	**18,716**	12,101
Currency exchange losses – net	**1,815**	2,561	**–**	33
	39,233	26,488	**18,716**	12,134

8. Other (losses)/gains

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Business acquisition costs [Note 38(d)]	**(8,143)**	–	**–**	–
Negative goodwill on acquisition of interests in associated companies	**4,092**	50,271	**–**	–
Impairment charge on property, plant and equipment	**(2,600)**	–	**–**	–
Impairment charge on goodwill	**(13,080)**	–	**–**	–
Gain on liquidation of an available-for-sale financial asset	**–**	362	**–**	–
Gain on liquidation of a subsidiary	**–**	157	**–**	–
Reversal of impairment charge on investments in subsidiaries (Note 19)	**–**	–	**11,063**	16,090
	(19,731)	50,790	**11,063**	16,090

9. Income taxes

(a) Income tax expense

	The Group		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
Tax expense attributable to profit is made up of:				
– Profit from current financial year:				
Current income tax				
– Singapore [Note (b) below]	**69,033**	37,959	**3,359**	3,340
– Foreign [Note (b) below]	**15,209**	9,850	**–**	–
– Withholding tax paid [Note (b) below]	**558**	–	**2**	–
	84,800	47,809	**3,361**	3,340
Deferred income tax (Note 29)	**39,209**	20,052	**42**	26
	124,009	67,861	**3,403**	3,366
– (Over)/under provision in preceding financial years:				
Current income tax				
– Singapore [Note (b) below]	**(2,079)**	(4,054)	**–**	–
– Foreign [Note (b) below]	**2**	(6)	**–**	–
	(2,077)	(4,060)	**–**	–
Deferred income tax (Note 29)	**(398)**	495	**–**	–
	(2,475)	(3,565)	**–**	–
	121,534	64,296	**3,403**	3,366

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		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
Profit before income tax	**904,364**	889,780	**378,758**	169,375
Share of profit of associated companies, net of tax	**(175,031)**	(400,690)	**–**	–
Share of loss of a joint venture company, net of tax	**500**	–	**–**	–
Profit before tax and share of profit/(loss) of associated companies and a joint venture company	**729,833**	489,090	**378,758**	169,375
Tax calculated at a tax rate of 17%	**124,072**	83,145	**64,389**	28,794
Effects of:				
– Singapore statutory stepped income exemption	**(564)**	(553)	**(26)**	(26)
– Different tax rates in other countries	**4,647**	2,608	**–**	–
– Income not subject to tax	**(21,010)**	(29,321)	**(66,198)**	(29,249)
– Expenses not deductible for tax purposes	**12,908**	11,206	**5,238**	3,847
– Utilisation of previously unrecognised tax losses	**(845)**	(170)	**–**	–
– Deferred tax assets not recognised in the current financial year	**4,801**	946	**–**	–
Tax charge	**124,009**	67,861	**3,403**	3,366

9. Income taxes (continued)

(b) Movements in current income tax (assets)/liabilities

	The Group		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**60,590**	44,809	**19,931**	6,084
Currency translation differences	**19**	860	**–**	–
Income tax paid	**(48,991)**	(28,828)	**(2,503)**	10,507
Tax expense on profit [Note (a) above]				
– current financial year	**84,800**	47,809	**3,361**	3,340
– over provision in preceding financial years	**(2,077)**	(4,060)	**–**	–
At the end of the financial year	**94,341**	60,590	**20,789**	19,931
Comprise:				
Current income tax assets	**(647)**	(904)	**–**	–
Current income tax liabilities	**94,988**	61,494	**20,789**	19,931
	94,341	60,590	**20,789**	19,931

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.

	2011	2010 (restated)
Net profit attributable to equity holders of the Company ($'000)	**664,193**	755,939
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**770,038**	779,781
Basic earnings per share (cents per share)	**86.25**	96.94

(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 2011, 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:

	2011	2010 (restated)
Net profit attributable to equity holders of the Company ($'000)	**664,193**	755,939
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**770,038**	779,781
Adjustments for share options ('000)	**667**	646
Weighted average number of ordinary shares for diluted earnings per share ('000)	**770,705**	780,427
Diluted earnings per share (cents per share)	**86.18**	96.86

11. Cash and bank balances

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Cash at bank and on hand	**75,439**	78,709	**6,502**	1,714
Fixed deposits with financial institutions	**221,919**	234,460	**13**	13
	297,358	313,169	**6,515**	1,727

(a) Included in cash and bank balances of the Group is an amount of $159,645,000 (2010: $228,009,000) 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 $24,000 (2010: $617,000) 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	
	2011 $'000	2010 $'000
Cash and bank balances (as above)	**297,358**	313,169
Less: Bank overdrafts (Note 24)	**(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

11. Cash and bank balances (continued)

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 11 months (2010: 6 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	
	2011	2010	**2011**	2010
	%	%	**%**	%
Singapore Dollar	**0.2**	0.1	**0.4**	0.3
United States Dollar	**0.5**	1.0	**–**	–
Australian Dollar	**3.7**	2.8	**–**	–
Malaysian Ringgit	**2.6**	2.3	**–**	–
Vietnamese Dong	**14.0**	12.0	**–**	–
Chinese Renminbi	**3.5**	–	**–**	–
Indonesian Rupiah	**6.3**	–	**–**	–

(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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Current				
Trade receivables:				
– non-related parties	**121,282**	130,601	**241**	817
– subsidiaries	**–**	–	**813**	–
– associated companies	**60**	–	**–**	–
Less: Allowance for impairment of receivables				
– non-related parties	**(430)**	(280)	**–**	–
Trade receivables – net	**120,912**	130,321	**1,054**	817
Other receivables:				
– subsidiaries (non-trade)	**–**	–	**31,472**	11,025
– associated companies (non-trade)	**1,580**	4,860	**4**	4,682
– loans to subsidiaries (unsecured)	**–**	–	**211,117**	165,141
– loan to an associated company (unsecured)	**–**	73,201	**–**	73,201
– sundry debtors	**3,755**	7,309	**85**	–
Other receivables	**5,335**	85,370	**242,678**	254,049
	126,247	215,691	**243,732**	254,866
Non-current				
Loans to:				
– subsidiaries (unsecured)	**–**	–	**970,364**	685,866
– an associated company (unsecured)	**1,906**	1,906	**–**	–
– a joint venture company (unsecured)	**71,244**	–	**–**	–
	73,150	1,906	**970,364**	685,866
Total trade and other receivables	**199,397**	217,597	**1,214,096**	940,732

12. Trade and other receivables (continued)

(a) An allowance for impairment of receivables of $189,000 for the financial year and a write-back of allowance for impairment of receivables of $627,000 in 2010 has been recognised as an expense/(income) and included in 'Administrative expenses'.

(b) The non-trade amounts due from subsidiaries and associated companies are repayable on demand. The current loan to an associated company of $73,201,000 in 2010 was repaid in February 2011. The non-current loans to subsidiaries, an associated company and a joint venture company 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 subsidiaries, associated companies and a joint venture company that are subordinated to the secured bank loans of the respective subsidiaries, associated companies and joint venture company are as follows:

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Loans subordinated to secured bank loans:				
Loans to subsidiaries	**–**	–	**791,288**	802,665
Loans to associated companies	**1,906**	75,107	**–**	73,201
Loan to a joint venture company	**71,244**	–	**–**	–
	73,150	75,107	**791,288**	875,866

(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 and market borrowing rates used are as follows:

	The Group		The Company		Borrowing rates	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000	**2011 %**	2010 %
Loans to subsidiaries:						
– Floating rate	**–**	–	**393,901**	685,866	**2.0**	2.3
– Interest–free	**–**	–	**564,014**	–	**2.2**	–
Loans to associated companies:						
– Fixed rate	**1,904**	1,838	**–**	–	**5.5**	6.7
Loan to a joint venture company:						
– Floating rate	**71,244**	–	**–**	–	**1.8**	–
	73,148	1,838	**957,915**	685,866		

13. Development properties

	The Group		
	2011	2010 (restated)	2009 (restated)
	$'000	$'000	$'000
Completed properties	**5,452**	–	–
Development properties in progress	**1,145,435**	1,192,916	1,552,077
	1,150,887	1,192,916	1,552,077

Details of development properties in progress are as follows:

	The Group		
	2011	2010 (restated)	2009 (restated)
	$'000	$'000	$'000
Land, at cost	**1,355,651**	1,381,395	1,464,012
Development costs	**501,902**	399,212	235,341
Property taxes, interests and overheads	**124,243**	113,797	89,399
	1,981,796	1,894,404	1,788,752
Development profits recognised	**297,233**	187,920	92,207
Less: Progress billings	**(1,133,594)**	(889,408)	(328,882)
	1,145,435	1,192,916	1,552,077

(a) Development properties under construction where revenue is recognised as construction progresses are as follows:

	The Group		
	2011	2010 (restated)	2009 (restated)
	$'000	$'000	$'000
Aggregate costs incurred and development profits recognised	**2,118,481**	1,686,569	1,435,585
Less: Progress billings	**(1,133,594)**	(889,408)	(328,882)
	984,887	797,161	1,106,703

(b) Progress billings amounting to $158,550,000 for 2010 and $172,288,000 for 2009 relating to development properties under construction where revenue is recognised upon completion of construction are presented as progress billings within 'Trade and other payables' (Note 23).

(c) Borrowing costs of $15,080,000 (2010: $22,698,000) arising on financing specifically entered into for the development of properties were capitalised during the financial year.

(d) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to $726,310,000 (2010: $1,224,733,000) [Note 24(c)].

13. Development properties (continued)

(e) 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 (sqm)	Effective interest in property
Meadows@Peirce A residential development comprising 479 units of condominium apartments	Freehold	96.6%	1st Quarter 2012	42,828/63,970	100%
Double Bay Residences A development comprising 652 units of residential apartments and retail components	99-year leasehold	76.1%	2nd Quarter 2012	32,211/76,276	60%
Spottiswoode Residences A residential development comprising 351 units of condominium apartments	Freehold	14.7%	3rd Quarter 2013	9,531/29,586	100%
Waterbank at Dakota A residential development comprising 616 units of condominium apartments	99-year leasehold	63.5%	2nd Quarter 2013	17,190/60,164	100%
Lion City Site A residential development comprising 244 units of condominium apartments	Freehold	–	4th Quarter 2014	14,278/19,292	100%
Site at Jalan Conlay A proposed residential development comprising 494 units of condominium apartments in Kuala Lumpur, Malaysia	Freehold	–	3rd Quarter 2016	15,986/162,717	60%
The Esplanade (Hai He Hua Ding) A proposed residential development comprising 522 units of condominium apartments in Tianjin, People's Republic of China	50-year leasehold	32.1%	4th Quarter 2013	10,684/55,983	90%

14. Inventories

	The Group	
	2011 $'000	2010 $'000
Food and beverages	**857**	942
Other supplies	**253**	680
	1,110	1,622

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $36,236,000 (2010: $29,465,000).

15. Available-for-sale financial assets

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**726,739**	746,181	**545,951**	557,043
Additions	**17,594**	20,560	**13,225**	15,457
Disposals	**–**	(102)	**–**	–
Fair value losses recognised in other comprehensive income [Note 31(b)]	**(120,935)**	(39,900)	**(91,565)**	(26,549)
At the end of the financial year	**623,398**	726,739	**467,611**	545,951
Less: Non-current portion	**(220,565)**	(246,972)	**(64,778)**	(66,184)
Current portion	**402,833**	479,767	**402,833**	479,767

At the end of the reporting period, available-for-sale financial assets included the following:

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Listed securities:				
– Equity shares – Singapore	**580,765**	674,106	**427,692**	496,032
Unlisted securities:				
– Equity shares – Singapore	**42,633**	52,633	**39,919**	49,919
	623,398	726,739	**467,611**	545,951

16. Other assets

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Deposits	**14,732**	36,766	**14**	–
Prepayments	**8,526**	8,929	**760**	315
	23,258	45,695	**774**	315

As at 31 December 2011, the Group had a deposit of $13,804,000 with a third party for a proposed en-bloc acquisition of a development property in Singapore.

17. Investments in associated companies

	The Group			The Company	
	2011	2010 (restated)	2009 (restated)	**2011**	2010
	$'000	$'000	$'000	**$'000**	$'000
Equity investments at cost				**161,589**	161,589
At the beginning of the financial year	**2,116,752**	1,330,937	332,181		
Additions	**181,185**	432,317	737,311		
Reclassifications from available-for-sale financial assets arising from acquisition of additional percentage holdings	**–**	–	240,670		
Share of profit, net of tax	**175,031**	400,690	70,158		
Share of acquisition of interests from non-controlling shareholders	**11,899**	6,097	–		
Share of reserves of associated companies, net of tax [Note 31(a) and (e)]	**4,586**	(1,232)	(1,416)		
Dividends received, net of tax	**(224,401)**	(51,503)	(47,716)		
Currency translation differences	**(77)**	(554)	(251)		
At the end of the financial year	**2,264,975**	2,116,752	1,330,937		

(a) The summarised financial information of associated companies, not adjusted for the proportion ownership interest held by the Group was as follows:

	The Group	
	2011	2010
	$'000	$'000
– Assets	**9,683,860**	9,490,890
– Liabilities	**2,200,188**	2,380,966
– Revenue	**1,405,351**	2,050,171
– Net profit	**454,760**	1,088,486

(b) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities of an associated company in which the Group is severally liable (Note 33) amounted to $7,494,000 (2010: $7,557,000).

(c) The Company's investments in associated companies include an investment in a listed associated company with a carrying amount of $49,006,000 (2010: $49,006,000), for which the published price quotation was $86,935,000 (2010: $80,795,000) at the end of the reporting period. The Group's investment in the same listed associated company has a carrying amount of $1,697,307,000 (2010: $1,574,703,000), for which the published price quotation was $1,588,592,000 (2010: $1,447,175,000) at the end of the reporting period. No impairment in value of investment in this associated company has been made after having evaluated various qualitative and quantitative factors including whether the fall in its share price is within the normal volatility of the market, the period in which its share price has fallen below its carrying amount and the historical financial performance of the associated company.

17. Investments in associated companies (continued)

(d) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	Equity holding 2010 %	Accounting year end
Vista Development Pte Ltd	Under liquidation	Singapore	**30 by UOL**	30 by UOL	31 December
Nassim Park Developments Pte. Ltd.	Property development	Singapore	**50 by UOL**	50 by UOL	31 December
Brendale Pte Ltd	Property development	Singapore	**30 by UOL**	30 by UOL	31 December
Marina Centre Holdings Pte Ltd	Hotelier and property investment	Singapore	**22.67 by UOL**	22.67 by UOL	31 December
United Industrial Corporation Limited ("UIC") [Note (e) below]	Property investment, development and management and information technology related products and services	Singapore	**2.35 by UOL and 40.51 by UEI**	2.35 by UOL and 39.67 by UEI	31 December
Peak Venture Pte. Ltd.^	Dormant	Singapore	**50 by UCI**	50 by UCI	31 December
Aquamarina Hotel Private Limited	Hotelier	Singapore	**25 by UEI**	25 by UEI	31 December

17. Investments in associated companies (continued)

(d) The associated companies are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding		Accounting year end
			2011	2010	
			%	%	
Orix-UOL Investments Pte. Ltd.	Under liquidation	Singapore	**50 by UOD**	50 by UOD	31 December
Ardenis Pte Ltd	Investment holding	Singapore	**35 by UOD**	35 by UOD	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
Premier Land Development Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
UVD Pte. Ltd. (formerly known as United Venture Investments Pte. Ltd.)	Dormant	Singapore	**50 by UVI**	50 by UVI	31 December
Shanghai Jin Peng Realty Co. Ltd**	Property development	The People's Republic of China	**40 by UCI**	40 by UCI	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.
* 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.
** Audited by Shanghai Xin Jia Hua Certified Public Accountants Co., Ltd.

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 2011.

(e) During the financial year, UEI acquired an additional 11,685,000 (2010: 138,295,900) UIC shares which resulted in the Group beneficially owning an aggregate 590,554,565 (2010: 578,869,565) UIC Shares or approximately 42.86% (2010: 42.02%) of the total issued UIC Shares as at 31 December 2011.

18. Investment in a joint venture company

	The Group	
	2011 **$'000**	2010 $'000
At the beginning of the financial year	**–**	–
Additions	**500**	–
Share of loss, net of tax	**(500)**	–
At the end of the financial year	**–**	–

(a) The following amounts represent the Group's 50% share of the assets and liabilities and income and expenses of the joint venture:

	The Group	
	2011	2010
	$'000	$'000
Assets		
– Current assets	**177,349**	–
– Non-current assets	**206**	–
	177,555	–
Liabilities		
– Current liabilities	**(9,826)**	–
– Non-current liabilities	**(168,231)**	–
	(178,057)	–
Net liabilities	**(502)**	–
Expenses	**(500)**	–
Net loss	**(500)**	–
Proportionate interest in joint venture's capital commitments	**105,215**	–

(b) The joint venture company is:

Name of company	Principal activities	Country of business/ incorporation	Equity holding		Accounting year end
			2011	2010	
			%	%	
United Venture Development (Bedok) Pte. Ltd. (formerly known as United Venture Development Pte. Ltd.)	Property development	Singapore	**50 by UVI**	50 by UVI	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture company.

19. Investments in subsidiaries

	The Company			
	2011		2010	
	Cost	**Market value**	Cost	Market value
	$'000	**$'000**	$'000	$'000
Listed investments at cost	**408,116**	**910,360**	408,116	783,105
Unlisted investments at cost	**915,640**		913,640	
	1,323,756		1,321,756	
Less accumulated impairment charge:				
At the beginning of the financial year	**(26,273)**		(42,363)	
Reversal of impairment charge for the financial year [Note 8 and (a) below]	**11,063**		16,090	
At the end of the financial year	**(15,210)**		(26,273)	
	1,308,546		1,295,483	

(a) Impairment charge

Reversals 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 environment 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 2011 $'000	Cost of investment 2010 $'000	Equity holding 2011 %	Equity holding 2010 %
Held by the Company						
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner and investment holding	Singapore	**408,116**	408,116	**81.57**	81.57
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	Property investment	Singapore	**162,000**	162,000	**60**	60
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60**	60
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.	Property development	Singapore	**700**	700	**70**	70
Regency One Development Pte. Ltd.	Property development	Singapore	**800**	800	**80**	80
United Regency Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
Duchess Walk Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
UOL Residential Development Pte. Ltd.	Property development	Singapore	**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		Equity holding	
			2011 $'000	2010 $'000	**2011 %**	2010 %
Held by the Company (continued)						
UOL Management Services Pte Ltd	Property management services and investment	Singapore	**2,041**	2,041	**100**	100
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	**115**	115	**100**	100
UOL Overseas Investments Pte Ltd	Investment holding	Singapore	**30,500**	30,500	**100**	100
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**280,000**	280,000	**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	**24,972**	24,972	**100**	100
Hotel Negara Limited	Dormant	Singapore	**1,519**	1,519	**100**	100
Flamegold Pte. Ltd.	Dormant	Singapore	**~**	~	**100**	100
UOL Treasury Services Pte. Ltd.^	Dormant	Singapore	**1,000**	–	**100**	–
			1,323,756	1,321,756		

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	Equity holding 2010 %
Held by subsidiaries				
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD
Suasana Simfoni Sdn. Bhd.*	Property development	Malaysia	**60 by UCI**	60 by UCI
Tianjin UOL Xiwang Real Estate Development Co., Ltd.*	Property development	The People's Republic of China	**90 by UCI**	90 by UCI
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL
New Park Hotel (1989) Pte Ltd	Hotelier	Singapore	**100 by PPHG**	100 by PPHG
Hotel Plaza Property (Singapore) 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	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. (formerly known as Parkroyal Hotels & Resorts Pte. Ltd.)	Provide 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 trademarks	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific International Pte. Ltd.	Managing and licensing of trademarks	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
Success Venture Investments (Australia) Ltd ("SVIA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 December 2011

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	2010 %
Held by subsidiaries (continued)				
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
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Yangon Hotel Limited**	Hotelier	Myanmar	**95 by YIPL**	95 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	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

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	Equity holding 2010 %
Held by subsidiaries (continued)				
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR
Pan Pacific (Shanghai) Hotel 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 ("PPHRS")#	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	Units held 2011 %	Units held 2010 %
SVIA				
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100**	100
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100**	100
SVIWA				
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100**	100

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 Myanmar Vigour Company Limited.
*** 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.
^ This subsidiary was newly incorporated during the financial year.

The subsidiaries not audited by PricewaterhouseCoopers LLP 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 2011.

20. Investment properties

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**2,261,613**	2,027,476	**285,650**	259,190
Currency translation differences	**(61)**	–	**–**	–
Additions during the financial year	**296,694**	2,961	**–**	–
Transfer from property, plant and equipment (Note 21)	**92,860**	96,313	**–**	–
Fair value gains recognised in income statement	**187,222**	134,863	**10,930**	26,460
At the end of the financial year	**2,838,328**	2,261,613	**296,580**	285,650

(a) Investment properties are carried at fair values at the end of the reporting period as determined by independent professional valuers. Valuations are made semi-annually based on the properties' highest-and-best use using Direct Market Comparison Method, Discounted Cash Flow Method or Income Method.

(b) The investment properties are leased to non-related parties [Note 34(d)] and related parties [Note 36(a)] under operating leases.

(c) Bank borrowings are secured on certain investment properties of the Group amounting to $1,301,991,000 (2010: $1,039,473,000) [Note 24(c)].

(d) The details of the Group's investment properties at 31 December 2011 were:

		Tenure of land
Faber House	– retained interests in a 12-storey commercial 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 commercial 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, hotel function rooms, shops, offices and serviced suites, two adjacent commercial buildings and a multi-storey 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 2011 were: (continued)

		Tenure of land
Pan Pacific Serviced Suites	– 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 proposed development comprising approximately 8,088 square metres of lettable office space and carpark lots at Upper Pickering Road, Singapore, with expected completion in 3rd quarter 2012	99-year lease from 2008
Lion City Site	– a proposed development comprising a retail mall with 282 carpark lots at Tanjong Katong Road, Singapore, with expected completion in 1st quarter 2014	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	– a 287-unit serviced suite with ground floor commercial space and a carpark at Geran No. 26595, Lot 692 Seksyen 57, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	– a proposed commercial development comprising basement carparks, a retail mall on the 1st to 3rd storey and two 11-storey office towers in Tianjin, People's Republic of China	40-year lease from 2007

(e) The following amounts are recognised in the income statements:

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Rental income (Note 4)	**160,308**	147,943	**16,066**	16,659
Direct operating expenses arising from investment properties that generated rental income	**26,248**	27,860	**2,669**	2,409

The Group and the Company do not have any investment properties that do not generate rental income.

(f) Borrowing costs of $2,098,000 (2010: $945,000) (Note 7) arising on financing specifically entered into for investment properties under construction were capitalised during the financial year.

21. Property, plant and equipment

	Land and buildings Freehold $'000	Land and buildings Leasehold $'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 2011	439,117	214,418	338,832	2,080	312,345	7,427	1,314,219
Currency translation differences	(1,590)	998	34	22	1,784	(49)	1,199
Acquisition via business combination	–	138,977	7,044	–	–	–	146,021
Additions	140	1,635	22,903	153	69,593	7,852	102,276
Transfer to investment properties	–	–	–	–	(92,860)	–	(92,860)
Disposals	(6)	(101)	(28,319)	(201)	–	(45)	(28,672)
Reclassification	(4,523)	(168)	6,965	–	4,801	(7,075)	–
Impairment charge	–	–	–	–	(2,600)	–	(2,600)
At 31 December 2011	433,138	355,759	347,459	2,054	293,063	8,110	1,439,583
Accumulated depreciation							
At 1 January 2011	60,623	68,237	203,136	1,700	–	–	333,696
Currency translation differences	(219)	1,389	(34)	30	–	–	1,166
Charge for the financial year	5,031	6,427	30,978	201	–	–	42,637
Disposals	(1)	(93)	(27,702)	(186)	–	–	(27,982)
Reclassification	1,187	1,499	(2,620)	(66)	–	–	–
At 31 December 2011	66,621	77,459	203,758	1,679	–	–	349,517
Net book value at 31 December 2011	**366,517**	**278,300**	**143,701**	**375**	**293,063**	**8,110**	**1,090,066**

21. Property, plant and equipment (continued)

	Land and buildings Freehold $'000	Land and buildings Leasehold $'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 2010	426,413	224,188	415,030	2,307	412,707	1,693	1,482,338
Currency translation differences	9,208	(9,701)	(2,352)	(51)	(4,351)	(22)	(7,269)
Additions	4,767	545	14,381	357	52,755	9,374	82,179
Fair value gain recognised in asset revaluation reserve [Note 31(c)]	–	–	–	–	3,188	–	3,188
Transfer to investment properties	–	–	–	–	(96,313)	–	(96,313)
Transfer to development properties	–	–	–	–	(55,641)	–	(55,641)
Disposals	(1,642)	(736)	(91,352)	(533)	–	–	(94,263)
Reclassification	371	122	3,125	–	–	(3,618)	–
At 31 December 2010	439,117	214,418	338,832	2,080	312,345	7,427	1,314,219
Accumulated depreciation							
At 1 January 2010	54,644	66,685	262,161	1,982	–	–	385,472
Currency translation differences	1,762	(2,872)	(1,682)	(41)	–	–	(2,833)
Charge for the financial year	5,333	5,110	31,719	240	–	–	42,402
Disposals	(1,230)	(686)	(88,948)	(481)	–	–	(91,345)
Reclassification	114	–	(114)	–	–	–	–
At 31 December 2010	60,623	68,237	203,136	1,700	–	–	333,696
Net book value at 31 December 2010	**378,494**	**146,181**	**135,696**	**380**	**312,345**	**7,427**	**980,523**

21. Property, plant and equipment (continued)

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company			
Cost			
At 1 January 2011	2,990	188	3,178
Additions	550	–	550
Disposals	(135)	–	(135)
At 31 December 2011	3,405	188	3,593
Accumulated depreciation			
At 1 January 2011	2,231	104	2,335
Charge for the financial year	360	37	397
Disposals	(122)	–	(122)
At 31 December 2011	2,469	141	2,610
Net book value at 31 December 2011	**936**	**47**	**983**

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company			
Cost			
At 1 January 2010	3,547	188	3,735
Additions	217	–	217
Disposals	(774)	–	(774)
At 31 December 2010	2,990	188	3,178
Accumulated depreciation			
At 1 January 2010	2,539	66	2,605
Charge for the financial year	446	38	484
Disposals	(754)	–	(754)
At 31 December 2010	2,231	104	2,335
Net book value at 31 December 2010	**759**	**84**	**843**

(a) At 31 December 2011, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $1,456,622,000 (2010: $1,251,631,000) and the net book value was $765,557,000 (2010: $635,854,000). 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 $691,065,000 (2010: $615,777,000) has not been incorporated in the financial statements.

(b) Borrowing costs of $3,153,000 (2010: $2,151,000) (Note 7) arising on financing specifically entered into for the property under development were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 24(c)] amounting to $901,791,000 (2010: $809,980,000).

(d) Included in additions in the consolidated financial statements are leasehold land and building acquired under finance leases amounting to $4,926,000 (2010: nil). The carrying amounts of leasehold land and building held under finance leases are $4,925,000 (2010: nil) at the end of the reporting period.

21. Property, plant and equipment (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2011 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 343-room hotel at Beach Road, Singapore	99-year lease from 1968	56 years
PARKROYAL on Kitchener Road	– a 534-room hotel at Kitchener Road, Singapore	Freehold	–
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	31 years
PARKROYAL Darling Harbour, Sydney	– a 345-room hotel at Darling Harbour, Sydney, Australia	Freehold	–
PARKROYAL Parramatta	– a 196-room hotel at Parramatta, 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 block at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Freehold	–
	– a 320-lot carpark at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Leasehold expiring in 2080	69 years
PARKROYAL Penang Resort	– a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and 4-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	32 years
Sofitel Plaza Hanoi	– a 309-room hotel and 36 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	30 years
Pan Pacific Suzhou	– a 481-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	33 years
Pan Pacific Xiamen	– a 387-room hotel at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	50 years
PARKROYAL Yangon	– a 323-room hotel at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	30-year lease from 1997	16 years
PARKROYAL Melbourne Airport	– a 276-room hotel at Melbourne Airport	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	35+49 years

21. Property, plant and equipment (continued)

(f) The details of the Group's properties under development at 31 December 2011 were:

Property	Tenure of land	Remaining lease term	Stage of completion	Expected completion date	Site area/ gross floor area (sqm)	Effective interest in property
PARKROYAL on Pickering						
A proposed development comprising a 363-room hotel	99-year lease from 2008	96 years	52%	3rd Quarter 2012	4,972/ 21,364	81.57%
The Esplanade (Hai He Hua Ding)						
A proposed 330-room hotel in Tianjin, People's Republic of China	40-year lease from 2007	36 years	32%	4th Quarter 2013	6,881/ 36,151	90%

22. Intangibles

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Trademarks [Note (a) below]	**11,643**	12,524	**–**	–
Computer software costs [Note (b) below]	**6,099**	4,595	**1,031**	793
Contract acquisition costs [Note (c) below]	**964**	1,405	**–**	–
Goodwill arising on consolidation [Note (d) below]	**11,202**	24,283	**–**	–
	29,908	42,807	**1,031**	793

(a) Trademarks

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**12,524**	13,288	**–**	–
Additions	**–**	107	**–**	–
Amortisation for the financial year	**(881)**	(871)	**–**	–
At the end of the financial year	**11,643**	12,524	**–**	–
Cost	**15,045**	15,045	**–**	–
Accumulated amortisation	**(3,402)**	(2,521)	**–**	–
Net book value	**11,643**	12,524	**–**	–

22. Intangibles (continued)

(b) Computer software costs

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**4,595**	–	**793**	–
Currency translation differences	**(13)**	–	**–**	–
Additions	**2,884**	4,595	**496**	793
Amortisation for the financial year	**(1,367)**	–	**(258)**	–
At the end of the financial year	**6,099**	4,595	**1,031**	793
Cost	**7,466**	4,595	**1,289**	793
Accumulated amortisation	**(1,367)**	–	**(258)**	–
Net book value	**6,099**	4,595	**1,031**	793

(c) Contract acquisition costs

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**1,405**	–	**–**	–
Currency translation differences	**3**	–	**–**	–
Additions	**325**	1,435	**–**	–
Disposals	**(542)**	–	**–**	–
Amortisation for the financial year	**(227)**	(30)	**–**	–
At the end of the financial year	**964**	1,405	**–**	–
Cost	**1,221**	1,435	**–**	–
Accumulated amortisation	**(257)**	(30)	**–**	–
Net book value	**964**	1,405	**–**	–

(d) Goodwill arising on consolidation

	The Group	
	2011 $'000	2010 $'000
At the beginning of the financial year	**24,283**	24,283
Impairment of goodwill	**(13,081)**	–
At the end of the financial year	**11,202**	24,283

22. **Intangibles** (continued)

(d) Goodwill arising on consolidation (continued)

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	
	2011 $'000	2010 $'000
Singapore	**10,371**	10,371
The People's Republic of China	**–**	13,081
Malaysia	**831**	831
	11,202	24,283

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 9 years (2010: 5 to 9 years) which were prepared based on the expected future market trend.

Key assumptions used for fair value less cost to sell calculations:

	The People's Republic of China %	Malaysia %	Singapore %
2011			
Growth rate	12.9	2.4	5.0
Discount rate	11.0	7.3	9.5
2010			
Growth rate	9.8	1.6	5.0
Discount rate	12.3	6.2	9.5

23. Trade and other payables

	The Group			The Company	
	2011	2010 (restated)	2009 (restated)	**2011**	2010
	$'000	$'000	$'000	**$'000**	$'000
Current					
Trade payables:					
– non-related parties	**51,076**	68,308	53,324	**1,522**	1,865
– associated companies	**–**	–	5	**–**	–
	51,076	68,308	53,329	**1,522**	1,865
Other payables:					
– rental and other deposits	**19,505**	12,608	16,362	**890**	1,402
– accrued interest payable	**8,938**	2,956	6,893	**5,071**	1,413
– retention monies	**13,475**	10,736	11,144	**26**	701
– progress billings	**–**	158,550	172,288	**–**	–
– accrued development expenditure	**103,197**	20,746	14,702	**–**	–
– accruals for completed projects	**9,320**	6,662	3,587	**–**	–
– accrued operating expenses	**87,086**	64,354	46,634	**8,554**	9,847
– sundry creditors	**7,290**	12,911	14,860	**1,378**	1,185
– subsidiaries (non-trade)	**–**	–	–	**1,162**	–
– associated companies (non-trade)	**301**	–	–	**300**	–
– non–controlling shareholders (non-trade)	**1,644**	2,444	3,876	**–**	–
	250,756	291,967	290,346	**17,381**	14,548
Loans from subsidiaries	**–**	–	–	**49,793**	138,883
	301,832	360,275	343,675	**68,696**	155,296
Non-current					
Deferred liabilities	**6,809**	6,561	–	**–**	–
Rental deposits	**22,879**	22,277	19,658	**3,526**	3,051
Retention monies	**27,569**	24,449	8,980	**–**	–
	57,257	53,287	28,638	**3,526**	3,051
Total trade and other payables	**359,089**	413,562	372,313	**72,222**	158,347

(a) The loans from subsidiaries and non-trade amounts due to subsidiaries, associated companies and non-controlling shareholders are unsecured and interest-free except for a loan from a subsidiary of $49,630,000 in 2010 which has an effective interest rate of 2.25% per annum at the end of the reporting period.

(b) The carrying amounts of deferred liabilities, rental deposits and retention monies approximate their fair values.

24. Borrowings

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Current				
Bank overdrafts (unsecured)	**217**	9	**–**	–
Bank loans (secured)	**317,912**	198,600	**–**	–
Bank loans (unsecured)	**630,669**	547,051	**157,382**	469,951
3.34% unsecured fixed rate note due 2012 [Note (a) below]	**149,959**	–	**149,959**	–
Unsecured floating rate note due 2012 [Note (a) below]	**99,973**	–	**99,973**	–
Finance lease liabilities (Note 25)	**343**	–	**–**	–
	1,199,073	745,660	**407,314**	469,951
Non-current				
Bank loans (secured)	**572,860**	840,829	**–**	–
Bank loans (unsecured)	**199,439**	288,110	**199,439**	–
2.5% unsecured fixed rate notes due 2014 [Note (b) below]	**299,250**	–	**299,250**	–
3.34% unsecured fixed rate note due 2012 [Note (a) below]	**–**	149,849	**–**	149,849
Unsecured floating rate note due 2012 [Note (a) below]	**–**	99,899	**–**	99,899
Finance lease liabilities (Note 25)	**4,582**	–	**–**	–
	1,076,131	1,378,687	**498,689**	249,748
Total borrowings	**2,275,204**	2,124,347	**906,003**	719,699

(a) In 2007, the Company issued fixed rate notes with a nominal value of $150,000,000 ("Fixed Rate Notes") and floating rate notes with a nominal value of $100,000,000 ("Floating Rate Notes"), for which an interest rate hedge has been entered into in 2008 (Note 26).

Fixed Rate Notes
Interest is fixed at 3.34% per annum and is payable semi-annually in arrear on 15 May and 15 November of each year. Unless previously redeemed or purchased and cancelled, the Fixed Rate Notes will be redeemed at their principal amount on 15 May 2012. The fair value of the Fixed Rate Note approximates its carrying value for 2011. The fair value of the Fixed Rate Note calculated using cash flows discounted at a market rate of 1.4% amounted to $154,418,000 for 2010.

Floating Rate Notes
Floating interest is calculated at 0.4% over the 6-month Singapore Dollar swap rate per annum and is payable semi-annually in arrear on the interest payment dates falling on or about 15 May and 15 November in each year. Unless previously redeemed or purchased and cancelled, the Floating Rate Notes will be redeemed at their principal amount on the interest payment date falling on or about 15 May 2012. The fair value of the Floating Rate Note approximates its carrying value.

24. Borrowings (continued)

(b) Medium term note

On 1 July 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the "Programme"). Under the 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.

In July 2011, the Company issued $300 million of unsecured medium term notes ("Notes") out of its S$1 billion Multicurrency Medium Term Note Programme. The Notes bear a fixed interest rate of 2.5% per annum and will mature on 1 July 2014.

(c) 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	
	2011 $'000	2010 $'000
Bank deposits	**6,000**	6,000
Hotel properties	**901,791**	809,980
Investment properties	**1,301,991**	1,039,473
Development properties	**726,310**	1,224,733
	2,936,092	3,080,186

(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

	2011					2010			
	SGD %	**USD %**	**RMB %**	**MYR %**	**AUD %**	SGD %	USD %	RMB %	MYR %
Bank overdrafts (unsecured)	**5.0**	**–**	**–**	**–**	**–**	5.0	–	–	–
Bank loans (secured)	**2.0**	**1.5**	**7.8**	**4.3**	**6.0**	1.8	1.4	6.2	4.0
Bank loans (unsecured)	**1.4**	**–**	**–**	**–**	**–**	1.5	–	–	–
Unsecured floating rate note due 2012	**0.8**	**–**	**–**	**–**	**–**	0.8	–	–	–

24. **Borrowings** (continued)

(d) Effective interest rates (continued)

The Company

	2011	2010
	SGD	SGD
	%	%
Bank loans (unsecured)	**1.4**	1.5
Unsecured floating rate note due 2012	**0.8**	0.8

(e) The fair values of non-current secured and unsecured bank loans approximate their carrying values except for the 2.5% unsecured fixed rate notes due 2014 where fair values computed based on cash flows discounted using a market borrowing rate of 1.8% is $305,471,000.

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	
	2011	2010
	$'000	$'000
Minimum lease payments due		
– Not later than one year	**344**	–
– Between one and five years	**1,375**	–
– Later than five years	**27,323**	–
	29,042	–
Less: Future finance charges	**(24,117)**	–
Present value of finance lease liabilities	**4,925**	–

The present values of finance lease liabilities are analysed as follows:

	The Group	
	2011	2010
	$'000	$'000
Not later than one year (Note 24)	**343**	–
Later than one year (Note 24)		
– Between one and five years	**1,371**	–
– Later than five years	**3,211**	–
	4,582	–
Total	**4,925**	–

26. Derivative financial instrument

	The Group		The Company	
	Contract notional amount $'000	Fair value asset/ (liability) $'000	Contract notional amount $'000	Fair value asset/ (liability) $'000
2011				
Non-current				
Non-hedging instrument				
– Interest rate swap	**100,000**	**754**	**100,000**	**754**
2010				
Current				
Cash-flow hedges				
– Interest rate swaps	140,000	(2,213)	100,000	(1,756)

In 2008, the Company entered into a Singapore Dollar interest rate swap to hedge floating semi-annual interest payments on borrowings that will mature on or about 15 May 2012 [Note 24(a)]. The interest rate swap matured in November 2011. In addition, a subsidiary entered into a Singapore Dollar interest rate swap to hedge floating semi-annual interest payments on borrowings that had matured on 5 October 2011.

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.

In 2011, the Company entered into a Singapore Dollar interest rate swap of notional amount $100,000,000 to pay floating interest rate based on 6-month swap offer rate in return for the receipt of interest fixed at 0.945% per annum. The interest rate swap will mature on 1 July 2014.

27. Loans from non-controlling shareholders of subsidiaries (unsecured)

	The Group	
	2011 $'000	2010 $'000
Loans from non-controlling shareholders of subsidiaries (unsecured)		
– Current	**43,364**	18,990
– Non-current	**7,353**	47,278
	50,717	66,268

Details of the loans from non-controlling shareholders are as follows:

(i) Loans of $8,181,000 (2010: $7,771,000) are interest-free.

(ii) Loans of $42,536,000 (2010: $58,497,000) bear interests calculated based on a 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 0.3% (2010: 0.5%) per annum.

27. Loans from non-controlling shareholders of subsidiaries (unsecured) (continued)

(iii) The fair values of loans from non-controlling shareholders were computed based on cash flows discounted using market borrowing rates at the end of the reporting period and were as follows:

	The Group		Borrowing rates	
	2011	2010	**2011**	2010
	$'000	$'000	**%**	%
Loans from non-controlling shareholders:				
– Floating rate	**42,536**	58,497	**0.3**	0.5
– Interest-free	**7,173**	7,343	**4.0**	3.6
	49,709	65,840		

(iv) The loans from non-controlling shareholders of subsidiaries have no fixed terms of repayment and loans which are not expected to be repaid within the next twelve months from the end of the reporting period are classified as non-current.

28. Provision for retirement benefits

	The Group	
	2011	2010
	$'000	$'000
Non-current	**2,758**	2,539

(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 revaluation was at 31 December 2009.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group	
	2011	2010
	$'000	$'000
At the beginning of the financial year	**2,539**	2,316
Benefits paid	**(82)**	(179)
Charged to income statement (Note 6)	**374**	343
Currency translation differences	**(73)**	59
At the end of the financial year	**2,758**	2,539

28. Provision for retirement benefits (continued)

(c) The expense recognised in the income statement may be analysed as follows:

	The Group	
	2011 $'000	2010 $'000
Current service cost	**204**	203
Interest on obligation	**165**	140
Actuarial loss	**5**	–
Expense recognised in the income statement	**374**	343

The charge to the income statement was included in "Administrative expenses" in the income statement.

(d) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group	
	2011 %	2010 %
Discount rate	**6.2**	6.2
Future salary increase	**6.5**	6.5
Inflation rate	**3.5**	3.5
Normal retirement age (years)		
– Male	**55**	55
– Female	**50**	50

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	
	2011 $'000	2010 (restated) $'000	2009 (restated) $'000	**2011 $'000**	2010 $'000
Deferred income tax assets					
– to be recovered within one year	**(1,574)**	(569)	(479)	**–**	–
– to be recovered after one year	**(2,764)**	(3,082)	(4,620)	**–**	(298)
	(4,338)	(3,651)	(5,099)	**–**	(298)
Deferred income tax liabilities					
– to be settled within one year	**72,384**	84,505	68,656	**54,562**	67,640
– to be settled after one year	**140,613**	101,484	103,967	**9,438**	9,396
	212,997	185,989	172,623	**64,000**	77,036

29. Deferred income taxes (continued)

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
At the beginning of the financial year	**182,338**	167,524	**76,738**	83,007
Currency translation differences	**211**	566	**–**	–
Tax charge/(credit) to:				
– income statement [Note 9(a)]	**39,209**	20,052	**42**	26
– equity [Note 31(b),(f)]	**(12,701)**	(6,299)	**(12,780)**	(6,295)
(Over)/under provision in preceding financial year [Note 9(a)]	**(398)**	495	**–**	–
At the end of the financial year	**208,659**	182,338	**64,000**	76,738

Deferred income tax (credited)/debited against equity (Note 31) excluding the effects of the changes in tax rates during the financial year are as follows:

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Fair value reserves [Note 31(b)]	**(13,078)**	(6,300)	**(13,078)**	(6,300)
Hedging reserve [Note 31(f)]	**377**	1	**298**	5
	(12,701)	(6,299)	**(12,780)**	(6,295)

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 $15,970,000 (2010: $7,885,000) 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 $9,137,000 (2010: $6,638,000) can be carried forward for a period of up to five years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

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	Accelerated tax depreciation $'000	Fair value gains on investment properties and hotel properties $'000	Unremitted foreign income, interest and dividends $'000	Deferred development profit $'000	Other temporary differences $'000	Total $'000
2011							
At the beginning of the financial year (restated)	70,079	39,437	52,519	717	23,758	(521)	185,989
Currency translation differences	–	211	(6)	–	–	6	211
Tax charge/(credit) to income statement	–	454	19,458	(3)	20,104	(138)	39,875
Tax credit to equity	(13,078)	–	–	–	–	–	(13,078)
At the end of the financial year	**57,001**	**40,102**	**71,971**	**714**	**43,862**	**(653)**	**212,997**
2010							
At the beginning of the financial year (restated)	76,379	37,436	45,003	1,519	12,551	(265)	172,623
Currency translation differences	–	524	–	–	–	(1)	523
Tax charge/(credit) to income statement	–	1,477	7,516	(802)	11,207	(255)	19,143
Tax credit to equity	(6,300)	–	–	–	–	–	(6,300)
At the end of the financial year (restated)	70,079	39,437	52,519	717	23,758	(521)	185,989

29. Deferred income taxes (continued)

The Group

Deferred income tax assets

	Fair value losses on derivative financial instruments	Excess of depreciation over capital allowances	Tax losses	Provisions	Total
	$'000	$'000	$'000	$'000	$'000
2011					
At the beginning of the financial year	(377)	(1,961)	(745)	(568)	(3,651)
Tax credit to income statement	–	–	(58)	(1,006)	(1,064)
Tax charge to equity	377	–	–	–	377
At the end of the financial year	**–**	**(1,961)**	**(803)**	**(1,574)**	**(4,338)**
2010					
At the beginning of the financial year	(378)	(2,004)	(2,239)	(478)	(5,099)
Currency translation differences	–	43	–	–	43
Tax charge/(credit) to income statement	–	–	1,494	(90)	1,404
Tax charge to equity	1	–	–	–	1
At the end of the financial year	(377)	(1,961)	(745)	(568)	(3,651)

The Company

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets	Accelerated tax depreciation	Fair value gains on investment properties	Total
	$'000	$'000	$'000	$'000
2011				
At the beginning of the financial year	67,640	4,042	5,354	77,036
Tax charge/(credit) to income statement	–	155	(113)	42
Tax credit to equity	(13,078)	–	–	(13,078)
At the end of the financial year	**54,562**	**4,197**	**5,241**	**64,000**
2010				
At the beginning of the financial year	73,940	4,072	5,298	83,310
Tax charge/(credit) to income statement	–	(30)	56	26
Tax credit to equity	(6,300)	–	–	(6,300)
At the end of the financial year	67,640	4,042	5,354	77,036

29. Deferred income taxes (continued)

The Company

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2011		
At the beginning of the financial year	(298)	(298)
Tax charge to equity	298	298
At the end of the financial year	–	–
2010		
At the beginning of the financial year	(303)	(303)
Tax charge to equity	5	5
At the end of the financial year	(298)	(298)

30. Share capital of UOL Group Limited

	Number of shares '000	Amount $'000
2011		
At the beginning of the financial year	777,751	1,051,898
Proceeds from shares issued:		
– to holders of share options	910	2,883
Shares cancelled upon buy-back	(10,413)	(14,087)
At the end of the financial year	**768,248**	**1,040,694**
2010		
At the beginning of the financial year	783,533	1,058,527
Proceeds from shares issued:		
– to holders of share options	1,505	3,218
Shares cancelled upon buy-back	(7,287)	(9,847)
At the end of the financial year	777,751	1,051,898

(a) During the financial year, the Company purchased a total of 10,413,000 (2010: 7,287,000) ordinary shares in the share capital of the Company at a total cost of $49,152,000 (2010: $26,910,000) of which $14,087,000 (2010: $9,847,000) was made out of the share capital of the Company and the remaining of $35,065,000 (2010: $17,063,000) from its retained earnings.

(b) All issued ordinary shares have no par value and are fully paid.

30. Share capital of UOL Group Limited (continued)

(c) During the financial year, the Company issued 910,000 (2010: 1,505,000) ordinary shares pursuant to the options under the UOL 2000 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.

Under the terms of the 2000 Scheme, the total number of shares granted shall not exceed 15% of the issued share capital of the Company 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 Offering Price.

The Offering 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 3 consecutive trading days immediately prior to the relevant offering date.

On 4 March 2011, options were granted pursuant to the 2000 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,421,000 ordinary shares in the Company (known as "the 2011 Options") at the offer price of $4.62 per ordinary share. 1,421,000 options granted were accepted.

Statutory information regarding the 2011 Options is as follows:

(i) The vesting of granted options is conditional on the completion of one year of service from the grant date. The option period begins on 4 March 2012 and expires on 3 March 2021 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 13 of the Rules of the 2000 Scheme.

(ii) The options may be exercised in full or in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company in the Group.

(iv) The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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							
2011							
2002 Options	24,000	–	24,000	–	–	1.81	27.06.2003 to 26.06.2012
2003 Options	72,000	–	30,000	–	42,000	2.05	27.06.2004 to 26.06.2013
2004 Options	184,000	–	24,000	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	54,000	–	12,000	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	389,000	–	155,000	–	234,000	3.21	18.05.2007 to 17.05.2016
2007 Options	808,000	–	–	86,000	722,000	4.91	16.03.2008 to 15.03.2017
2008 Options	868,000	–	209,000	–	659,000	3.68	07.03.2009 to 06.03.2018
2009 Options	452,000	–	161,000	–	291,000	1.65	06.03.2010 to 05.03.2019
2010 Options	1,278,000	–	295,000	20,000	963,000	3.95	05.03.2011 to 04.03.2020
2011 Options	–	1,421,000	–	56,000	1,365,000	4.62	04.03.2012 to 03.03.2021
	4,129,000	**1,421,000**	**910,000**	**162,000**	**4,478,000**		
2010							
2002 Options	42,000	–	18,000	–	24,000	1.81	27.06.2003 to 26.06.2012
2003 Options	190,000	–	118,000	–	72,000	2.05	27.06.2004 to 26.06.2013
2004 Options	202,000	–	18,000	–	184,000	2.28	21.05.2005 to 20.05.2014
2005 Options	154,000	–	100,000	–	54,000	2.23	09.05.2006 to 08.05.2015
2006 Options	462,000	–	37,000	36,000	389,000	3.21	18.05.2007 to 17.05.2016
2007 Options	956,000	–	–	148,000	808,000	4.91	16.03.2008 to 15.03.2017
2008 Options	1,222,000	–	274,000	80,000	868,000	3.68	07.03.2009 to 06.03.2018
2009 Options	1,398,000	–	940,000	6,000	452,000	1.65	06.03.2010 to 05.03.2019
2010 Options	–	1,294,000	–	16,000	1,278,000	3.95	05.03.2011 to 04.03.2020
	4,626,000	1,294,000	1,505,000	286,000	4,129,000		

Out of the outstanding options for 4,478,000 (2010: 4,129,000) shares, options for 3,113,000 (2010: 2,851,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $4.82 (2010: $4.06) per share.

The fair value of options granted on 4 March 2011, determined using the Trinomial Tree Model was $1,918,000 (2010: $1,449,000). The significant inputs into the model were share price of $4.70 (2010: $3.91) at the grant date, exercise price of $4.62 (2010: $3.95), standard deviation of expected share price returns of 36.98% (2010: 36.73%), option life from 4 March 2012 to 3 March 2021 (2010: 5 March 2011 to 4 March 2020), annual risk-free interest rate of 1.23% (2010: 1.68%) and dividend yield of 2.28% (2010: 1.99%). 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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Composition:				
Share option reserve [Note (a) below]	**7,853**	5,714	**7,376**	5,479
Fair value reserve [Note (b) below]	**328,414**	435,747	**275,539**	354,026
Asset revaluation reserve [Note (c) below]	**38,118**	38,118	**–**	–
Capital reserves [Note (d) below]	**293,580**	293,580	**–**	–
Currency translation reserve [Note (e) below]	**(6,926)**	(13,387)	**–**	–
Hedging reserve [Note (f) below]	**–**	(1,767)	**–**	(1,457)
Others	**–**	–	**598**	598
	661,039	758,005	**283,513**	358,646

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**5,714**	4,200	**5,479**	4,041
Employee share option scheme:				
– Value of employee services	**1,897**	1,438	**1,897**	1,438
Share of associated company (Note 17)	**242**	76	**–**	–
At the end of the financial year	**7,853**	5,714	**7,376**	5,479

(b) Fair value reserve

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**435,747**	469,187	**354,026**	374,275
Fair value losses on available-for-sale financial assets (Note 15)	**(120,935)**	(39,900)	**(91,565)**	(26,549)
Deferred tax on fair value losses (Note 29)	**13,078**	6,300	**13,078**	6,300
	(107,857)	(33,600)	**(78,487)**	(20,249)
Less: Amount attributable to non-controlling interests	**524**	160	**–**	–
	(107,333)	(33,440)	**(78,487)**	(20,249)
At the end of the financial year	**328,414**	435,747	**275,539**	354,026

31. Reserves (continued)

(c) Asset revaluation reserve

	The Group	
	2011 **$'000**	2010 $'000
At the beginning of the financial year	**38,118**	34,930
Revaluation of property, plant and equipment prior to transfer to investment property (Note 21)	**–**	3,188
At the end of the financial year	**38,118**	38,118

The asset revaluation reserve of the Group does not take into account the surplus of $691,065,000 (2010: $615,777,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

(d) Capital reserves
Composition of capital reserves is as follows:

	The Group	
	2011 **$'000**	2010 $'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
Acquisition of associated companies (See note 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	
	2011 **$'000**	2010 $'000
At the beginning of the financial year	**(13,387)**	(10,698)
Net currency translation differences of financial statements of foreign subsidiaries and borrowings designated as hedges against foreign subsidiaries	**2,275**	356
Share of associated company (Note 17)	**4,344**	(1,308)
	6,619	(952)
Less: Amount attributable to non-controlling interests	**(158)**	(1,737)
	6,461	(2,689)
At the end of the financial year	**(6,926)**	(13,387)

31. Reserves (continued)

(f) Hedging reserve

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
At the beginning of the financial year	**(1,767)**	(1,777)	**(1,457)**	(1,479)
Fair value gains	**3,926**	1,195	**3,646**	1,635
Deferred tax on fair value gains (Note 29)	**(377)**	(1)	**(298)**	(5)
Transfer to income statement				
– Finance expense (Note 7)	**(1,712)**	(1,187)	**(1,891)**	(1,608)
	1,837	7	**1,457**	22
Less: Amount attributable to non-controlling interests	**(70)**	3	**–**	–
	1,767	10	**1,457**	22
At the end of the financial year	**–**	(1,767)	**–**	(1,457)

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	
	2011 $'000	2010 $'000
Final one-tier dividend paid in respect of the previous financial year of 10.0 cents (2010: 10.0 cents) per share	**76,734**	78,353
Special one-tier dividend paid in respect of the previous financial year of 5.0 cents (2010: nil) per share	**38,367**	–
	115,101	78,353

At the forthcoming Annual General Meeting on 19 April 2012, a final one-tier dividend of 10.0 cents per share amounting to a total of $76,825,000 and a special one-tier dividend of 5.0 cents per share amounting to a total of $38,412,000 will be recommended. These financial statements do not reflect these dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2012.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to $705,974,000 (2010: $684,300,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for the amounts of $5,140,000 (2010: $26,015,000) and $42,924,000 (2010: $43,335,000) which were denominated in United States Dollar and Malaysian Ringgit respectively.

At the end of the reporting period, the Group has given a guarantee of $7,494,000 (2010: $7,557,000) in respect of banking facilities granted to an associated company.

The directors are of the view that no material losses will arise from these contingent liabilities.

34. Commitments

(a) Financial commitments

At the end of the reporting period, the Group and the Company have the following financial commitments:

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Undrawn loan commitments	**2,500**	31,800	**43,595**	88,855

Undrawn loan commitments represent the Group's and the Company's commitment to provide the necessary funds in the form of shareholders loans to enable certain subsidiaries and associated companies to develop properties for sale and to repay bank borrowings.

(b) 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		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Expenditure contracted for:				
– property, plant and equipment	**164,286**	356,968	**–**	917
– development properties	**390,453**	512,580	**–**	–
– investment properties	**44,703**	14,039	**–**	–
– investment in an associated company	**–**	146,861	**–**	–
	599,442	1,030,448	**–**	917

(c) Operating lease commitments – where a group company is a lessee

The Group leases various premises 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		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Not later than one year	**2,722**	2,642	**161**	152
Later than one year but not later than five years	**3,449**	4,627	**–**	142
Later than five years	**5,423**	5,989	**–**	–
	11,594	13,258	**161**	294

34. Commitments (continued)

(d) 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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Not later than one year	**118,811**	112,578	**14,321**	15,402
Later than one year but not later than five years	**148,790**	146,431	**16,867**	30,329
Later than five years	**91**	2,574	**19**	2,574
	267,692	261,583	**31,207**	48,305

In addition, on 6 October 2011, the Group entered into a binding letter of offer with a non-related party to lease out an investment property under a 30-year lease for an upfront premium of $127,200,000. As at 31 December 2011, $1,272,000 has been received. The remaining upfront premium of $125,928,000 is expected to be received not later than one year from the end of the reporting period.

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 $3,165,000 (2010: $2,454,049) and $10,000 (2010: $62,000) 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 is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and United States Dollar ("USD"). As the entities in the Group transact substantially in their functional currency, the Group's exposure to currency risk is not significant.

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group has a number of investments in foreign subsidiaries and associated companies whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries and associated companies in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC") and Vietnam 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.

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	Others $'000	Total $'000
The Group							
2011							
Financial assets							
Cash and bank balances	211,824	15,091	15,078	44,195	5,909	5,261	297,358
Derivative financial instrument	754	–	–	–	–	–	754
Available-for-sale financial assets	623,398	–	–	–	–	–	623,398
Trade and other receivables	174,789	1,624	7,803	12,575	830	1,776	199,397
Other assets – deposits	14,462	80	–	96	8	86	14,732
	1,025,227	16,795	22,881	56,866	6,747	7,123	1,135,639
Financial liabilities							
Borrowings	(1,885,186)	(115,386)	(140,936)	(76,055)	(57,641)	–	(2,275,204)
Trade and other payables	(298,424)	(6,610)	(16,140)	(15,445)	(16,196)	(6,274)	(359,089)
Loans from non-controlling shareholders of subsidiaries	(42,536)	–	–	(8,181)	–	–	(50,717)
	(2,226,146)	(121,996)	(157,076)	(99,681)	(73,837)	(6,274)	(2,685,010)
Net financial (liabilities)/assets	(1,200,919)	(105,201)	(134,195)	(42,815)	(67,090)	849	(1,549,371)
Less: Net financial assets denominated in the respective entities' functional currencies	1,200,956	8,839	134,292	42,846	67,089	1,164	1,455,186
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	–	–	–	51,129	–	51,129
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	–	–	–	–	(51,129)	–	(51,129)
Currency exposure	**37**	**(96,362)**	**97**	**31**	**(1)**	**2,013**	**(94,185)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	Others $'000	Total $'000
The Group							
2010 (restated)							
Financial assets							
Cash and bank balances	250,267	14,392	23,725	14,442	4,480	5,863	313,169
Available-for-sale financial assets	726,739	–	–	–	–	–	726,739
Trade and other receivables	197,384	3,163	6,309	7,985	852	1,904	217,597
Other assets – deposits	383	72	14,286	255	21,709	61	36,766
	1,174,773	17,627	44,320	22,682	27,041	7,828	1,294,271
Financial liabilities							
Borrowings	(1,942,701)	(80,237)	–	(83,589)	(17,820)	–	(2,124,347)
Derivative financial instrument	(2,213)	–	–	–	–	–	(2,213)
Trade and other payables	(350,631)	(10,371)	(11,032)	(22,438)	(15,876)	(3,214)	(413,562)
Loans from non-controlling shareholders of subsidiaries	(58,497)	–	–	(7,771)	–	–	(66,268)
	(2,354,042)	(90,608)	(11,032)	(113,798)	(33,696)	(3,214)	(2,606,390)
Net financial (liabilities)/ assets	(1,179,269)	(72,981)	33,288	(91,116)	(6,655)	4,614	(1,312,119)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	1,177,437	24,750	(33,533)	91,153	6,655	(3,104)	1,263,358
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(125,164)	128,085	8,837	207,361	–	219,119
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	–	–	(115,015)	(8,837)	(60,500)	–	(184,352)
Currency exposure	(1,832)	(173,395)	12,825	37	146,861	1,510	(13,994)

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 USD changes against SGD by 5% (2010: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group	
	2011	2010
	Increase/ (Decrease)	Increase/ (Decrease)
	$'000	$'000
USD against SGD		
– strengthens	**(4,003)**	(7,196)
– weakens	**4,003**	7,196

The Company's revenue, purchases and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for bank borrowings of $110,197,000 (2010: $54,222,000) as at the end of the reporting period which were denominated in USD. Assuming that the USD change against SGD by 5% (2010: 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	
	2011	2010
	Increase/ (Decrease)	Increase/ (Decrease)
	$'000	$'000
USD against SGD		
– strengthens	**(4,573)**	(2,250)
– weakens	**4,573**	2,250

(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. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2011, if prices for equity securities listed in Singapore change by 10% (2010: 10%) with all other variables including tax rate being held constant, the fair value reserve will be higher/lower by $48,203,000 (2010: $55,951,000) and $35,498,000 (2010: $41,171,000) for the Group and the Company respectively.

35. Financial risk management (continued)

(a) Market risk (continued)

(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 and USD. If the SGD and USD interest rates increase/decrease by 1% (2010: 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 $11,725,000 (2010: $9,661,000) and $4,001,000 (2010: $1,851,000) 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 and loan commitments to subsidiaries and associated companies are disclosed in Note 33 and Note 34 respectively.

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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
By geographical areas				
Singapore	**154,754**	200,626	**1,193,417**	938,312
Australia	**8,417**	5,453	**614**	527
PRC	**19,543**	966	**18,713**	697
Malaysia	**12,819**	7,923	**276**	915
Vietnam	**2,169**	1,513	**910**	281
Myanmar	**930**	261	**166**	–
Others	**765**	855	**–**	–
	199,397	217,597	**1,214,096**	940,732
By operating segments				
Property development	**164,271**	188,091	**606,584**	521,017
Property investments	**8,918**	4,617	**236,460**	82,857
Hotel operations	**11,980**	10,914	**21,768**	2,237
Management services	**14,228**	13,975	**671**	740
Investments	**–**	–	**348,613**	333,881
	199,397	217,597	**1,214,096**	940,732

(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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Past due 0 to 3 months	**7,232**	5,660	**166**	48
Past due 3 to 6 months	**6,436**	1,555	**–**	1
Past over 6 months	**1,191**	535	**10**	–
	14,859	7,750	**176**	49

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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Gross amount	**430**	289	**–**	–
Less: Allowance for impairment	**(430)**	(280)	**–**	–
	–	9	**–**	–
Beginning of financial year	**280**	1,095	**–**	–
Currency translation difference	**(2)**	1	**–**	–
Allowance made/(written back)	**189**	(627)	**–**	–
Allowance utilised	**(37)**	(189)	**–**	–
End of financial year	**430**	280	**–**	–

(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 and 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
The Group				
2011				
Trade and other payables	308,361	33,944	16,656	128
Borrowings	1,309,807	225,517	818,000	–
Loans from non-controlling shareholders of subsidiaries	43,453	–	7,353	–
Financial commitments to associated companies	2,500	–	–	–
Financial guarantees for borrowings of associated companies	7,494	–	–	–
	1,671,615	259,461	842,009	128

35. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
The Group				
2010 (restated)				
Trade and other payables	360,275	37,310	11,323	4,654
Net-settled interest rate swap	2,057	–	–	–
Borrowings	766,301	878,794	571,867	–
Loans from non-controlling shareholders of subsidiaries	18,997	42,838	4,741	–
Financial commitments to associated companies	31,800	–	–	–
Financial guarantees for borrowings of associated companies	7,557	–	–	–
	1,186,987	958,942	587,931	4,654
The Company				
2011				
Trade and other payables	68,696	734	2,664	128
Borrowings	421,734	9,743	505,860	–
Financial commitments to subsidiaries and associated companies	43,595	–	–	–
Financial guarantees for borrowings of subsidiaries and associated companies	589,050	116,924	–	–
	1,123,075	127,401	508,524	128
2010				
Trade and other payables	155,296	1,164	1,866	21
Net-settled interest rate swap	1,636	–	–	–
Borrowings	484,816	252,873	–	–
Financial commitments to subsidiaries and associated companies	88,855	–	–	–
Financial guarantees for borrowings of subsidiaries and associated companies	103,115	413,850	167,335	–
	833,718	667,887	169,201	21

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.

35. Financial risk management (continued)

(d) Capital risk (continued)

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% (2010: 200%). The Group's and the Company's strategies, which were unchanged from 2010, are to maintain gearing ratios 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	
	2011	2010 (restated)	**2011**	2010
Net debt ($'000)	**2,028,563**	1,877,446	**899,488**	717,972
Total equity ($'000)	**5,528,671**	5,047,576	**2,395,465**	2,256,612
Gearing ratio	**37%**	37%	**38%**	32%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2011 and 2010.

(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).

The following table presents our assets and liabilities measured at fair value:

	Level 1 $'000	Level 2 $'000	Total $'000
2011			
The Group			
Assets			
Available-for-sale financial assets			
– Equity securities	580,765	42,633	623,398
– Derivative financial instrument	–	754	754
The Company			
Assets			
Available-for-sale financial assets			
– Equity securities	427,692	39,919	467,611
– Derivative financial instrument	–	754	754

35. Financial risk management (continued)

(e) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Total $'000
2010			
The Group			
Assets			
Available-for-sale financial assets			
– Equity securities	674,106	52,633	726,739
Liabilities			
Derivatives used for hedging	–	2,213	2,213
The Company			
Assets			
Available-for-sale financial assets			
– Equity securities	496,032	49,919	545,951
Liabilities			
Derivatives used for hedging	–	1,756	1,756

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 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 uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of unquoted available-for-sale financial assets is calculated using the net asset value method. These investments are included in Level 2. The Group has no investments in Level 3 where valuation techniques were used based on significant unobservable inputs.

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 for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

There are no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2011 and 2010.

35. Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15 and Note 26 to the financial statements, except for the following:

	Group		Company	
	2011	2010 (restated)	**2011**	2010
	$'000	$'000	**$'000**	$'000
Loans and receivables	**511,487**	567,532	**1,220,625**	942,459
Financial liabilities at amortised cost	**2,685,010**	2,604,177	**978,225**	878,046

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	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Transactions with directors and their associates				
Proceeds from sale of development properties	**35,938**	10,285	**–**	–
Rental received	**2,092**	2,019	**309**	316
Transactions with associated companies				
Fees received for management of development properties	**431**	664	**–**	–
Fees received for management of hotels	**7,956**	6,782	**–**	–
Fees received for operation of spas	**594**	493	**–**	–
Accounting and corporate secretarial fee received	**339**	224	**120**	120
Commission received	**547**	264	**–**	–
Interest receivable on loan to associated companies	**1,067**	922	**54**	744
Purchase of computers	**352**	526	**98**	442
Expenses for hotel and function room facilities	**211**	–	**–**	–
Transactions with non-controlling shareholders of subsidiaries with significant influence				
Proceeds from sale of development properties	**16,749**	827	**–**	–
Payment of development costs	**9,261**	38,471	**–**	–
Commission paid	**–**	197	**–**	–

36. Related party transactions (continued)

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2011	2010
	$'000	$'000
Salaries and other short-term employee benefits	**4,376**	4,452
Directors' fees	**993**	1,012
Post-employment benefits – contribution to CPF	**33**	29
Share options granted	**354**	309
	5,756	5,802

Total compensation to directors of the Company included in above amounted to $3,271,000 (2010: $3,285,000).

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.

The Exco considers the operations from both a business and geographic segment perspective. The Group's four key business segments operate in various geographical areas. The property development and property investment activities of the Group are concentrated in Singapore with some ongoing development projects in Malaysia and People's Republic of China ("PRC").

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's investments segment relates to the investments in equity shares in Singapore.

The Group also provides management services to companies and hotels in Singapore and overseas. These operations 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 2011 is as follows:

	Property development	Property investments	Hotel operations			Investments	Others	Total
			Singapore	Australia	Others			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
Adjusted EBITDA	457,409	231,527	37,578	30,593	37,198	26,064	9,913	830,282
Depreciation and amortisation	(91)	(3,796)	(10,263)	(10,706)	(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
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)
Segment assets	1,817,680	4,680,462	688,291	318,751	336,342	631,958	35,944	8,509,428
Unallocated assets								14,996
Total assets								8,524,424
Total assets include:								
Investment in associated companies	255,890	1,969,609	32,492	–	6,874	–	110	2,264,975
Additions during the financial year to:								
– property, plant and equipment	–	25,471	50,094	157,840	13,704	–	1,188	248,297
– investment properties	–	296,694	–	–	–	–	–	296,694
– intangibles	73	594	598	736	972	–	236	3,209
Segment liabilities	474,452	550,152	215,749	181,618	48,498	291,364	4,495	1,766,328
Unallocated liabilities								1,229,425
Total liabilities								2,995,753

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2010 is as follows:

	Property development	Property investments	Hotel operations Singapore	Hotel operations Australia	Hotel operations Others	Investments	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
Adjusted EBITDA	310,986	348,279	26,774	26,817	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
Share of profit of associated companies	152,923	242,111	4,529	–	1,127	–	–	400,690
Segment assets	1,907,026	4,107,069	583,445	187,618	344,956	732,760	32,952	7,895,826
Unallocated assets								8,162
Total assets								7,903,988
Total assets include:								
Investment in associated companies	256,222	1,823,893	29,243	–	7,328	–	66	2,116,752
Additions during the financial year to:								
– property, plant and equipment	–	30,914	37,251	7,171	6,385	–	458	82,179
– investment properties	–	2,961	–	–	–	–	–	2,961
– intangibles	44	230	1,584	497	1,307	–	2,475	6,137
Segment liabilities	743,405	485,605	304,722	11,143	30,223	288,258	9,824	1,873,180
Unallocated liabilities								983,232
Total liabilities								2,856,412

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.

37. Group segmental information (continued)

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2011 $'000	2010 (restated) $'000
Adjusted EBITDA for reportable segments	**830,282**	780,895
Depreciation and amortisation	**(45,112)**	(43,303)
Other (losses)/gains	**(19,731)**	50,790
Fair value gains on investment properties	**187,222**	134,863
Unallocated costs	**(11,832)**	(10,489)
Finance income	**2,768**	3,512
Finance expense	**(39,233)**	(26,488)
Profit before income tax	**904,364**	889,780

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.

	2011 $'000	2010 (restated) $'000
Segment assets for reportable segments	**8,509,428**	7,895,826
Unallocated:		
Cash and bank balances	**6,525**	1,728
Derivative financial instruments	**754**	–
Receivables and other assets	**1,353**	319
Current income tax assets	**–**	904
Property, plant and equipment	**879**	767
Intangibles	**1,147**	793
Deferred income tax assets	**4,338**	3,651
	8,524,424	7,903,988

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.

	2011	2010 (restated)
	$'000	$'000
Segment liabilities for reportable segments	**1,766,328**	1,873,180
Unallocated:		
Other payables	**15,437**	13,837
Current income tax liabilities	**94,988**	61,494
Borrowings	**906,003**	719,699
Derivative financial instruments	**–**	2,213
Deferred income tax liabilities	**212,997**	185,989
	2,995,753	2,856,412

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 six 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.

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 Malaysia and PRC.

	Revenue	
	2011	2010 (restated)
	$'000	$'000
Singapore	**1,595,528**	1,119,671
Australia	**129,569**	103,531
Vietnam	**27,279**	33,847
Malaysia	**158,670**	45,786
PRC	**33,918**	32,678
Myanmar	**12,573**	9,664
Others	**2,697**	3,880
	1,960,234	1,349,057

37. Group segmental information (continued)

	Non-current assets	
	2011	2010 (restated)
	$'000	$'000
Singapore	**5,613,743**	5,077,259
Australia	**293,997**	144,716
Vietnam	**48,195**	43,268
Malaysia	**171,337**	158,986
PRC	**388,167**	222,987
Myanmar	**6,478**	6,959
Others	**167**	49
	6,522,084	5,654,224

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 2011 and 2010.

38. Business Combination

The Group completed the acquisition of a 100% interest in Hilton Melbourne Airport Hotel in Australia on 1 April 2011. The hotel was rebranded PARKROYAL Melbourne Airport. The principal activity of PARKROYAL Melbourne Airport is that of a hotelier. As a result of the acquisition, the Group is expected to enhance greater brand awareness to expand its operations in Australia, alongside its other hotels in Sydney and Perth.

Details of the consideration paid and the assets acquired, at the acquisition date, are as follows:

		$'000
(a)	Purchase consideration	
	Cash paid	141,474
	Consideration transferred for the business	**141,474**
(b)	Effect on cash flows of the Group	
	Cash paid (as above)	141,474
	Cash outflow on acquisition	**141,474**

		At fair value $'000
(c)	Identifiable assets acquired and liabilities assumed	
	Property, plant and equipment (Note 21)	146,021
	Contract acquisition costs (included in intangibles) [Note 22(c)]	325
	Total assets	146,346
	Finance lease liabilities	4,872
	Total liabilities	4,872
	Total identifiable net assets	**141,474**
	Consideration transferred for the business	**141,474**

38. Business Combination (continued)

(d) Acquisition-related costs

Acquisition-related costs of $8,143,000 are shown in 'Other (losses)/gains' 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 $22,086,000 and net loss of $9,952,000 to the Group, inclusive of the acquisition related costs of $8,143,000 [Note (d) above], from the period from 1 April 2011 to 31 December 2011.

Had the results of PARKROYAL Melbourne Airport been consolidated from 1 January 2011, consolidated revenue and consolidated profit for the year ended 31 December 2011 would have been $1,968,222,000 and $782,893,000 respectively.

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 2012 or later periods and which the Group has not early adopted:

- Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)

- FRS 111 – Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)

The management anticipates that the adoption of the above FRS and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption, except for the amendments to FRS 12, of which the effects are disclosed below:

The amendment introduces a presumption that an investment property is recovered entirely through sale. Accordingly, unless the presumption is rebutted, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Previously, the Group and the Company had recognised deferred tax liability on its investment properties on the basis through use.

The Group and the Company will apply this amendment from 1 January 2012. In accordance with the amendment, the deferred tax liabilities on the Group's and the Company's investment properties will be recognised on the basis of recovery through sale. The Group and the Company will reverse approximately $56,097,000 and $5,241,000 of deferred tax liabilities against their retained earnings respectively on adoption of the amendment to FRS 12. In addition, it is expected that a significant associated company will make similar FRS 12 adjustments and the Group's share of the associated company's reversal of deferred tax liability against its retained profits amounts to approximately $157,853,000.

40. 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 2012.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2011

The Company is committed in its continuing efforts to achieve high standards of corporate governance and business conduct so as to enhance long-term shareholder value and safeguard the interests of its stakeholders. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance 2005 ("Code").

This report sets out the corporate governance practices that have been adopted by the Company with specific reference to the principles of the Code, as well as any deviation from any guideline of the Code together with an explanation for such deviation.

STATEMENT OF COMPLIANCE

The Board of Directors (the "Board") of the Company confirms that for the financial year ended 31 December 2011, the Company has generally adhered to the principles and guidelines as set out in the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The principal responsibilities of the Board are:

1. reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;
2. monitoring financial performance including approval of the annual and interim financial reports;
3. overseeing and reviewing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
4. approving major funding proposals, investments, acquisitions and divestment proposals;
5. planning board and senior management succession and the remuneration policies; and
6. assuming responsibility for corporate governance.

To facilitate effective management, certain functions of the Board have been delegated to various board committees, which review and make recommendations to the Board on specific areas. There are currently four standing board committees appointed by the Board, namely:

Executive Committee
Nominating Committee
Remuneration Committee
Audit Committee

The membership and attendance of the Directors for the four standing board committees are set out on page 165.

The Board has conferred upon the Executive Committee ("EXCO") and Group Chief Executive ("GCE") certain discretionary limits and powers for capital expenditure, budgeting, treasury and investment activities and human resource management. The levels of authorisation required for specified transactions are set out in a Charter adopted by the Board.

The EXCO and GCE are assisted by the management team ("Management") in the daily operations and administration of the Group's business activities and the effective implementation of the Group's strategies. The GCE in turn issues a chart of authority and limits for capital expenditure, budgets, investment and other activities for Management's compliance.

In addition to the GCE, the key personnel leading the management team are the President (Property) ("President") and the Chief Financial Officer ("CFO"). The President and CFO have no familial relationship with each other, the Chairman or the GCE.

The EXCO currently comprises four members, namely:

Wee Cho Yaw, Chairman
Gwee Lian Kheng
Alan Choe Fook Cheong
Wee Ee-chao

The EXCO is chaired by the Chairman of the Board and has been given certain authority and functions such as the formulation and review of policies, approval of investments, overall planning and review of strategy as well as dealing with business of an urgent, important or extraordinary nature whilst the GCE is responsible for the day-to-day operations and administration of the Group.

At the Board meetings, the Directors not only review the financial performance of the Company, but also participate in discussions of matters relating to corporate governance, business operations, risks and transactions undertaken by the Company.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association ("Articles") allow a board meeting to be conducted by way of telephonic and video-conferencing. The attendance of Directors at meetings of the Board and board committees, as well as the frequency of such meetings, are disclosed on page 165.

New Directors are provided with information on the corporate background, the key personnel, the core businesses, the group structure, financial statements of the Group and their scope of duties and responsibilities. They are also briefed on the Group's businesses and operations. All Directors are appointed to the Board by way of a formal letter of appointment. Guidance is also given to all Directors on regulatory requirements concerning disclosure of interests and restrictions on dealings in securities. Training is made available to Directors on the Company's business and governance practices, updates/developments in the regulatory framework and environment affecting the Company including those organised by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Institute of Directors. This aims to give Directors better understanding of the Group's businesses and allows them to integrate into their roles and duties.

Principle 2: Board Composition and Guidance
Currently, five of the nine-member Board are independent including Wee Sin Tho who was appointed as an independent, non-executive Director on 13 May 2011. James Koh Cher Siang will be resigning with effect from 1 April 2012 and thereafter, there will be four independent directors out of the eight-member Board.

With more than one-third of the Board comprising independent directors and such independent directors having the requisite experience, expertise and standing, the Board is able to exercise objective judgment independently, and no individual or small group of individuals dominate the Board's decision-making process.

The Articles allow for the maximum of twelve Directors. The Board considers the current board size to be appropriate, taking into account the nature and scope of the Group's operations.

The current Board comprises persons who possess diverse corporate experiences and as a group, the relevant qualifications and experience and core competencies necessary to manage the Company and contribute effectively to the Company.

Principle 3: Chairman and GCE
The Company has a separate Chairman and GCE as it believes that a distinctive separation of responsibilities between the Chairman and GCE will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making in the best interest of the Company and its shareholders. The Chairman and GCE have no familial relationship with each other. The GCE has the executive responsibility for the overall administration of the Group. On the other hand, the Chairman provides leadership to the Board. He sets the meeting agenda in consultation with the GCE and ensures that Directors are provided with accurate, timely and clear information.

Principle 4: Board Membership
The Nominating Committee ("NC") currently comprises three non-executive Directors of whom two are independent. The NC members are:

Alan Choe Fook Cheong, Chairman
Wee Cho Yaw
Low Weng Keong (appointed on 11 August 2011)

The NC is responsible for re-nomination of Directors at regular intervals and at least every three years. In recommending to the Board any re-nomination and re-election of existing Directors, the NC takes into consideration the Directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

The independence of the Board is also reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The independent non-executive Directors are Alan Choe Fook Cheong, Low Weng Keong, James Koh Cher Siang (resigned with effect from 1 April 2012), Pongsak Hoontrakul and Wee Sin Tho. Each NC member has abstained from deliberations in respect of his own assessment.

Alan Choe Fook Cheong is a non-executive director of The LearningLab Education Centre Pte Ltd, which is a tenant of United Square (owned by UOL Property Investments Pte Ltd, a wholly-owned subsidiary of the Company) from whom rental proceeds exceeding S$200,000 in the year 2011 were received. The NC, with Alan Choe abstaining, regards Alan Choe as an independent Director because he is able to maintain his objectivity and independence at all times in the discharge of his duties as Director of the Company.

Where a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

Directors of or over 70 years of age are required to be re-appointed every year at the Annual General Meeting ("AGM") under Section 153(6) of the Companies Act before they can continue to act as a Director. The NC, with each member abstaining in respect of his own re-appointment, has recommended to the Board that Wee Cho Yaw, Gwee Lian Kheng and Alan Choe Fook Cheong who are over 70 years of age, be nominated for re-appointment at the forthcoming AGM.

Article 94 of the Articles also require one-third of the Directors, or the number nearest to one-third, to retire from office by rotation at every AGM. These Directors may offer themselves for re-election if eligible. The NC has recommended that Wee Ee-chao and Wee Ee Lim who retire by rotation pursuant to this Article, be nominated for re-election as well.

The NC recommends all appointments and re-appointments of Directors to the Board. New directors are appointed by way of a board resolution after the NC recommends their appointment for approval of the Board. New directors thus appointed by way of board resolution must submit themselves for re-election at the next AGM pursuant to Article 99 of the Articles. During the year, the NC had recommended the appointment of a new Director, Wee Sin Tho. The NC has recommended that the new Director, who retires pursuant to this Article, be nominated for re-election as well.

The NC makes recommendations to the Board on all board appointments. The search and nomination process for new directors (if any) will be conducted through contacts and recommendations that go through the normal selection process, to ensure the search for the right candidates is as objective and comprehensive as possible.

Key information regarding the Directors' academic qualifications and other appointments are set out on pages 166 to 167. In addition, information on shareholdings in the Company held by each Director is set out in the "Report of the Directors" section of the Annual Report.

Principle 5: Board Performance

The NC has assessed the contributions of each Director to the effectiveness of the Board and evaluated the performance of the Board as a whole. In evaluating the performance of the Board as a whole, the NC has adopted certain quantitative indicators which include return on equity, return on assets and the Company's share price performance. These performance criteria allow the Company to make comparisons with its industry peers and are linked to long-term shareholder value. For consistency in assessment, the selected performance criteria are not changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the NC, in its consultation with the Board will justify such changes.

Principle 6: Access to Information
Currently, Directors receive regular financial and operational reports on the Group's businesses and briefings during its quarterly Board meetings. In addition, management reports comparing actual performance with budget, highlighting key performance indicators, as well as accounts and reports on the financial performance of the Group are also provided. During the quarterly Board meetings, key Management staff who are able to explain and provide insights to the matters to be discussed at the Board meetings are invited to make the appropriate presentations and answer any queries from Directors. Directors who require additional information may approach senior Management directly and independently.

Under the direction of the Chairman, the Company Secretaries are responsible for ensuring good information flow within the Board and its committees and between senior Management and non-executive Directors, as well as facilitating orientation and assisting with professional development as required.

Directors have separate and independent access to the advice and services of the Company Secretaries and may, either individually or as a group, in the furtherance of their duties and where necessary, obtain independent professional advice at the Company's expense.

The Company Secretaries attend all Board meetings and ensure that all Board procedures are followed. The Company Secretaries, together with Management, ensure that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and Committee meetings are circulated to the Board. The appointment and removal of the Company Secretaries are subject to the approval of the Board as a whole.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
The Remuneration Committee ("RC") currently comprises three non-executive Directors of whom two are independent. The RC members are:

Alan Choe Fook Cheong, Chairman (appointed as Chairman on 11 August 2011)
Wee Cho Yaw
Wee Sin Tho (appointed on 11 August 2011)

The RC is currently chaired by an independent Director. The RC is responsible for ensuring a formal procedure for developing policy on executive remuneration and for fixing the remuneration packages for Directors and senior Management. The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including without limitation, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. It also administers the UOL 2000 Share Option Scheme (expired in May 2011) and such other incentive schemes as may be approved by shareholders from time to time. None of the RC members are involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to themselves.

The RC members are familiar with executive remuneration/compensation matters as they manage their own businesses and/or are holding other directorships in the boards of other listed companies. The RC has access to appropriate expert advice if necessary.

Principle 8: Level and Mix of Remuneration
In determining remuneration packages, the RC takes into consideration industry practices and norms in compensation.

In relation to Directors, the performance-linked elements of the remuneration package for executive Directors are designed to align their interests with those of shareholders. For non-executive Directors, their remuneration is appropriate to their level of contribution, taking into account factors such as effort and time spent as well as their respective responsibilities.

The Board recommends the fees to be paid to Directors for shareholders' approval annually. The fees are divided on the basis that Directors with additional duties as members or chairmen of board committees would receive a higher portion of the total fees.

Gwee Lian Kheng, the only executive Director of the Company, has an employment contract with the Company which may be terminated by either party giving 3 months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and share options of the Company.

The RC reviews and makes recommendations to the Board on Directors' fees and allowances. RC members abstain from deliberations in respect of their own remuneration. Details of the total fees and other remuneration of the Directors are set out in the Remuneration Report on page 168. Details of the share options granted to Gwee Lian Kheng, the only executive Director of the Company, during the year are also disclosed on pages 63 and 64.

Principle 9: Disclosure on Remuneration
In relation to employees of the Group, the remuneration policy of the Company seeks to align the interests of such employees with those of the Company as well as to ensure that remuneration is commercially attractive to attract, retain and motivate employees. The typical remuneration package comprises both fixed and variable components, with a base salary making up the fixed component and a variable component in the form of a performance bonus and/or share options. The report on the remuneration of the top six key executives (who are not Directors) of the Company is disclosed on page 168.

Details of the UOL 2000 Share Option Scheme are disclosed on pages 63 to 65.

Except as disclosed on page 168, no employee who is an immediate family member of a Director was paid more than S$150,000 during FY2011. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability
The Company announces in advance when quarterly and annual financial results will be released and ensures the financial results are released to its shareholders in a timely manner.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including interim and other price sensitive public reports and reports to regulators, if required.

Management provides to members of the Board for their endorsement, annual budgets and targets, and management accounts which present a balanced and understandable assessment of the Company's performance, position and prospects on a regular basis.

Principle 11: Audit Committee ("AC")
The AC comprises three members, with the members having many years of related accounting and financial management expertise and experience, and all of whom are non-executive Directors. The AC members are:

Low Weng Keong (appointed as Chairman on 15 July 2011)
Alan Choe Fook Cheong
Wee Ee Lim (appointed on 15 July 2011)

The AC carries out the functions set out in the Code and the Companies Act. The terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost effectiveness, independence and objectivity of the external auditors and interested person transactions.

In performing the functions, the AC has met with the internal and external auditors, without the presence of Management, at least annually and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

The AC has reviewed and is satisfied with the independence and objectivity of the external auditors and recommends to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment.

The Audit Committee Guideline Committee issued the Guidebook for Audit Committee in Singapore in October 2008 ("AC Guidebook") and the AC Guidebook had been disseminated to the members of the AC for their reference.

The Company has in place a Code of Business Conduct ("CBC") which was adopted in 2006. The CBC is disseminated to the employees who are required to affirm their compliance with the CBC annually. The CBC contains, inter alia, a whistle-blowing policy to encourage and provide a channel to employees to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

Principle 12: Internal Controls
The Board recognises the importance of sound internal controls and risk management practices as part of good corporate governance. The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investments and the assets of the Group. The AC, with the assistance of internal and external auditors, has reviewed, and the Board is satisfied with, the adequacy of such controls, including financial, operational and compliance controls established by Management.

The Group has in place various guidelines and strategies to manage risks and safeguard its businesses.

This includes the enterprise-wide risk management programme ("ERM Programme") for the Group which was introduced in 2009 in consultation with KPMG LLP and which the Group is continually cascading down to its businesses and operations. The ERM Programme which consolidates the Group's risk management practices in an enterprise-wide framework would enable Management to have a formal structure to:-

(i) establish and evaluate the risk appetite of the Group,
(ii) identify the key risks which the Group faces and the current controls and strategies for the Group to manage and/or mitigate these risks,
(iii) assess the effectiveness of the current controls and strategies and determine if further risk treatment plans are needed in line with best practices, and
(iv) set up and monitor key risk indicators ("KRIs") so that Management can evaluate and respond to risks that have a material impact on the Group's businesses and operations as and when they arise and take mitigating steps as necessary.

This ERM Programme is in line with the best practices highlighted in the AC Guidebook.

Key Management staff had actively participated in the ERM Programme and they have acquired an adequate understanding of ERM concepts, methodologies and tools to enable them to perform risk management functions in their respective areas of work. Further, the Group has set up a Group ERM Committee comprising senior members of the Management team to oversee the direction, implementation and running of the ERM Programme and the Group ERM Committee reports to the AC on the ERM Programme.

Concurrently, the ERM Programme is being implemented at its listed subsidiary Pan Pacific Hotels Group Limited and its group companies and the risk findings and controls of the Pan Pacific Hotels Group are also consolidated and reviewed at the UOL Group level.

Management will continually review the key risks, both existing and emerging, current controls and the KRIs on a regular basis and take necessary measures to address and mitigate any new key risks that may have arisen. Management will continue to reinforce the "risk-aware" culture within the Group and to progressively cascade the ERM Programme down to all levels of the Group's businesses and operations. The AC will be updated half-yearly or more frequently as needed, on the progress of the ERM Programme including the key risks and risk management controls and treatment plans by Management.

Management believes that the above measures will ensure that the ERM Programme is a cohesive and comprehensive one which employees of the Group will collectively participate in and contribute to in order to enhance the Group's internal controls. The ERM Programme is intended to ensure that the Group has a system to deal with current and evolving risks so that the Group will stay on a sustainable growth path in the long term.

The key risks identified can be broadly grouped as operational risks, financial risks and investment risks.

Operational Risks
The Group's operational risk framework is designed to ensure that operational risks are continually identified, managed and mitigated. This framework is implemented at each operating unit and in the case of the Group's hotels, is monitored at the Group level by the Group's asset management team. In the case of the Group's development projects, these are subject to operating risks that are common to the property development industry and to the particular countries in which the projects are situated. In the case of the Group's investment and hotel properties, these are subject to operating risks that are common to the property and hotel industries and to the particular countries in which the investment and hotel properties are situated. It is recognised that risks can never be entirely eliminated and the Group must always weigh the cost and benefit in managing the risks. As a tool to transfer and/or mitigate certain portions of risks, the Group also maintains insurance covers at levels determined to be appropriate taking into account the cost of cover and risk profiles of the businesses in which it operates. Complementing the Management's role is the internal audit which provides an independent perspective on the controls that help to mitigate major operational risks. Management reviews and implements further improvements to the current measures as and when these improvements are identified from the ERM Programme.

Financial Risks
The Group is exposed to a variety of financial risks, including interest rates, foreign currency, credit and liquidity risks. The management of financial risks is outlined under Note 35 of the Notes to the Financial Statements.

Investment Risks
The Board and EXCO have overall responsibility for determining the level and type of business risk the Group undertakes. The Group has a dedicated Investment Department that evaluates all new investment opportunities on the bases and investment criteria set out by the Board and EXCO. All major investment proposals are submitted to the EXCO and the Board, as the case may be, for approval. Ongoing performance monitoring and asset management of new and existing investments are performed by the Group. In addition, Management will continually determine under the ERM Programme, if further measures could be implemented to monitor, analyse and to the extent possible, mitigate the respective country risks in respect of which current and future investment projects are located.

Principle 13: Internal Audit
The Deputy General Manager (Group Internal Audit) has a primary direct reporting line to the AC, with administrative reporting to the GCE.

The Internal Audit Department aims to meet or exceed the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Internal Audit function is adequately resourced and has appropriate standing within the Group. The Deputy General Manager (Group Internal Audit), who joined the Group in October 1997, holds a Bachelor of Accountancy (Honours) Degree from the Nanyang Technological University. He is also a non-practising member of the Institute of Certified Public Accountants of Singapore and a Member of the Institute of Internal Auditors (Singapore).

The AC has reviewed and is satisfied with the adequacy of the Internal Audit function.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders
Principle 15: Greater Shareholder Participation

The Group engages in regular, effective and fair communication with its shareholders through the quarterly release of the Group's results, the timely release of material information through the SGXNET of SGX-ST and the publication of the Annual Report. Shareholders and investors can also access information on the Company at its website at www.uol.com.sg. Further, the Company's Investor Relations team engages the investment community through regular dialogues and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate development and financial performances.

The Company also encourages greater shareholder participation at its annual general meetings and allows shareholders the opportunity to communicate their views on various matters affecting the Company. The Articles allow a shareholder of the Company to appoint up to two proxies to attend and vote in his or her place at general meetings. The Chairpersons of the EXCO, NC, RC and AC, as well as senior Management are present and available to address questions at general meetings. The external auditors are also present to address any shareholders' queries on the conduct of audit and the preparation of the Auditors' Report.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle as regards "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

In line with its communications with shareholders, as and when briefings on the Company's performance and financial results are conducted for analysts and the media, the Company will also disclose the presentation materials on SGXNET.

A more detailed discussion on the Company's Stakeholders Communications is found on page 44 of the Annual Report.

DEALINGS IN SECURITIES

In line with Listing Rule 1207(19) on Dealings in Securities, the Company issues annually, with such updates as may be necessary from time to time, a circular to its Directors, officers and employees prohibiting dealings in listed securities of the Group from two weeks to one month, as the case may be, before the announcement of the Group's quarterly and full-year financial results and ending on the date of announcement of the results, or at any time they are in possession of unpublished material price sensitive information.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Number of meetings attended in 2011				
Name Of Director	BOARD	EXCO	AC	RC	NC
Wee Cho Yaw	4	1	–	1	3
Gwee Lian Kheng	4	1	–	–	–
Alan Choe Fook Cheong	4	1	4	1	3
Low Weng Keong (appointed NC member on 11 August 2011)	4	–	4	–	–
Wee Ee-chao	3	1	–	–	–
Wee Ee Lim (appointed AC member on 15 July 2011)	4	–	2	–	–
Wee Sin Tho (appointed on 13 May 2011)	2	–	–	–	–
James Koh Cher Siang (resignation with effect from 1 April 2012)	4	–	–	–	–
Pongsak Hoontrakul	4	–	–	–	–
Lim Kee Ming (retired with effect from 19 April 2011)	1	–	1	1	1
Number of meetings held in 2011	4	1	4	1	3

PARTICULARS OF DIRECTORS

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-appointed/ re-elected	Board appointment Executive/ Non-executive Independent/ Non-independent
Wee Cho Yaw Chinese high school; Honorary Doctor of Letters, National University of Singapore	82	EXCO – Chairman RC – Member NC – Member	23.04.1973 19.04.2011	Non-executive Non-independent
Gwee Lian Kheng Bachelor of Accountancy (Hons), University of Singapore; Fellow Member of Chartered Institute of Management Accountants, Association of Chartered Certified Accountants and Institute of Certified Public Accountants of Singapore	71	EXCO – Member	20.05.1987 19.04.2011	Executive Non-independent
Alan Choe Fook Cheong Bachelor of Architecture, University of Melbourne; Diploma in Town & Regional Planning, University of Melbourne; Fellowship Diploma, Royal Melbourne Institute of Technology; Fellow of Singapore Institute of Architects, Singapore Institute of Planners, and Royal Australian Institute of Architects; Member of Royal Institute of British Architects, Royal Town Planning Institute, Royal Australian Planning Institute and American Planning Association	80	EXCO – Member AC – Member RC – Chairman NC – Chairman	28.03.1979 19.04.2011	Non-executive Independent
Low Weng Keong Life Member of CPA Australia, Fellow of Institute of Chartered Accountants in England & Wales and Institute of Certified Public Accountants of Singapore; Associate Member of Chartered Institute of Taxation (UK)	59	AC - Chairman NC - Member	23.11.2005 21.04.2010	Non-executive Independent
Wee Ee-chao Bachelor of Business Administration, The American University, Washington DC, USA	57	EXCO – Member	09.05.2006 28.04.2009	Non-executive Non-independent

PARTICULARS OF DIRECTORS (continued)

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-appointed/ re-elected	Board appointment Executive/ Non-executive Independent/ Non-independent
Wee Ee Lim Bachelor of Arts (Economics), Clark University, USA	50	AC - Member	09.05.2006 28.04.2009	Non-executive Non-independent
Wee Sin Tho Bachelor of Social Sciences (Hons), National University of Singapore	63	RC - Member	13.05.2011	Non-executive Independent
James Koh Cher Siang (resigned with effect from 1 April 2012) Bachelor of Arts (Hons) in Philosophy, Political Science and Economics; Master of Arts from University of Oxford, UK; Master in Public Administration, Harvard University, USA	65	Nil	23.11.2005 19.04.2011	Non-executive Independent
Pongsak Hoontrakul Doctoral degree in Business Administration, Finance, Thammasat University; Master in Business Administration, Sasin Institute, Chulalongkorn University; Bachelor of Science degree in Industrial and System Engineering, San Jose State University, USA	51	Nil	21.05.2008 19.04.2011	Non-executive Independent

Notes :
1) Directors' shareholdings in the Company and related corporations, please refer to pages 62 and 63.
2) Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding 3 years, please refer to pages 20 to 23.

REMUNERATION REPORT

Remuneration of Directors

The following table shows a breakdown (in percentage terms) of the remuneration of Directors and details of share options granted to Directors for the year ended 31 December 2011:

Remuneration Bands	Salary %	Bonuses %	Directors' fees %	Share Option Grants[1] %	Defined Contribution Plans %	Others %	Total Remuneration %	Share Option Grants[2] Number
\$2,250,000 to \$2,500,000								
Gwee Lian Kheng	28	62	3	6	–	1	100	100,000
Below \$250,000								
Wee Cho Yaw	–	–	100	–	–	–	100	–
Alan Choe Fook Cheong	–	–	100	–	–	–	100	–
Low Weng Keong	–	–	100	–	–	–	100	–
Wee Ee-chao	–	–	100	–	–	–	100	–
Wee Ee Lim	–	–	100	–	–	–	100	–
Wee Sin Tho	–	–	100	–	–	–	100	–
James Koh Cher Siang[3]	–	–	100	–	–	–	100	–
Pongsak Hoontrakul	–	–	100	–	–	–	100	–
Lim Kee Ming[4]	–	–	100	–	–	–	100	–

1 Fair value of share options is estimated using the Trinomial Tree model at date of grant.
2 Refers to options granted on 4 March 2011 under the UOL 2000 Share Option Scheme to subscribe for ordinary shares in the capital of the Company. The options may be exercised at any time during the option period from 4 March 2012 to 3 March 2021 at the offer price of S\$4.62 per ordinary share.
3 Resigned with effect from 1 April 2012.
4 Retired on 19 April 2011.

Gwee Lian Kheng, an executive director of the Company, has an employment contract with the Company which may be terminated by either party giving three months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and share options of the Company.

Details of the UOL 2000 Share Option Scheme can be found under the "Report of the Directors" section of this Annual Report.

Remuneration of Key Employees

The remuneration[1] of the top six key employees of the Group (who are not directors) is analysed into the respective remuneration bands as follows:

\$1,750,000 to \$2,000,000
President and CEO, Pan Pacific Hotels Group Limited ("PPHG")

\$1,250,000 to \$1,500,000
President (Properties), UOL Group Limited ("UOL")

\$500,000 to \$750,000
Chief Financial Officer, UOL
Senior Vice President, Hotel Operations, PPHG
Senior Vice President, Marketing and Sales, PPHG
Senior Vice President, Human Capital & Development, PPHG

1 Included in the remuneration is the value of share options granted during the year (if any) under the UOL 2000 Share Option Scheme. Fair value of share options is estimated using the Trinomial Tree model.

Remuneration of an immediate family member of a director

The remuneration of an employee who is the daughter of Wee Cho Yaw and sister of Wee Ee-chao and Wee Ee Lim is as follows:

\$250,000 to \$500,000
Executive Director, Asset Management, PPHG

Except as disclosed above, there were no employees of the Company and its subsidiaries who are immediate family members of a Director or the CEO and whose remuneration exceeded \$150,000 during the financial year ended 31 December 2011.

INTERESTED PERSON TRANSACTIONS

For the year ended 31 December 2011

Name of interested person	**Aggregate value of all interested person transactions during the financial year under review** (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) $'000
Directors and their associates:	
1 Rental and service income received	506
2 Joint marketing fees received from Nassim Park Developments Pte. Ltd., a joint venture with an interested person and a third party	223
3 Fees received from United Venture Development (Bedok) Pte. Ltd., a joint venture with an interested person	
- Joint marketing fees	323
- Project management fees	900
4 Investment in and provision of loan to United Venture Development (Bedok) Pte. Ltd., a joint venture with an interested person	71,744

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 36 (Related Party Transactions) of the Notes to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Group Chief Executive (as defined in the SGX-ST Listing Manual), each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting entered into since the end of the previous financial year.

SHAREHOLDING STATISTICS

As at 27 February 2012

Class of shares : Ordinary shares
Voting rights : One vote per share

SIZE OF SHAREHOLDINGS

Range	No. of shareholders	%	No. of shares	%
1 -999	14,634	54.72	2,573,104	0.33
1,000 -10,000	10,019	37.47	33,308,389	4.34
10,001 -1,000,000	2,059	7.70	95,653,502	12.45
1,000,001 AND ABOVE	29	0.11	636,793,159	82.88
Total:	**26,741**	**100.00**	**768,328,154**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of shareholders	%	No. of shares	%
Singapore	23,070	86.27	753,331,618	98.05
Malaysia	3,128	11.70	12,703,925	1.65
Others	543	2.03	2,292,611	0.30
Total:	**26,741**	**100.00**	**768,328,154**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name	No. of shares	%
1.	C Y WEE & CO PTE LTD	106,562,587	13.87
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	85,218,672	11.09
3.	WEE INVESTMENTS PTE LTD	80,535,090	10.48
4.	TYE HUA NOMINEES (PTE) LTD	74,345,209	9.68
5.	DBS NOMINEES PTE LTD	73,312,998	9.54
6.	DBSN SERVICES PTE LTD	63,016,158	8.20
7.	UNITED OVERSEAS BANK NOMINEES PTE LTD	59,980,423	7.81
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	42,811,933	5.57
9.	RAFFLES NOMINEES (PTE) LTD	10,748,276	1.40
10.	BNP PARIBAS SECURITIES SERVICES	4,111,576	0.54
11.	KAH MOTOR CO SDN BHD	3,398,345	0.44
12.	UOB KAY HIAN PTE LTD	3,053,144	0.40
13.	HO HAN LEONG CALVIN	2,763,860	0.36
14.	DB NOMINEES (S) PTE LTD	2,530,201	0.33
15.	KWEE SIU MIN @ SUDJASMIN KUSMIN OR DIANAWATI TJENDERA	2,390,000	0.31
16.	DOMITIAN INVESTMENT PTE LTD	2,259,000	0.29
17.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,252,063	0.29
18.	SUNRISE TEXTILE ACCESSORIES (PTE.) LTD	2,168,000	0.28
19.	MERRILL LYNCH (SINGAPORE) PTE LTD	2,036,240	0.27
20.	NGEE ANN DEVELOPMENT PTE LTD	2,000,000	0.26
	Total	**625,493,775**	**81.41**

Based on information available to the Company as at 27 February 2012, approximately 53% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

SHAREHOLDING STATISTICS (CONTINUED)

As at 27 February 2012

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

		No. of Shares fully paid			
	Name	Direct Interest	Deemed Interest	Total	%[1]
1.	Wee Cho Yaw	3,388,151	228,543,584 [2]	231,931,735	30.19
2.	Wee Ee Cheong	300,534	187,190,264 [3]	187,490,798	24.40
3.	C Y Wee & Co Pte Ltd	106,562,587	–	106,562,587	13.87
4.	Wee Ee-chao	30,748	82,817,824 [4]	82,848,572	10.78
5.	Wee Ee Lim	241,489	80,552,192 [5]	80,793,681	10.52
6.	Wee Investments Pte Ltd	80,535,090	–	80,535,090	10.48
7.	United Overseas Bank Limited ("UOB")	–	75,268,380 [6]	75,268,380	9.80
8.	Schroder Investment Management Group	–	44,906,344	44,906,344	5.84
9.	Haw Par Corporation Limited	–	41,428,805 [7]	41,428,805	5.39

Notes:

[1] As a percentage of the issued share capital of the Company, comprising 768,328,154 shares

[2] Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C Y Wee & Co Pte Ltd
(b) 80,535,090 shares held by Wee Investments Pte Ltd
(c) 41,428,805 shares which Haw Par Corporation Limited is deemed to be interested in
(d) 17,102 shares held by Kheng Leong Co. (Pte) Ltd

[3] Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C Y Wee & Co Pte Ltd
(b) 80,535,090 shares held by Wee Investments Pte Ltd
(c) 75,485 shares held by E C Wee Pte Ltd
(d) 17,102 shares held by Kheng Leong Co. (Pte) Ltd

[4] Mr Wee Ee-chao's deemed interest in the shares arises as follows:
(a) 80,535,090 shares held by Wee Investments Pte Ltd
(b) 265,565 shares held by Protheus Investment Holdings Pte Ltd
(c) 17,102 shares held by Kheng Leong Co. (Pte) Ltd
(d) 67 shares held by KIP Investment Holdings Pte Ltd
(e) 2,000,000 shares held by KIP Inc

[5] Mr Wee Ee Lim's deemed interest in the shares arises as follows:
(a) 80,535,090 shares held by Wee Investments Pte Ltd
(b) 17,102 shares held by Kheng Leong Co. (Pte) Ltd

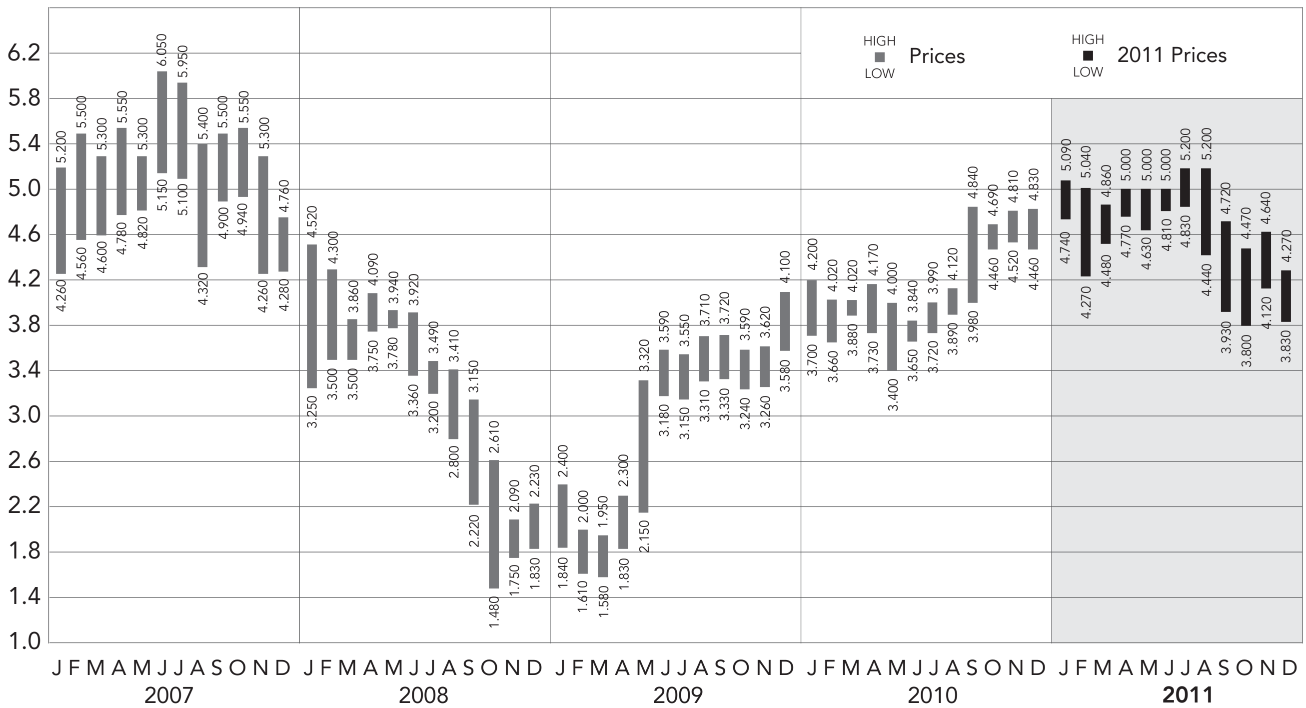
[6] UOB's deemed interest in the shares arises as follows:
(a) 74,332,898 shares held in the name of Tye Hua Nominees (Pte) Ltd for the benefit of UOB
(b) 759,482 shares held in the name of United Overseas Bank Nominees (Pte) Ltd for the benefit of United International Securities Limited
(c) 176,000 shares held by UOB Asset Management Ltd ("UOBAM") as client portfolios managed by UOBAM (Discretionary)

[7] Haw Par Corporation Limited's deemed interest in the shares arises as follows:
(a) 26,561,931 shares held by Haw Par Investment Holdings Pte Ltd
(b) 10,527,246 shares held by Haw Par Capital Pte Ltd
(c) 1,747,053 shares held by Pickwick Securities Private Ltd
(d) 643,656 shares held by Haw Par Equities Pte Ltd
(e) 1,424,981 shares held by Straits Maritime Leasing Pte Ltd
(f) 300,000 shares held by Haw Par Trading Pte Ltd
(g) 223,938 shares held by M&G Maritime Services Pte Ltd

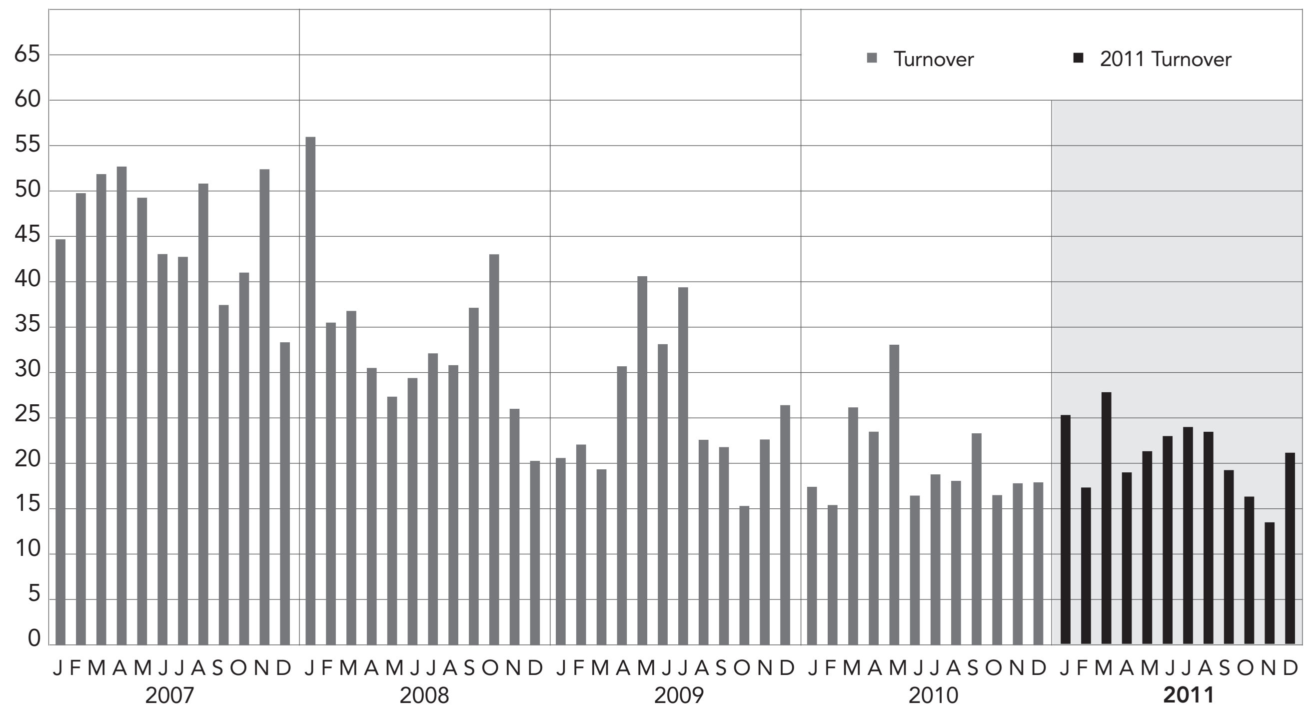
SHARE PRICE AND TURNOVER

For the period from 1 January 2007 to 31 December 2011

Share Price ($)



Turnover (Million)



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 49th Annual General Meeting of the Company will be held at Pan Pacific Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Thursday, 19 April 2012, at 3.30 p.m. to transact the following business:

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2011.

Resolution 2 To declare a first and final tax exempt (one-tier) dividend of 10 cents per ordinary share and a special (one-tier) dividend of 5 cents per ordinary share for the year ended 31 December 2011.

Resolution 3 To approve Directors' fees of S$533,750 for 2011 (2010 : S$516,250).

Resolution 4 To re-appoint Dr Wee Cho Yaw, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 5 To re-appoint Mr Alan Choe Fook Cheong, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 6 To re-appoint Mr Gwee Lian Kheng, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 7 To re-elect Mr Wee Ee-chao, who retires by rotation pursuant to Article 94 of the Company's Articles of Association, as Director of the Company.

Resolution 8 To re-elect Mr Wee Ee Lim, who retires by rotation pursuant to Article 94 of the Company's Articles of Association, as Director of the Company.

Resolution 9 To re-elect Mr Wee Sin Tho, who was appointed during the year and retires pursuant to Article 99 of the Company's Articles of Association, as Director of the Company.

Resolution 10 To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:

Resolution 11 "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Resolution 12 "That:

(1) unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the Letter to Shareholders dated 26 March 2012 issued by the Company (the "Letter").

(2) a new share option scheme to be known as the "UOL 2012 Share Option Scheme" (the "UOL 2012 Scheme"), under which options to subscribe for ordinary shares ("Shares") in the Company ("Options") may be granted to the employees of the Group (including Group Executive Directors) who have, inter alia, attained the age of 21 years, details and terms of which are set out in the Letter, be and is hereby approved and adopted, and that the Directors of the Company be and are hereby authorised to:

   (a) establish and administer the UOL 2012 Scheme;

   (b) modify and/or amend the UOL 2012 Scheme from time to time, provided that such modification and/or amendment is effected in accordance with and subject to the rules of the UOL 2012 Scheme, and to do all such acts and enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the UOL 2012 Scheme; and

(c) offer and grant Options in accordance with the rules of the UOL 2012 Scheme and pursuant to Section 161 of the Companies Act (Chapter 50 of Singapore), and to allot and issue from time to time such number of new Shares as may be required to be allotted and issued pursuant to the exercise of the Options under the UOL 2012 Scheme, provided that the aggregate number of Shares in respect of which Options may be granted on any date under the UOL 2012 Scheme, when added to the number of Shares issued and issuable and/or transferred and transferable in respect of:

(i) all Options granted under the UOL 2012 Scheme; and

(ii) all Shares, options or awards granted under any other share option or share scheme of the Company then in force,

shall not exceed ten per cent. (10%) (or such other limit as the SGX-ST may determine from time to time) of the number of issued Shares (excluding treasury shares, if any) of the Company on the day immediately preceding the relevant Date of Grant (as defined under the UOL 2012 Scheme)."

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Secretaries

Singapore, 26 March 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes

A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591 not less than 48 hours before the time for holding the Meeting.

Notes to Resolutions

1. In relation to **Resolution 4**, Dr Wee Cho Yaw will, upon re-appointment, continue as the Chairman of the Board of Directors and the Executive Committee, and as a member of the Remuneration and Nominating Committees. He is considered a non-independent director.

2. In relation to **Resolution 5**, Mr Alan Choe Fook Cheong will, upon re-appointment, continue as the Chairman of the Nominating and Remuneration Committees and as a member of the Executive and Audit Committees. He is considered an independent director.

3. In relation to **Resolution 6**, Mr Gwee Lian Kheng will, upon re-appointment, continue as a Member of the Executive Committee. He is considered a non-independent director.

4. In relation to **Resolution 7**, Mr Wee Ee-chao will, upon re-election, continue as a member of the Executive Committee. He is considered a non-independent director.

5. In relation to **Resolution 8**, Mr Wee Ee Lim will, upon re-election, continue as a member of the Audit Committee. He is considered a non-independent director.

6. In relation to **Resolution 9**, the personal particulars of Mr Wee Sin Tho can be found in the "Board of Directors" section in the Summary Financial Report/ Annual Report. Mr Wee Sin Tho will, upon re-election, continue as a member of the Remuneration Committee. He is considered an independent director.

7. **Resolution 11** is to empower the Directors from the date of that meeting until the next Annual General Meeting to issue, or agree to issue shares and/ or grant instruments that might require shares to be issued, up to an amount not exceeding fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described) of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described).

8. **Resolution 12** if passed, will empower the Directors to grant Options under the UOL 2012 Scheme, and to allot and issue Shares pursuant to the exercise of the Options, provided that the aggregate number of Shares in respect of which Options may be granted on any date under the UOL 2012 Scheme, when added to the number of Shares issued and issuable and/or transferred and transferable in respect of (a) all Options granted under the UOL 2012 Scheme; and (b) all Shares, options or awards granted under any other scheme of the Company then in force, shall not exceed ten per cent. (10%) (or such other limit as the SGX-ST may determine from time to time) of the number of issued Shares (excluding treasury shares, if any) of the Company on the day immediately preceding the relevant Date of Grant (as defined under the UOL 2012 Scheme). For the avoidance of doubt, outstanding and unexercised options under the UOL 2000 Scheme shall not be aggregated in relation to the aforesaid limit.

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PROXY FORM
Annual General Meeting

UOL GROUP LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 196300438C

IMPORTANT: FOR CPF INVESTORS ONLY

1. For investors who have used their CPF monies to buy UOL Group Limited's shares, this Report is sent to them at the request of their CPF Approved Nominee and is sent SOLELY FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar (Please see Note No. 9 on the reverse).

I/We, ______________________________ (Name) ____________ (NRIC/Passport/Co. Reg. No(s))

of ____ (Address)

being a member/members of UOL GROUP LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (please delete as appropriate)

			No. of Shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 49th Annual General Meeting of the Company (the "AGM") to be held at Pan Pacific Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595, on Thursday, 19 April 2012 at 3.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Note: The Chairman of the Meeting will be exercising his right under Article 61(a) of the Articles of Association of the Company to demand a poll in respect of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of poll.

No.	Resolutions	No. of Votes For *	No. of Votes Against *
Ordinary Business			
1	Adoption of Financial Statements and Reports of the Directors and the Auditors		
2	Declaration of a First and Final Dividend and a Special Dividend		
3	Approval of Directors' Fees		
4	Re-appointment (Dr Wee Cho Yaw)		
5	Re-appointment (Mr Alan Choe Fook Cheong)		
6	Re-appointment (Mr Gwee Lian Kheng)		
7	Re-election (Mr Wee Ee-chao)		
8	Re-election (Mr Wee Ee Lim)		
9	Re-election (Mr Wee Sin Tho)		
10	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
Special Business			
11	Authority for Directors to Issue Shares (General)		
12	Approval of UOL 2012 Share Option Scheme (the "UOL 2012 Scheme") and authority for Directors to grant options, and to allot and issue shares pursuant to the UOL 2012 Scheme		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this __________ day of ____________ 2012

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Save for members which are nominee companies, a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy.
2. This instrument of proxy must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by its duly authorised officer or attorney or executed under its common seal.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on behalf of such body corporate.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate all the Shares held by you.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.
6. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591, not less than 48 hours before the time fixed for holding the AGM.
7. Any alteration made in this form must be initialled by the person who signs it.
8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of the CPF Investors who wish to attend the AGM as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, at least 48 hours before the time fixed for holding the AGM.

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PROXY FORM

Please Affix Postage Stamp

The Company Secretary
UOL GROUP LIMITED
101 THOMSON ROAD
#33-00 UNITED SQUARE
SINGAPORE 307591

3rd fold here

Fold this flap for sealing

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华业集团有限公司
UOL Group Limited
Company Registration No. 196300438C

101 Thomson Road, #33-00 United Square, Singapore 307591
Tel: (65) 6255 0233 Fax: (65) 6252 9822