Full Year Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

These figures have not been audited.

1(a)(i) Income statement for the year ended:

	Group		
	31/12/2011	31/12/2010 (Restated)[1]	Change
	$000	$000	%
Revenue*	**1,187,112**	569,366	108
Cost of sales	**(770,136)**	(376,662)	104
Gross profit	**416,976**	192,704	116
Other items of income			
Interest income	**2,634**	3,633	(28)
Other income	**63,111**	51,131	23
Other items of expense			
Distribution costs	**(12,262)**	(11,505)	7
Administrative expenses	**(88,477)**	(76,593)	16
Finance costs	**(10,189)**	(3,834)	166
Other expenses	**(29,549)**	(19,946)	48
Operating profit	**342,244**	135,590	152
Share of profit from equity-accounted associates and joint ventures	**6,619**	6,845	(3)
Profit before tax	**348,863**	142,435	145
Income tax expense	**(58,507)**	(33,879)	73
Profit net of tax	**290,356**	108,556	167
Attributable to:			
Owners of the company	**269,459**	108,205	149
Non-controlling interests	**20,897**	351	5,854
	290,356	108,556	167
Earnings per stock unit (basic)	**97.3¢**	41.7¢	
Earnings per stock unit (diluted)	**86.1¢**	34.7¢	

[1] The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 - *Agreements for the Construction of Real Estate* as detailed in section 5 of this announcement.

1(a)(i) Note to income statement:

	Group		
	31/12/2011	31/12/2010 (Restated)[1]	Change
	$000	$000	%
* Revenue comprises:			
Sales of goods	**24,674**	21,623	14
Sales of properties held for sale	**766,462**	166,162	361
Rendering of services	**88,392**	95,850	(8)
Revenue from construction contracts	**234,823**	203,204	16
Rental income	**72,232**	82,268	(12)
Dividend income	**529**	259	104
Total revenue	**1,187,112**	569,366	108

1(a)(ii) Other information:

	Group	
	31/12/2011	31/12/2010
	$000	$000
Allowance for doubtful trade receivables	**(1,007)**	(1,219)
Allowance for doubtful other receivables	**(3,490)**	(352)
Depreciation and amortisation	**(10,681)**	(9,175)
Foreign exchange loss	**(3,884)**	(1,307)
Gain on disposal of investment properties	**2,500**	–
(Loss)/gain on held for trading investments	**(2,377)**	515
Impairment loss on available for sale investment	**(3,138)**	–
Net surplus on revaluation of investment properties	**56,657**	48,453
Underprovision of prior years tax	**(1,217)**	(2,800)

1(a)(iii) Statement of comprehensive income

	Group	
	31/12/2011	31/12/2010 (Restated)[1]
	$000	$000
Profit net of tax for the year	**290,356**	108,556
Other comprehensive income		
Gains on exchange differences on translation, net of tax	**3,729**	658
Gains/(losses) on remeasuring available-for-sale financial assets, net of tax	**568**	(2,300)
Gains on cash flow hedges, net of tax	**808**	115
Share of other comprehensive income from equity-accounted associate, net of tax	**(8,942)**	(6,883)
Other comprehensive income for the year, net of tax	**(3,837)**	(8,410)
Total comprehensive income for the year	**286,519**	100,146
Attributable to:		
Owners of the company	**265,274**	99,713
Non-controlling interests	**21,245**	433
Total comprehensive income for the year	**286,519**	100,146

1(b)(i) Statement of financial position

	Group			Company	
	31/12/2011	31/12/2010 (Restated)[1]	01/01/2010 (Restated)[1]	**31/12/2011**	31/12/2010
	$000	$000	$000	**$000**	$000
ASSETS					
Non-current assets					
Property, plant and equipment	**81,202**	72,434	42,350	**27,800**	28,809
Investment properties	**1,242,806**	1,057,395	912,978	**669,000**	665,000
Properties development costs	**45,167**	–	–	–	–
Intangible assets	**26,170**	26,270	25,867	**–**	–
Investments in subsidiaries	**–**	–	–	**448,374**	356,830
Investments in associates	**48,424**	55,640	63,725	**315**	315
Investments in joint ventures	**51,743**	36,573	41,520	**–**	–
Deferred tax assets	**1,391**	687	2,328	**–**	–
Trade and other receivables	**23,045**	20,213	30,030	**–**	–
Other investments	**6,970**	6,786	6,667	**6,871**	6,686
Total non-current assets	**1,526,918**	1,275,998	1,125,465	**1,152,360**	1,057,640
Current assets					
Inventories	**7,516**	7,053	7,999	**–**	–
Income tax receivables	**51**	1,855	4,248	**–**	–
Trade and other receivables	**301,915**	149,915	162,154	**26,743**	34,321
Other investments	**9,703**	14,906	16,721	**–**	–
Gross amount due from customers for contract work	**16,252**	33,763	36,202	**–**	–
Prepayments	**4,286**	2,806	3,203	**3,032**	67
Properties held for sale	**759,624**	514,591	212,243	**–**	–
Bank balances and deposits	**453,278**	266,625	318,192	**20,252**	59,072
Total current assets	**1,552,625**	991,514	760,962	**50,027**	93,460
Total assets	**3,079,543**	2,267,512	1,886,427	**1,202,387**	1,151,100
EQUITY AND LIABILITIES					
Equity					
Share capital	**300,898**	273,902	266,466	**300,898**	273,902
Retained earnings	**828,294**	592,944	508,085	**480,234**	453,580
Other reserves	**55,131**	55,217	59,858	**23,939**	23,397
Equity attributable to owners of the company	**1,184,323**	922,063	834,409	**805,071**	750,879
Non-controlling interests	**54,724**	(1,090)	5,047	**–**	–
Total equity	**1,239,047**	920,973	839,456	**805,071**	750,879
Non-current liabilities					
Deferred tax liabilities	**24,614**	25,072	14,761	**660**	1,442
Trade and other payables	**9,835**	13,607	24,434	**–**	–
Borrowings	**1,157,433**	472,294	423,625	**285,618**	74,222
Total non-current liabilities	**1,191,882**	510,973	462,820	**286,278**	75,664
Current liabilities					
Provisions	**790**	3,110	3,852	**–**	–
Income tax payable	**66,707**	26,149	14,871	**7,191**	12,310
Trade and other payables	**379,874**	311,633	217,217	**20,480**	19,434
Borrowings	**176,394**	468,090	340,017	**83,367**	292,813
Gross amount due to customers for contract work	**24,849**	26,584	8,194	**–**	–
Total current liabilities	**648,614**	835,566	584,151	**111,038**	324,557
Total liabilities	**1,840,496**	1,346,539	1,046,971	**397,316**	400,221
Total equity and liabilities	**3,079,543**	2,267,512	1,886,427	**1,202,387**	1,151,100

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

(a) Amount repayable in one year or less, or on demand

As at 31/12/2011		As at 31/12/2010	
$000	$000	$000	$000
Secured	Unsecured	Secured	Unsecured
12,565	163,829	110,112	357,978

(b) Amount repayable after one year

As at 31/12/2011		As at 31/12/2010	
$000	$000	$000	$000
Secured	Unsecured	Secured	Unsecured
888,966	268,467	396,184	76,110

(c) Details of any collaterals

Property, plant & equipment and investment properties amounting to $989,000 (31 December 2010: $2,301,000) and $539,888,000 (31 December 2010: $342,772,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to $795,090,000 (31 December 2010: $859,040,000, restated[1]) have also been mortgaged to secure term loan facilities of certain subsidiaries. A term loan facility of the Company was secured by a first fixed charge of 100% shareholding in a wholly owned subsidiary, UE Orchard Pte Ltd as well as assignments of the shareholder's loans, insurances, development documents, project documents and bank accounts.

1(c) Statement of cash flows

	Group	
	31/12/2011	31/12/2010 (Restated)[1]
	$000	$000
Cash flows from operating activities		
Profit before tax	**348,863**	142,435
Depreciation of property, plant and equipment	**9,797**	8,223
Interest income	**(2,634)**	(3,633)
Finance costs	**10,189**	3,834
Amortisation of intangible assets	**884**	952
Currency realignment	**(2,396)**	461
Dividend income from other investments	**(529)**	(259)
Equity share options issued	**–**	125
Gain on disposal of investment properties	**(2,500)**	–
Loss/(gain) on disposal of property, plant and equipment	**92**	(335)
Loss/(gain) on held for trading investments	**2,377**	(515)
Loss on disposal of subsidiary	**–**	103
Impairment loss on available-for-sale financial assets	**3,138**	–
Impairment loss on intangible assets	**338**	–
Impairment loss on property, plant and equipment	**103**	408
Impairment of associate	**51**	177
Impairment of property held for sale	**550**	261
Inventories written-down	**932**	300
Net surplus on revaluation of investment properties	**(56,657)**	(48,453)
Share of profit from equity-accounted associates and joint ventures	**(6,619)**	(6,906)
Unrealised exchange loss/(gain)	**2,613**	(654)
Operating cash flows before changes in working capital	**308,592**	96,524
Changes in working capital		
Properties held for sale		
- Development expenditure	**(895,941)**	(438,749)
- Proceeds from progress billings	**669,201**	138,626
Increase in trade and other payables and provisions	**49,142**	82,253
(Increase)/decrease in trade and other receivables	**(150,365)**	25,274
Decrease in gross amount due from customers for contract work	**18,687**	3,447
(Decrease)/increase in gross amount due to customers for contract work	**(1,735)**	18,390
(Increase)/decrease in inventories	**(1,440)**	561
Cash flows used in operations	**(3,859)**	(73,674)
Income taxes paid	**(18,988)**	(10,451)
Finance costs paid	**(9,454)**	(12,554)
Interest received	**2,660**	3,630
Net cash flows used in operating activities	**(29,641)**	(93,049)
Cash flows from investing activities		
Acquisition of intangible assets	**(2,772)**	(3,290)
Capital and development expenditure	**(211,217)**	(136,703)
Increase in amounts due from associates and joint ventures	**(892)**	(735)
(Increase)/decrease in loans to joint ventures	**(10,263)**	12,674
Dividends received from associates	**434**	2,166
Dividends received from other investments	**529**	259
Investment in joint venture	**(300)**	–
Proceeds from disposal of investment properties	**11,103**	3,901
Proceeds from disposal of property, plant and equipment	**3,165**	3,441
Proceeds from disposal of a subsidiary, net of cash disposed	**–**	1,617
Proceeds from liquidation of an associate	**545**	–
Net cash flows used in investing activities	**(209,668)**	(116,670)

1(c) Statement of cash flows *(continued)*

	Year Ended	
	31/12/2011	31/12/2010 (Restated)[1]
	$000	$000
Cash flows from financing activities		
Contribution from non-controlling interests	**–**	350
Dividends paid	**(27,648)**	(23,346)
Dividends paid to non-controlling interests of a subsidiary	**–**	(3,300)
Increase/(decrease) in trust receipts and bills payable	**750**	(66)
Increase in short-term loans	**32,330**	24,887
Issuance of shares upon exercise of share options	**744**	548
Net proceeds from dilution of interests in subsidiaries	**31,923**	–
Proceeds from long-term loans	**916,099**	282,594
Repayment of long-term loans	**(528,712)**	(126,844)
Net cash flows from financing activities	**425,486**	154,823
Net increase/(decrease) in cash and cash equivalents	**186,177**	(54,896)
Cash and cash equivalents, beginning balance	**252,989**	307,885
Cash and cash equivalents, ending balance	**439,166**	252,989
Cash and cash equivalents comprise:		
Bank balances and deposits	**453,278**	266,625
Bank overdrafts	**(14,112)**	(13,636)
Cash and cash equivalents	**439,166**	252,989

The effect on the individual assets and liabilities arising from the disposal of a subsidiary during the year is set out below:

	Year Ended	
	31/12/2010	31/12/2010 (Restated)[1]
	$000	$000
Intangibles	**–**	1,521
Fixed assets	**–**	41
Trade and other debtors	**–**	259
Trade and other creditors	**–**	(101)
Cash and cash equivalents	**–**	196
Net assets of subsidiary disposed of	**–**	1,916
Total consideration	**–**	1,813
Cash and cash equivalents of subsidiary disposed of	**–**	(196)
Net cash inflow on disposal of subsidiary	**–**	1,617

1(d)(i) Statements of changes in equity

The Group

	Total equity	Equity attributable to owners of the company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
		Attributable to owners of the company							
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Opening balance at 1/1/2011, as previously reported	1,043,929	1,043,526	273,902	714,407	42,354	4,081	(8,317)	17,099	403
Effect of adopting INT FRS 115	(122,956)	(121,463)	–	(121,463)	–	–	–	–	(1,493)
Opening balance at 1/1/2011, restated	920,973	922,063	273,902	592,944	42,354	4,081	(8,317)	17,099	(1,090)
Profit for the year	290,356	269,459	–	269,459	–	–	–	–	20,897
Gains on exchange differences on translation, net of tax	3,729	3,442	–	–	–	–	3,442	–	287
Gains on remeasuring available-for-sale financial assets, net of tax	568	568	–	–	568	–	–	–	–
Gains on cash flow hedges, net of tax	808	747	–	–	–	–	–	747	61
Share of other comprehensive income from equity-accounted associate, net of tax	(8,942)	(8,942)	–	–	(8,942)	–	–	–	–
Other comprehensive income for the year	(3,837)	(4,185)	–	–	(8,374)	–	3,442	747	348
Total comprehensive income for the year	286,519	265,274	–	269,459	(8,374)	–	3,442	747	21,245
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	26,252	26,252	26,252	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	744	744	744	–	–	–	–	–	–
Equity portion of convertible bonds	284	284	–	–	–	–	–	284	–
Dividends paid	(27,648)	(27,648)	–	(27,648)	–	–	–	–	–
Total contributions by and distributions to owners in their capacity as owners	(368)	(368)	26,996	(27,648)	–	–	–	284	–
Changes in ownership interests in subsidiaries									
Dilution of interests in subsidiaries	31,923	3,815	–	–	–	–	–	3,815	28,108
Reallocation of losses assumed by owners of the company	–	(6,461)	–	(6,461)	–	–	–	–	6,461
Total changes in ownership interests in subsidiaries	31,923	(2,646)	–	(6,461)	–	–	–	3,815	34,569
Total transactions with owners in their capacity as owners	31,555	(3,014)	26,996	(34,109)	–	–	–	4,099	34,569
Closing balance at 31/12/2011	1,239,047	1,184,323	300,898	828,294	33,980	4,081	(4,875)	21,945	54,724

1(d)(i) Statements of changes in equity

The Group

	Total equity	Equity attributable to owners of the company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
		Attributable to owners of the company							
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Opening balance at 1/1/2010, as previously reported	883,464	877,925	266,466	551,601	51,537	3,956	(8,830)	13,195	5,539
Effect of adopting INT FRS 115	(44,008)	(43,516)	–	(43,516)	–	–	–	–	(492)
Opening balance at 1/1/2010, restated	839,456	834,409	266,466	508,085	51,537	3,956	(8,830)	13,195	5,047
Profit for the year, restated	108,556	108,205	–	108,205	–	–	–	–	351
Gains on exchange differences on translation, net of tax	658	513	–	–	–	–	513	–	145
Losses on remeasuring available-for-sale financial assets, net of tax	(2,300)	(2,300)	–	–	(2,300)	–	–	–	–
Gains/(losses) on cash flow hedges, net of tax	115	178	–	–	–	–	–	178	(63)
Share of other comprehensive income from equity-accounted associate, net of tax	(6,883)	(6,883)	–	–	(6,883)	–	–	–	–
Other comprehensive income for the year	(8,410)	(8,492)	–	–	(9,183)	–	513	178	82
Total comprehensive income for the year	100,146	99,713	–	108,205	(9,183)	–	513	178	433
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	6,888	6,888	6,888	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	548	548	548	–	–	–	–	–	–
Equity portion of convertible bonds	106	106	–	–	–	–	–	106	–
Equity share options issued	125	125	–	–	–	125	–	–	–
Dividends paid	(26,646)	(23,346)	–	(23,346)	–	–	–	–	(3,300)
Total contributions by and distributions to owners in their capacity as owners	(18,979)	(15,679)	7,436	(23,346)	–	125	–	106	(3,300)
Changes in ownership interests in subsidiaries									
Movement in non-controlling interests arising from changes in shareholdings of subsidiaries	–	3,620	–	–	–	–	–	3,620	(3,620)
Contribution from non-controlling interests	350	–	–	–	–	–	–	–	350
Total changes in ownership interests in subsidiaries	350	3,620	–	–	–	–	–	3,620	(3,270)
Total transactions with owners in their capacity as owners	(18,629)	(12,059)	7,436	(23,346)	–	125	–	3,726	(6,570)
Closing balance at 31/12/2010	920,973	922,063	273,902	592,944	42,354	4,081	(8,317)	17,099	(1,090)

1(d)(i) Statements of changes in equity *(continued)*

The Company

	Total equity	Share capital	Retained earnings	AFS reserve	Share option reserve	Other reserves
	$000	$000	$000	$000	$000	$000
Opening balance at 1/1/2011	750,879	273,902	453,580	5,091	4,081	14,225
Profit for the year	54,302	–	54,302	–	–	–
Other comprehensive income for the year	258	–	–	258	–	–
Total comprehensive income for the year	54,560	–	54,302	258	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	26,252	26,252	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	744	744	–	–	–	–
Equity portion of convertible bonds	284	–	–	–	–	284
Dividends paid	(27,648)	–	(27,648)	–	–	–
Total transactions with owners in their capacity as owners	(368)	26,996	(27,648)	–	–	284
Closing balance at 31/12/2011	805,071	300,898	480,234	5,349	4,081	14,509
Opening balance at 1/1/2010	704,146	266,466	414,326	5,279	3,956	14,119
Profit for the year	62,600	–	62,600	–	–	–
Other comprehensive income for the year	(188)	–	–	(188)	–	–
Total comprehensive income for the year	62,412	–	62,600	(188)	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	6,888	6,888	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	548	548	–	–	–	–
Equity portion of convertible bonds	106	–	–	–	–	106
Equity share options issued	125	–	–	–	125	–
Dividends paid	(23,346)	–	(23,346)	–	–	–
Total transactions with owners in their capacity as owners	(15,679)	7,436	(23,346)	–	125	106
Closing balance at 31/12/2010	750,879	273,902	453,580	5,091	4,081	14,225

1(d)(ii) Details of any changes in the company's issued share capital

During the year, the Company issued 21,565,178 ordinary shares on conversion of $28,897,380 convertible bonds and 569,700 ordinary shares arising from the exercising of the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 31 December 2011, there were 5,160,100 (31 December 2010: 5,991,150) unexercised options for ordinary shares under Scheme 2000 and $50,395,151 (31 December 2010: $79,292,531) convertible bonds which are convertible into 37,608,322 shares (31 December 2010: 59,173,530) at the conversion price of $1.34 per share.

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

As at 31 December 2011, the Company's issued and paid-up ordinary share capital excluding treasury shares was 284,183,403 ordinary stock units (31 December 2010: 262,048,525).

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Group's auditors.

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

Not applicable.

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

Other than as mentioned in section 5 regarding the adoption of new and revised Financial Reporting Standards (FRS), there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2010.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual financial periods beginning on or after 1 January 2011.

The following are the new or amended FRS/INT FRS that are relevant to the Group:

Revised FRS 24 Related Party Disclosures
INT FRS 115 Agreements for the Construction of Real Estate
Improvements to the FRSs issued in 2010

The adoption of these new/revised FRS and INT FRS did not result in any significant impact on the financial statements of the Group, except for INT FRS 115 - Agreements for the Construction of Real Estate.

INT FRS 115 Agreements for the Construction of Real Estate

On 26 August 2010, the Accounting Standards Council ("ASC") issued INT FRS 115 with an accompanying note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that such contracts which are not classified as construction contracts in accordance with FRS 11 Construction Contracts can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

Following the implementation of INT FRS 115 and its accompanying note with effect from 1 January 2011, the Group has adopted the completion of construction ("COC") method to account for its overseas property development projects after taking into consideration the legal framework and industry practices in those countries in which the Group operates. The Group continues to adopt the POC method of revenue recognition for property sales that in its judgment meet the criteria prescribed by INT FRS 115 and the accompanying note.

INT FRS 115 Agreements for the Construction of Real Estate *(continued)*

The ASC, after noting the divergence in practice among the real estate companies in Singapore with regard to the accounting for sales of residential properties in Singapore made under deferred payment scheme ("DPS"), has issued a clarification note on 7 June 2011 to highlight that the accompanying note does not address the accounting treatment for sales under DPS. Accordingly, the Group has changed its method of recognition of revenue for property units sold under DPS from the POC method to the COC method in Second Quarter 2011, retrospectively. The Institute of Certified Public Accountants of Singapore has, on 19 October 2011, further clarified that revenue from sales of Singapore public residential development projects, principally Design, Build and Sell Scheme ("DBSS") and Executive Condominium ("EC") should be recognised using the COC method. The Group has similarly adopted the COC method for DBSS and EC in Third Quarter 2011, retrospectively. Construction is deemed completed upon obtaining Temporary Occupation Permit ("TOP").

Impact on the Comparatives for the 2011 Full Year Financial Statement:

The 2011 Full Year Financial Statement have been prepared to take into account the effects of implementation of INT FRS 115 as described in the preceding paragraphs. This change in accounting policy has been applied retrospectively. Accordingly, the 2010 comparatives have been restated.

The effects on the comparatives arising from the adoption of INT FRS 115, subject to year-end audit are as follows:

Income statement

Group	**Full Year 31/12/2010 $000**
Decrease in revenue	(332,054)
Decrease in cost of sales	238,136
Increase in share of profit from equity-accounted associates and joint ventures	1,890
Decrease in income tax expense	13,081
Decrease in profit for the year	(78,947)
Decrease in earnings per stock (basic)	(30.0¢)
Decrease in earnings per stock (diluted)	(24.4¢)

Statement of financial position

Group	**31/12/2010 $000**	**01/01/2010 $000**
Decrease in joint ventures	–	(1,890)
Decrease in properties held for sale	(142,485)	(48,567)
Decrease in retained earnings	(121,463)	(43,516)
Decrease in non-controlling interests	(1,493)	(492)
Decrease in deferred tax liabilities	(19,529)	(6,449)

Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

The Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets are effective for annual periods beginning on or after 1 January 2012. The Group has elected to early adopt the Amendments to FRS 12 for the financial year ended 31 December 2011 as it better reflects the circumstances of the Group's investment properties portfolio.

The Amendments to FRS 12 provide a practical approach to the measurement of deferred tax liabilities and assets for investment properties measured using the fair value model in FRS 40 Investment Property. The Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be 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 over time, rather than through sale.

The early adoption of the Amendments to FRS 12 does not have a significant retrospective impact to the Group.

6 Earnings per stock unit

	Year Ended	
	31/12/2011	31/12/2010 (Restated)[1]
(a) Basic*:	**97.3¢**	41.7¢
(b) Diluted**:	**86.1¢**	34.7¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	**276,739,078**	259,464,992
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	**315,139,065**	319,728,272

* Earnings per ordinary stock unit on existing issued share capital, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units in issue during the year.

** Earnings per ordinary stock unit on a fully diluted basis, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units during the year adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	31/12/2011	31/12/2010 (Restated)[1]	**31/12/2011**	31/12/2010
Net asset per ordinary stock unit based on the total number of issued shares	**$4.17**	$3.52	**$2.84**	$2.87

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

FY2011 compared with FY2010

The Group's core businesses comprise Property Development, Property Rental & Services and Engineering & Construction.

Following the adoption of INT FRS 115, the Group recognises revenue and profit for its private residential projects sold under deferred payment scheme ("DPS") only upon full completion based on the completion of construction ("COC") method. Public housing projects like Design, Build and Sell Scheme ("DBSS") and Executive Condominium ("EC") are also accounted based on the COC method. Construction is considered completed only upon obtaining Temporary Occupation Permit ("TOP"). For the **year ended 31 December 2011**, <u>revenue</u> increased 108% to $1.2 billion from $569.4 million mainly due to the full revenue recognition from *Park Central @ AMK* (DBSS) and *The Rochester* for units sold under DPS, which obtained TOP in July 2011. Arising from the increased revenue, <u>gross profit</u> increased 116% to $417.0 million from $192.7 million. <u>Gross profit margin</u> increased to 35.1% as compared with 33.8% in 2010.

<u>Other income</u> increased 23% to $63.1 million from $51.1 million mainly due to higher revaluation gains from the Group's investment properties and gain on disposal of investment properties at Tanjong Pagar.

<u>Other expenses</u> increased 48% to $29.5 million from $19.9 million mainly due to impairment loss on available-for-sale investments, fair value losses from held for trading investments and higher foreign exchange losses.

<u>Finance costs</u> increased 166% to $10.2 million from $3.8 million mainly due to the accounting treatment to cease the capitalisation of interest expense for projects that obtained TOP and higher borrowing used to finance working capital.

<u>Income tax expense</u> increased 73% to $58.5 million from $33.9 million mainly due to higher operating profit.

The Group's **attributable profit** increased to $269.5 million in 2011 as compared with $108.2 million in 2010.

Earnings per ordinary stock unit (EPS) was 97.3 cents in 2011 as compared with 41.7 cents in 2010.

Net asset per ordinary stock unit stood at $4.17 as at 31 December 2011 as compared with $3.52 as at 31 December 2010.

Financial position review

Investment properties increased by $185 million mainly due to development expenditures incurred for *Rochester Mall*, *Park Avenue Rochester* and *UE BizHub EAST*.

Current trade and other receivables increased by $152 million mainly due to the retention sums from *The Rochester* and *Park Central @ AMK* projects.

Properties held for sale increased by $245 million mainly due to land acquisition costs for the Bendemeer Road/Whampoa East condominium project and development expenditures incurred which were offset by progress billings received.

Total borrowings increased by $393 million mainly due to the term loan for financing the Bendemeer Road/Whampoa East condominium project which was offset by repayment of certain loan facilities and conversion of convertible bonds to equity.

Current trade and other payables increased by $68 million mainly due to the accrual for property development costs.

Cash flow review

As at 31 December 2011, the Group had cash and cash equivalents of $439 million, an increase of $186 million from 31 December 2010. The increase was mainly due to the net cash proceeds received from the listing of UE E&C Ltd., and progress billings received from *The Rochester*, *Park Central @ AMK* and *Austville Residences* projects. Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2010 to 31 December 2011 were the result of the Group's other ongoing operations.

Segment review

In the **Property Development** segment, revenue increased 354% to $767.5 million in 2011 mainly due to the full revenue recognition from *Park Central @ AMK* (DBSS) and *The Rochester* for units sold under DPS, which obtained TOP in July 2011. In addition, the sale of the remaining 58 units in *UE Print Media Hub* also contributed to the increase in revenue. Operating profit before interest increased 172% to $228.9 million in 2011 arising from the higher revenue.

In the **Property Rental & Services** segment, revenue decreased 4% to $142.6 million in 2011 mainly due to lower rental contribution arising from the sale of the remaining 58 units in *UE Print Media Hub,* which was partially offset by new rental contribution from *UE BizHub CENTRAL.* Operating profit before interest increased 28% to $78.3 million in 2011 mainly due to higher revaluation gain from investment properties.

In the **Engineering & Construction** segment, revenue increased 5% to $415.5 million in 2011 mainly due to the completion of projects. Operating profit before interest was $55.0 million in 2011 compared with a loss of $0.7 million in 2010 mainly due to completion of several major projects.

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

Not applicable.

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

The completion of two major development projects namely *The Rochester* and *Park Central @ AMK*; the adoption of the COC method of recognising development profit; and a net surplus on revaluation of our growing investment properties portfolio, all contributed to a record year of profit for the Group in 2011. The adoption of the COC method of accounting is expected to cause future development profit to fluctuate.

In 2012, the Group's focus will be on the execution of a number of major projects, namely *UE Bizhub EAST* in Changi Business Park, the Bendemeer Road/Whampoa East condominium development, the *Austville Residences* at Sengkang East Avenue/Buangkok Drive and o*rchardgateway* at 277 Orchard Road (the former Specialists' Centre/Hotel Phoenix). These projects are not expected to contribute significantly to the Group's development profit in 2012. The Group expects that its turnover and operating profit will mainly be derived from recurring income from the Engineering & Construction and the Property Rental and Services segments.

The Group performance may also be affected by the current global economic uncertainties. The Group's will adopt a cautious approach in bidding for projects over the next 12 months.

11 Dividend

(a) Current Financial Period Reported on
Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	Ordinary Dividend		Preference Dividend
	First and Final	Special	
Dividend Type	Cash	Cash	Cash
Dividend Rate	5 cents per ordinary stock (one-tier tax)	10 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Ordinary Dividend		Preference Dividend
	First and Final	Special	
Dividend Type	Cash	Cash	Cash
Dividend Rate	5 cents per ordinary stock (one-tier tax)	5 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

(c) Date Payable

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 18 May 2012.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members will be closed from 8 May 2012 to 10 May 2012 (both dates inclusive) for the purposes of ascertaining dividend entitlements. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 7 May 2012 will be registered to determine such dividend entitlements.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Business segments

	Engineering and Construction $000	Property Development $000	Property Rental and Services $000	Corporate Services & Others $000	Elimination $000	Total $000
Year ended 31 December 2011						
Segment Revenue						
Sales to external customers	278,970	767,498	140,409	235	–	1,187,112
Inter-segment sales	136,529	–	2,175	8,041	(146,745)	–
Total revenue	415,499	767,498	142,584	8,276	(146,745)	1,187,112
Segment result	55,022	228,886	78,314	(12,423)	–	349,799
Finance costs						(10,189)
Interest income						2,634
Share of profit from equity-accounted associates	1,027	–	2,687	–	–	3,714
Share of (loss)/profit from equity-accounted joint ventures	(6)	2,911	–	–	–	2,905
Profit before tax						348,863
Income tax expense						(58,507)
Profit net of tax						290,356
Segment assets	409,518	1,132,150	1,403,200	31,566	–	2,976,434
Investments in associates	37,963	–	10,295	166	–	48,424
Investments in joint ventures	10,674	41,069	–	–	–	51,743
Unallocated assets						2,942
Total assets						3,079,543
Segment liabilities	235,730	61,993	101,208	6,581	–	405,512
Unallocated liabilities						1,434,984
Total liabilities						1,840,496
Other segment information:						
Allowance for doubtful trade receivables	645	–	362	–	–	1,007
Capital expenditure	20,363	–	2,541	132	–	23,036
Depreciation and amortisation	7,777	11	2,631	262		10,681
Loss on held for trading investments	2,377	–	–	–	–	2,377
Impairment loss on available-for-sale financial assets	–	–	–	3,138	–	3,138
Impairment loss on property, plant and equipment	103	–	–	–	–	103
Surplus on revaluation of investment properties	1,214	–	55,443	–	–	56,657

13 Business segments *(continued)*

	Engineering and Construction $000	Property Development $000	Property Rental and Services $000	Corporate Services & Others $000	Elimination $000	Total $000
Year ended 31 December 2010 (restated)[1]						
Segment Revenue						
Sales to external customers	253,706	169,047	145,985	628	–	569,366
Inter-segment sales	142,774	–	2,577	8,045	(153,396)	–
Total revenue	396,480	169,047	148,562	8,673	(153,396)	569,366
Segment result	(710)	84,071	61,390	(8,960)	–	135,791
Finance costs						(3,834)
Interest income						3,633
Share of (loss)/profit from equity-accounted associates	(967)	–	1,002	–	–	35
Share of profit from equity-accounted joint ventures	–	6,810	–	–	–	6,810
Profit before tax						142,435
Income tax expense						(33,879)
Profit net of tax						108,556
Segment assets	348,209	607,036	1,146,528	70,984	–	2,172,757
Investments in associates	46,556	–	8,952	132	–	55,640
Investments in joint ventures	–	36,573	–	–	–	36,573
Unallocated assets						2,542
Total assets						2,267,512
Segment liabilities	256,280	36,887	56,183	5,585	–	354,935
Unallocated liabilities						991,604
Total liabilities						1,346,539
Other segment information:						
Allowance for doubtful trade receivables	712	–	503	4	–	1,219
Capital expenditure	12,923	–	29,699	376	–	42,998
Depreciation and amortisation	7,160	–	1,539	476	–	9,175
Gain on held for trading investments	515	–	–	–	–	515
Impairment loss on property, plant and equipment	408	–	–	–	–	408
(Deficit)/Surplus on revaluation of investment properties	(83)	–	48,536	–	–	48,453

13 Geographical segments

	Revenue		Non-current assets	
	2011	2010 (Restated)[1]	**2011**	2010
	$000	$000	**$000**	$000
Singapore	**1,001,714**	395,797	**1,347,966**	1,103,488
Other Asean Countries	**122,342**	109,604	**16,558**	22,106
Other Asian Countries	**63,029**	63,650	**30,821**	30,505
Others	**27**	315	**–**	–
	1,187,112	569,366	**1,395,345**	1,156,099

14 <u>In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments</u>.

Refer to item 8.

15 A breakdown of sales as follows:

		31/12/2011	31/12/2010 (Restated)[1]	%
		$000	$000	Increase
(a)	Sales reported for first half year	**326,307**	270,308	21
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	**56,130**	33,301	69
(c)	Sales reported for second half year	**860,805**	299,058	188
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	**234,226**	75,255	211

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

Dividend, paid

	2011	2010
	$000	$000
Ordinary	**27,582**	23,280
Preference	**66**	66
Total	**27,648**	23,346

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

Pursuant to Rule 704 (13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD
Heng Fook Pyng, Jeslyn
Secretary
28 February 2012