UOL Group Limited
Company Registration No. 196300438C

UNAUDITED SECOND QUARTER FINANCIAL STATEMENT

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

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

Consolidated Income Statement

	Notes	The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2011	2010	+ / (-)	2011	2010	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Revenue	A	455,918	326,683	40	1,180,994	685,546	72
Cost of sales		(299,943)	(209,620)	43	(709,697)	(430,065)	65
Gross profit		155,975	117,063	33	471,297	255,481	84
Other income							
- Finance income	B	4,635	1,010	359	6,734	1,871	260
- Miscellaneous income		2,920	3,261	(10)	6,063	5,908	3
Expenses							
- Marketing and distribution	C	(6,712)	(12,044)	(44)	(13,113)	(20,550)	(36)
- Administrative		(14,238)	(13,701)	4	(28,383)	(25,510)	11
- Finance	D	(10,024)	(7,413)	35	(17,802)	(13,982)	27
- Other operating	E	(18,595)	(17,866)	4	(36,304)	(33,488)	8
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		33,229	99,748	(67)	90,982	138,583	(34)
Profit before fair value and other (losses)/gains and income tax		147,190	170,058	(13)	479,474	308,313	56
Other (losses)/gains	F	(6,360)	805	(890)	(5,484)	5,066	(208)
Fair value gains on associated companies' investment properties		34,285	5,761	495	34,285	5,761	495
Fair value gains on the Group's investment properties		80,651	24,815	225	80,651	24,815	225
Profit before income tax	G	255,766	201,439	27	588,926	343,955	71
Income tax expense	H	(26,367)	(14,593)	81	(73,532)	(33,523)	119
Net profit		229,399	186,846	23	515,394	310,432	66
Attributable to:							
Equity holders of the Company		202,218	173,688	16	432,210	272,366	59
Non-controlling interests		27,181	13,158	107	83,184	38,066	119
		229,399	186,846	23	515,394	310,432	66
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other (losses)/gains		110,603	148,005	(25)	339,719	242,422	40
Other (losses)/gains		(4,859)	805	(704)	(3,983)	5,066	(179)
Fair value gains on investment properties including those of associated companies		96,474	24,878	288	96,474	24,878	288
Net attributable profit		202,218	173,688	16	432,210	272,366	59

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

		The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2011	2010	+ / (-)	2011	2010	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
A	Revenue						
	Revenue from property development	305,654	192,989	58	907,692	432,986	110
	Revenue from property investments	39,260	36,672	7	78,471	73,244	7
	Gross revenue from hotel operations	88,096	78,267	13	167,154	155,925	7
	Revenue from management services	4,084	3,925	4	8,853	8,561	3
	Dividend income	18,824	14,830	27	18,824	14,830	27
		455,918	326,683	40	1,180,994	685,546	72
B	Finance income						
	Interest income	801	1,010	(21)	1,102	1,871	(41)
	Currency exchange gains (net)	3,834	-	n.m.	5,632	-	n.m.
		4,635	1,010	359	6,734	1,871	260
C	Marketing and distribution						
	Sales commissions	-	2,576	(100)	145	3,735	(96)
	Showflat expenses	77	2,879	(97)	949	5,041	(81)
	Advertising and promotion	3,074	4,077	(25)	5,629	7,047	(20)
	Marketing and distribution payroll expenses	3,561	2,062	73	6,390	3,887	64
	Others	-	450	(100)	-	840	(100)
		6,712	12,044	(44)	13,113	20,550	(36)
D	Finance expense						
	Bank facility fees	1,208	758	59	1,959	1,515	29
	Interest expense	8,816	5,387	64	15,843	11,300	40
	Currency exchange losses (net)	-	1,268	(100)	-	1,167	(100)
		10,024	7,413	35	17,802	13,982	27
E	Other operating expense						
	Property tax	4,417	4,276	3	8,741	8,979	(3)
	Repairs, maintenance and security	1,681	2,094	(20)	3,686	4,145	(11)
	Heat, light and power	5,539	4,868	14	10,453	9,264	13
	Rebranding expenses for Australian hotels	865	-	n.m.	3,081	-	n.m.
	Others	6,093	6,628	(8)	10,343	11,100	(7)
		18,595	17,866	4	36,304	33,488	8
F	Other (losses)/gains						
	Negative goodwill on acquisition of interests in associated companies	1,783	443	302	2,659	4,477	(41)
	Business acquisition costs [1]	(8,143)	-	n.m.	(8,143)	-	n.m.
	Gain on liquidation of a subsidiary	-	-	-	-	227	(100)
	Gain on liquidation of an available-for-sale financial asset	-	362	(100)	-	362	(100)
		(6,360)	805	(890)	(5,484)	5,066	(208)

n.m. : not meaningful

[1] Business acquisition costs comprise mainly stamp duty and legal fees incurred for the acquisition of PARKROYAL Melbourne Airport which were recognised in the income statement as the transaction was deemed a business combination under Financial Reporting Standards 103 Business Combinations.

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

	The Group					
	Second Quarter Ended 30 June			Six Months Ended 30 June		
	2011	2010	+ / (-)	2011	2010	+ / (-)
	$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
G Profit before income tax						
Profit before income tax is stated after charging:						
Depreciation and amortisation [2]	12,292	10,507	17	22,872	20,960	9
H Income tax expense						
Tax expense attributable to profit is made up of:						
Current income tax						
- Singapore	6,366	11,630	(45)	42,314	24,843	70
- Foreign	9,170	2,090	339	11,836	4,850	144
Deferred income tax						
- fair value gains of investment properties	5,201	1,335	290	5,201	1,335	290
- others	5,522	(856)	745	13,913	2,101	562
	26,259	14,199	85	73,264	33,129	121
Under provision in preceding financial years						
- Singapore current income tax	108	394	(73)	268	394	(32)
	26,367	14,593	81	73,532	33,523	119

n.m. : not meaningful

[2] Depreciation and amortisation expenses have increased in the second quarter of 2011 arising mainly from 1) depreciation expenses of PARKROYAL Serviced Suites Kuala Lumpur ("PSSKL") which commenced operations in the fourth quarter of 2010 and PARKROYAL Melbourne Airport ("PMA") which was acquired in April 2011; and 2) depreciation and amortisation of hardware and software costs of a new information system for the Group.

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

	Notes	The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2011	2010	+ / (-)	2011	2010	+ / (-)
			(Restated)			(Restated)	
		$'000	$'000	%	$'000	$'000	%
Net profit		229,399	186,846	23	515,394	310,432	66
Other comprehensive income/(loss):							
Fair value gains/(losses) on available-for-sale financial assets	A	26,842	7,561	255	44,580	(5,445)	919
Fair value gains/(losses) on cash-flow hedges		956	210	355	863	(400)	316
Currency translation differences arising from consolidation of foreign operations	B	(4,532)	(8,276)	(45)	(13,526)	675	(2,104)
Share of other comprehensive (loss)/ income of an associated company		(550)	151	(464)	(1,322)	156	(947)
Other comprehensive income/(loss) for the period, net of tax		22,716	(354)	6,517	30,595	(5,014)	710
Total comprehensive income for the period		252,115	186,492	35	545,989	305,418	79
Attributable to:							
Equity holders of the Company		225,969	176,266	28	465,119	267,557	74
Non-controlling interests		26,146	10,226	156	80,870	37,861	114
		252,115	186,492	35	545,989	305,418	79

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

A Fair value gains/(losses) on available-for-sale financial assets

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The increase in value for the second quarter ended 30 June 2011 is due to the increase in the closing bid prices of the relevant quoted equity shares from the previous quarter.

B Currency translation differences arising from consolidation of foreign operations

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

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

Statement of Financial Position	Note	The Group 30.06.11 $'000	The Group 31.12.10 (Restated) $'000	The Group 31.12.09 (Restated) $'000	The Company 30.06.11 $'000	The Company 31.12.10 $'000
ASSETS						
Current assets						
Cash and bank balances		287,172	313,169	281,459	4,772	1,727
Trade and other receivables	A	169,054	215,691	112,146	16,105	254,866
Developed properties held for sale		8,379	-	-	-	-
Development properties	B	1,046,355	1,034,366	1,379,789	-	-
Inventories		2,309	1,622	3,153	-	-
Available-for-sale financial assets		515,747	479,767	517,284	515,747	479,767
Other assets		13,167	45,695	5,898	1,415	315
Current income tax assets		551	904	1,236	-	-
		2,042,734	2,091,214	2,300,965	538,039	736,675
Non-current assets						
Trade and other receivables	A	69,915	1,906	99,201	1,064,653	685,866
Available-for-sale financial assets		279,283	246,972	228,897	81,860	66,184
Investments in associated companies	C	2,349,382	2,116,752	1,330,937	161,589	161,589
Investments in subsidiaries		-	-	-	1,296,483	1,295,483
Investment properties	D	2,534,992	2,261,613	2,027,476	293,480	285,650
Property, plant and equipment	E	803,227	668,179	684,160	912	843
Properties under development		325,488	312,344	412,706	-	-
Intangibles		42,504	42,807	37,571	713	793
Deferred income tax assets		4,841	3,651	5,099	163	298
		6,409,632	5,654,224	4,826,047	2,899,853	2,496,706
Total assets		8,452,366	7,745,438	7,127,012	3,437,892	3,233,381
LIABILITIES						
Current liabilities						
Trade and other payables		184,710	201,725	171,387	78,792	155,296
Derivative financial instrument		1,173	2,213	-	956	1,756
Current income tax liabilities		63,626	61,494	46,045	19,873	19,931
Loans from non-controlling shareholders of subsidiaries		-	18,990	33,025	-	-
Bank overdrafts		-	9	-	-	-
3.34% unsecured fixed rate note due 2012		149,904	-	-	149,904	-
Unsecured floating rate note due 2012		99,936	-	-	99,936	-
Bank loans	F	1,467,902	745,651	723,009	676,589	469,951
		1,967,251	1,030,082	973,466	1,026,050	646,934
Non-current liabilities						
Trade and other payables		57,406	53,287	28,638	4,082	3,051
Bank loans		742,414	1,128,939	1,213,455	-	-
3.34% unsecured fixed rate note due 2012		-	149,849	149,739	-	149,849
Unsecured floating rate note due 2012		-	99,899	99,826	-	99,899
Derivative financial instrument		-	-	2,221	-	-
Loans from non-controlling shareholders of subsidiaries		50,038	47,278	45,946	-	-
Provision for retirement benefits		2,608	2,539	2,316	-	-
Deferred income tax liabilities		240,162	185,989	172,623	83,153	77,036
		1,092,628	1,667,780	1,714,764	87,235	329,835
Total liabilities		3,059,879	2,697,862	2,688,230	1,113,285	976,769
NET ASSETS		5,392,487	5,047,576	4,438,782	2,324,607	2,256,612
Capital & reserves attributable to equity holders of the Company						
Share capital	G	1,039,474	1,051,898	1,058,527	1,039,474	1,051,898
Reserves		800,119	758,005	789,422	393,520	358,646
Retained earnings		3,109,526	2,827,072	2,180,740	891,613	846,068
		4,949,119	4,636,975	4,028,689	2,324,607	2,256,612
Non-controlling interests		443,368	410,601	410,093	-	-
TOTAL EQUITY		5,392,487	5,047,576	4,438,782	2,324,607	2,256,612

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

Explanatory Notes to the Statement of Financial Position

A Current and Non-current Trade and other receivables

The decrease in current Trade and other receivables was due mainly to the repayment of a loan of $73 million by an associated company subsequent to the receipt of temporary occupation permit ("TOP") for its development project, Nassim Park Residences.

The increase in non-current Trade and other receivables was due mainly to a loan of $68 million to a new joint venture company, United Venture Development (Bedok) Pte. Ltd. ("UVDB") for the development of the site at Bedok Reservoir Road.

B Development properties

The marginal increase in Development properties is due mainly to the Group's acquisition of the Lion City site, a freehold property at the junction of Tanjong Katong Road and Geylang Road ("Lion City"), offset by the receipt of Certificate of Completion and Compliance (equivalent of TOP) by the Group's development project, Panorama in Kuala Lumpur in the second quarter of 2011. The costs associated with the proposed Lion City site comprising both a retail and a residential component have been segregated into Investment Properties and Development properties respectively, in the Statement of Financial Position.

C Investments in associated companies

The increase in Associated companies was due mainly to 1) the Group's share of profit of associated companies for the first six months of 2011; 2) the Group's acquisition of shares in United Industrial Corporation Limited ("UIC"); and 3) the Group's additional capital injection into Shanghai Jin Peng Realty Co. Ltd ("SJP") for the construction and development of a land parcel in Changfeng District, Shanghai.

D Investment properties

Investment properties are stated at valuation as determined by a firm of independent professional valuers at 30 June 2011. It is the practice of the Group to revalue its investment properties half yearly. In addition to the recognition of fair valuation gains on investment properties, the increase in investment properties was due mainly to payments for the acquisition of Lion City.

E Property, plant and equipment

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

F Bank loans

The increase in bank financing was mainly to fund the Group's investments in Lion City, UVDB, UIC, SJP and PMA.

G Share capital

Pursuant to a share buyback mandate obtained at the Extraordinary General Meeting held on 21 April 2010, the Company has, from 4 April 2011 until 18 April 2011 purchased a total of 574,000 ordinary shares fully paid (or 0.07%) in the share capital of the Company at a total cost of $2.8 million or at an average cost of $4.92 per share.

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

	As at 30.6.11		As at 31.12.10	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	668,566	1,051,089	198,770	566,050
Amount repayable after one year	746,856	50,038	846,408	588,278

Details of any collaterals

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

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

Consolidated Statement of Cash Flows for the second quarter ended 30 June

	Notes	The Group 2nd Qtr 2011	2nd Qtr 2010 (Restated)
		$'000	$'000
Cash flows from operating activities			
Net profit		229,399	186,846
Adjustments for:			
Income tax expense		26,367	14,593
Non-cash items	i	(57,783)	(93,335)
Dividend income and interest income		(19,625)	(15,840)
Interest expense		10,024	6,145
Fair value gains on investment properties		(80,651)	(24,815)
Negative goodwill on acquisition of interests in associated companies		(1,783)	(443)
Gain on liquidation of an available-for-sale financial asset		-	(362)
Operating cash flow before working capital changes		105,948	72,789
Change in working capital			
Receivables	ii	100,120	59,800
Development properties	iii	(146,142)	233,451
Inventories		(977)	(50)
Rental deposits		2,829	75
Payables		(7,182)	18,525
Retention monies payables		1,703	1,826
		(49,649)	313,627
Cash generated from operations		56,299	386,416
Income tax paid		(19,910)	(5,069)
Retirement benefits paid		-	(41)
Net cash provided by operating activities		36,389	381,306
Cash flows from investing activities			
Payments for intangibles		(309)	-
Proceeds from liquidation of an available-for-sale financial asset		-	464
Payments for interests in associated companies		(12,725)	(4,608)
Loan to a joint venture company	iv	(67,994)	-
Loan to an associated company		-	(750)
Net proceeds from disposal of property, plant and equipment		18	44
Purchase of property, plant and equipment and investment properties	v	(355,697)	(14,584)
Payment of deposit for property, plant and equipment		14,232	-
Repayment of loan by an associated company		46,700	39,918
Interest received		833	1,026
Dividend received		65,301	26,942
Net cash (used in)/provided by investing activities		(309,641)	48,452
Cash flows from financing activities			
Proceeds from issue of shares		1,009	1,281
Loan from non-controlling shareholders of a subsidiary		-	2,233
Repayment of loan from non-controlling shareholders of a subsidiary		-	(20,575)
Proceeds from borrowings	v	330,240	7,349
Repayment of borrowings		(9,800)	(165,392)
Payment to non-controlling shareholders for purchase of shares in subsidiaries		-	(2,475)
Expenditure relating to bank borrowings		(325)	(1,674)
Interest paid		(13,264)	(15,068)
Dividends paid to equity holders of the Company		(115,101)	(78,353)
Dividends paid to non-controlling interests		(5,862)	(12,870)
Payments for share buy-back		(2,823)	(26,909)
Net cash from/(used in) financing activities		184,074	(312,453)
Net (decrease)/increase in cash and cash equivalents		(89,178)	117,305
Cash and cash equivalents at 1 April		370,803	334,835
Effects of currency translation on cash and cash equivalents		(453)	(3,128)
Cash and cash equivalents at 30 June	vi	281,172	449,012

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

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Non-cash items

The adjustment for non-cash items includes depreciation, share of profit of associated companies and exchange differences. The decrease from the previous corresponding quarter in 2010 was due mainly to a lower share of profit from associated companies for the second quarter of 2011 in comparison with the corresponding quarter in 2010.

ii. Receivables

The cash inflows from receivables for the second quarter of 2011 relate mainly to collections from the progress billings of development projects, Breeze by the East and Duchess Residences which obtained their TOP in the first quarter of 2011.

iii. Development properties

The cash outflow for development properties for the second quarter of 2011 arose mainly from the Group's acquisition of Lion City and expenditure for the Group's development projects in excess of receipts from progress billings.

iv. Loan to a joint venture company

The loan was made to a new joint venture company, UVDB, for the development of the site at Bedok Reservoir Road.

v. Purchase of property, plant and equipment and investment properties/ Proceeds from borrowings

Purchases of property, plant and equipment and investment properties relate mainly to payments made for the acquisitions of PMA and Lion City in the second quarter of 2011, which were funded principally by bank borrowings.

vi. Cash and cash equivalents

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

	The Group	
	30.06.11	30.06.10
	$'000	$'000
Fixed deposits with financial institutions	208,174	371,972
Cash at bank and on hand	78,998	83,040
Cash and bank balances per Statement of Financial Position	287,172	455,012
Less: Bank deposits pledged as security	(6,000)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	281,172	449,012

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

Statement of Changes in Equity for the second quarter ended 30 June

	Share Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2011					
Balance at 1 April 2011, as previously reported	1,039,242	776,368	3,016,460	418,429	5,250,499
Effect of adopting INT FRS 115	-	-	7,587	4,655	12,242
Balance at 1 April 2011, as restated	1,039,242	776,368	3,024,047	423,084	5,262,741
Employee share option scheme - proceeds from shares issued	1,009	-	-	-	1,009
Shares cancelled upon buy-back	(777)	-	(2,046)	-	(2,823)
Dividends	-	-	(115,101)	(5,862)	(120,963)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	408	-	408
Total comprehensive income for the period	-	23,751	202,218	26,146	252,115
Balance at 30 June 2011	1,039,474	800,119	3,109,526	443,368	5,392,487
2010					
Balance at 1 April 2010, as previously reported	1,058,909	783,476	2,251,182	426,739	4,520,306
Effect of adopting INT FRS 115	-	-	24,960	8,989	33,949
Balance at 1 April 2010, as restated	1,058,909	783,476	2,276,142	435,728	4,554,255
Employee share option scheme - proceeds from shares issued	1,281	-	-	-	1,281
Shares cancelled upon buy-back	(9,846)	-	(17,063)	-	(26,909)
Dividends	-	-	(78,353)	(12,870)	(91,223)
Acquisition of interests from non-controlling shareholders	-	-	-	(2,442)	(2,442)
Total comprehensive income for the period	-	2,578	173,688	10,226	186,492
Balance at 30 June 2010	1,050,344	786,054	2,354,414	430,642	4,621,454
The Company					
2011					
Balance at 1 April 2011	1,039,242	373,054	917,412	-	2,329,708
Employee share option scheme - proceeds from shares issued	1,009	-	-	-	1,009
Shares cancelled upon buy-back	(777)	-	(2,046)	-	(2,823)
Dividends	-	-	(115,101)	-	(115,101)
Total comprehensive income for the period	-	20,466	91,348	-	111,814
Balance at 30 June 2011	1,039,474	393,520	891,613	-	2,324,607
2010					
Balance at 1 April 2010	1,058,909	369,005	784,754	-	2,212,668
Employee share option scheme - proceeds from shares issued	1,281	-	-	-	1,281
Shares cancelled upon buy-back	(9,846)	-	(17,063)	-	(26,909)
Dividends	-	-	(78,353)	-	(78,353)
Total comprehensive income for the period	-	7,045	54,973	-	62,018
Balance at 30 June 2010	1,050,344	376,050	744,311	-	2,170,705

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

During the quarter ended 30 June 2011, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 April 2011	768,157,154
Shares cancelled upon buy-back	(574,000)
Issue of ordinary shares arising from the exercise of:	
2004 Options granted under the UOL 2000 Share Option Scheme	12,000
2005 Options granted under the UOL 2000 Share Option Scheme	12,000
2006 Options granted under the UOL 2000 Share Option Scheme	63,000
2008 Options granted under the UOL 2000 Share Option Scheme	53,000
2009 Options granted under the UOL 2000 Share Option Scheme	48,000
2010 Options granted under the UOL 2000 Share Option Scheme	121,000
Issued capital as at 30 June 2011	767,892,154

As at 30 June 2011, there were unexercised options for 4,946,000 (30.6.2010: 4,868,000) of unissued ordinary shares under the UOL 2000 Share Option Scheme.

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

	The Company	
	30.06.11	31.12.10
Total number of issued shares, excluding treasury shares	767,892,154	777,751,154

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

Not applicable.

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

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

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

Not applicable.

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

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

On 1 January 2011, the Group adopted the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. The following are the new or revised FRS and INT FRS that are relevant to the Group:

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

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

Amendments to FRS 24 - Related party disclosures

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.

INT FRS 115 – Agreements for the Construction of Real Estate

The Interpretation clarifies that an agreement for the construction of real estate that does not fall within FRS 11- Construction Contracts, may still apply percentage-of-completion method of accounting provided certain criteria in FRS 18- Revenue are met. Otherwise, such an agreement should be accounted for using the completion-of-construction method.

On the initial adoption of INT FRS 115, revenue and profit on the Group's sale of development properties under the progressive payment scheme in Singapore continues to be accounted based on the percentage-of-completion method. For the overseas development properties which have yet to be launched, the completion-of-construction method may have to be adopted depending on whether the eventual sale and purchase agreements satisfy the criteria in INT FRS 115. For the Group's on-going overseas development project in Malaysia and development projects sold under the deferred payment scheme in Singapore, a change in accounting policy from the percentage-of-completion method to the completion-of-construction method was required. The change in accounting policy has been applied retrospectively and the comparatives have been restated accordingly since the first quarter of 2011.

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

Effect on Consolidated Income Statement	The Group 2nd Qtr Ended 30 June		The Group 6 months Ended 30 June	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Increase in revenue	56,701	6,243	395,760	115,857
Increase in cost of sales	(45,535)	(26,658)	(205,393)	(103,045)
Increase in share of profit of associated companies	-	36,073	-	31,596
Increase in profit before income tax	11,166	15,658	190,367	44,408
(Increase)/decrease in income tax expense	(4,287)	3,716	(34,488)	(1,778)
	6,879	19,374	155,879	42,630
Increase/(decrease) in net profit attributable				
- Equity holders of the Company	1,456	25,873	106,125	36,696
- Non-controlling interests	5,423	(6,499)	49,754	5,934
	6,879	19,374	155,879	42,630
Increase in basic earnings per share (cents)	0.19	3.30	13.70	4.69
Increase in diluted earnings per share (cents)	0.19	3.30	13.68	4.68

Effect on Statement of Financial Position	The Group		
	30.06.11	31.12.10	1.1.10
	$'000	$'000	$'000
Decrease in development properties	-	(190,367)	(182,862)
Decrease in investment in associated companies	-	(3,274)	(18,112)
Decrease in current income tax liabilities	-	6,644	2,407
Decrease in deferred income tax liabilities	-	27,844	29,450
	-	(159,153)	(169,117)
Decrease in retained earnings	-	(109,400)	(119,544)
Decrease in non-controlling interest	-	(49,753)	(49,573)
	-	(159,153)	(169,117)
Decrease in net asset value per ordinary share ($)	-	(0.14)	(0.15)
Decrease in net tangible asset backing per ordinary share ($)	-	(0.14)	(0.15)

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

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

Consolidated Income Statement	2nd Qtr Ended 30 June			6 Months Ended 30 June		
	2011	2010	+ / (-)	2011	2010	+ / (-)
	$'000	$'000	%	$'000	$'000	%
Revenue	399,217	320,440	25	785,234	569,689	38
Cost of sales	(254,408)	(182,962)	39	(504,304)	(327,020)	54
Share of profit of associated companies	33,229	63,675	(48)	90,982	106,987	(15)
Profit before income tax	244,600	185,781	32	398,559	299,547	33
Income tax expense	(22,080)	(18,309)	21	(39,044)	(31,745)	23
Net profit	222,520	167,472	33	359,515	267,802	34
Net profit attributable to:						
- Equity holders of the Company	200,762	147,815	36	326,085	235,670	38
- Non-controlling interests	21,758	19,657	11	33,430	32,132	4
	222,520	167,472	33	359,515	267,802	34
Basic earnings per share (cents)	25.91	18.88		42.08	30.10	
Diluted earnings per share (cents)	25.88	18.86		42.04	30.07	

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	2nd Qtr 2011	2nd Qtr 2010
		(Restated)
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 26.10	cents 22.19
(ii) On a fully diluted basis	cents 26.07	cents 22.16

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

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

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

	The Group		The Company	
	30.06.11	31.12.10	30.06.11	31.12.10
		(Restated)		
Net asset value per ordinary share	$6.45	$5.96	$3.03	$2.79
Net tangible asset backing per ordinary share	$6.39	$5.91	$3.03	$2.79

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

Revenue

Group revenue in the second quarter of 2011 increased by $129.2 million or 40% to $455.9 million, compared with $326.7 million (restated) in the corresponding period of 2010. Excluding the effects of the adoption of INT FRS 115, the increase was $78.8 million or 25%. The improvement was due mainly to 1) higher recognition of revenue from the sale of the Group's development properties; 2) the inclusion of revenue from PSSKL which commenced operations in the fourth quarter of 2010 and from PMA which was acquired in April 2011; and 3) higher dividend income from the Group's quoted investments.

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

Other income

Finance income for the second quarter of 2011 increased with unrealised currency exchange gains from the Group's borrowings in United States Dollars to fund its investments in the Republic of China.

Expenses

Cost of sales in the second quarter of 2011 increased as a larger proportion of the increase in revenue was from property development which has a higher cost margin. Marketing and distribution expenses decreased by 44%, from $12.0 million to $6.7 million due mainly to sales commissions and showflat expenses for Meadows@Peirce and Waterbank at Dakota in the second quarter of 2010. Administrative expenses increased by 6% from $13.7 million to $14.6 million due mainly to higher payroll costs from additional staff hired to support the expanded operations of the Group, including PSSKL and PMA. Finance expenses increased by 35% from $7.4 million to $10.0 million as additional borrowings were secured for investments and acquisitions.

Associated companies

The decrease in the share of profit of associated companies in the second quarter of 2011 was due mainly to 1) the absence of share of profit from Nassim Park Residences following the receipt of TOP in the first quarter of 2011; and 2) the inclusion of INT FRS 115 restatements for the share of profit of Brendale Pte Ltd and UIC in the second quarter of 2010.

Profit & Loss

Second quarter ended 30 June 2011/2010

The pre-tax profit before fair value and other gains/(losses) for the second quarter of 2011 was $147.2 million compared with $170.1 million (restated) for the second quarter of 2010. The decrease was attributed mainly to a lower share of profit from associated companies and higher finance expenses, offset partially by the increased income from property development, property investments and dividends from quoted investments.

The Group's investment properties were valued by professional valuers as of 30 June 2011 and arising therefrom, a fair value gain of $80.7 million was recognised in the income statement, a 225% increase from the fair value gains of $24.8 million recognised in the second quarter of 2010.

With the inclusion of fair value gains on investment properties of the Group and its associated companies, the Group recorded a pre-tax profit of $255.8 million, an increase of 27% from $201.4 million (restated) in the corresponding period of 2010. Profit after tax and non-controlling interest was $202.2 million, representing a 16% increase from $173.7 million in the corresponding period of 2010.

Six Months Ended 30 June 2011/2010

For the six months ended 30 June 2011, pre-tax profit before fair value and other gains/(losses) was $479.5 million or a 56% increase from the profit of $308.3 million (restated) in the corresponding period of 2010.

Including fair value gains, profit before tax for the six months ended 30 June 2011 was $588.9 million, an increase of $244.9 million or 71% from the profit of $344.0 million (restated) for the corresponding period in 2010. Excluding the effects of the adoption of INT FRS 115, the increase was $99.0 million or 33% and was due mainly to higher operating profit and fair value gains on the investment properties of the Group and its associated companies. Profit after tax and non-controlling interest was $432.2 million or a 59% increase from the profit of $272.4 million (restated) for the first six months of 2010.

Net tangible asset and gearing

The Group shareholders' funds increased from $4.64 billion (restated) as at 31 December 2010 to $4.95 billion as at 30 June 2011. The increase was due mainly to profits recognised in the first six months of 2011 and higher reserves from fair value gains on available-for-sale financial assets, offset by the adjustments for share buy-back and dividends paid. Consequently the net tangible asset per ordinary share of the Group increased to $6.39 as at 30 June 2011 from $5.91 (restated) as at 31 December 2010. The Group's gearing ratio increased from 0.37 (restated) as at 31 December 2010 to 0.41 as at 30 June 2011 due to the increase in borrowings for the Group's investments and acquisitions.

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

Nil.

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

The Singapore economy grew by 0.9% in the 2nd quarter 2011 compared with the 9.3% growth in the preceding quarter. Uncertainties in the global economy and the property cooling measures introduced by the Singapore government are expected to moderate sales volume and prices of private residential properties. With impending supply of new office space in the pipeline, growth in rentals of office space in Singapore is expected to moderate. Rentals for retail space are expected to remain stable supported by healthy consumer spending and strong tourist arrivals.

Despite the challenges posed by recent developments in Europe, United States and Japan, the outlook for the hotel sector in Singapore and the Asia Pacific region is expected to remain positive and this could benefit the Group's hotels.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Par value of shares	:	N.A.
Tax Rate	:	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Par value of shares	:	N.A.
Tax Rate	:	N.A.

(c) Date payable : N.A.

(d) Books closure date : N.A.

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

No dividend has been declared or recommended for the second quarter ended 30 June 2011.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the six months/ second quarter ended 30 June 2011 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
11 August 2011