UOL Group Limited
Company Registration No. 196300438C

UNAUDITED THIRD 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

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
	Notes	2011	2010	+ / (-)	2011	2010	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Revenue	A	413,281	301,963	37	1,594,275	987,508	61
Cost of sales		(273,404)	(186,512)	47	(983,101)	(616,577)	59
Gross profit		139,877	115,451	21	611,174	370,931	65
Other income							
- Finance income	B	778	2,028	(62)	1,880	2,840	(34)
- Miscellaneous income		3,210	2,398	34	9,273	8,306	12
Expenses							
- Marketing and distribution	C	(7,530)	(12,147)	(38)	(20,643)	(32,698)	(37)
- Administrative		(16,320)	(15,171)	8	(47,423)	(40,680)	17
- Finance	D	(18,065)	(5,052)	258	(30,234)	(17,974)	68
- Other operating	E	(16,106)	(15,158)	6	(49,691)	(48,647)	2
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		36,769	65,243	(44)	127,751	203,825	(37)
Profit before fair value and other gains/(losses) and income tax		122,613	137,592	(11)	602,087	445,903	35
Other gains/(losses)	F	2,731	174	n.m.	(2,753)	5,240	(153)
Fair value gains on associated companies' investment properties		-	-	-	34,285	5,761	495
Fair value gains on the Group's investment properties		-	-	-	80,651	24,815	225
Profit before income tax	G	125,344	137,766	(9)	714,270	481,719	48
Income tax expense	H	(15,078)	(12,504)	21	(88,610)	(46,026)	93
Net profit		110,266	125,262	(12)	625,660	435,693	44
Attributable to:							
Equity holders of the Company		100,977	113,963	(11)	533,187	386,329	38
Non-controlling interests		9,289	11,299	(18)	92,473	49,364	87
		110,266	125,262	(12)	625,660	435,693	44
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains/(losses)		98,246	113,789	(14)	437,965	356,211	23
Other gains/(losses)		2,731	174	n.m.	(1,252)	5,240	(124)
Fair value gains on investment properties including those of associated companies		-	-	-	96,474	24,878	288
Net attributable profit		100,977	113,963	(11)	533,187	386,329	38

n.m. : not meaningful

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

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2011	2010	+ / (-)	2011	2010	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
A	Revenue						
	Revenue from property development	267,445	171,323	56	1,175,137	604,309	94
	Revenue from property investments	41,160	36,838	12	119,631	110,082	9
	Gross revenue from hotel operations	92,058	81,902	12	259,212	237,826	9
	Revenue from management services	5,223	4,780	9	14,076	13,341	6
	Dividend income	7,395	7,120	4	26,219	21,950	19
		413,281	301,963	37	1,594,275	987,508	61
B	Finance income						
	Interest income	778	969	(20)	1,880	2,840	(34)
	Currency exchange gains (net)	-	1,059	(100)	-	-	-
		778	2,028	(62)	1,880	2,840	(34)
C	Marketing and distribution						
	Sales commissions	-	2,682	(100)	364	6,417	(94)
	Showflat expenses	713	3,372	(79)	1,443	8,413	(83)
	Advertising and promotion	3,102	3,234	(4)	8,731	10,281	(15)
	Marketing and distribution payroll expenses	3,715	2,402	55	10,105	6,290	61
	Others	-	457	(100)	-	1,297	(100)
		7,530	12,147	(38)	20,643	32,698	(37)
D	Finance expense						
	Bank facility fees	979	748	31	2,938	2,263	30
	Interest expense	8,354	4,304	94	24,197	15,603	55
	Currency exchange losses (net)	8,732	-	n.m.	3,099	108	n.m.
		18,065	5,052	258	30,234	17,974	68
E	Other operating expense						
	Property tax	3,547	2,333	52	12,288	11,312	9
	Repairs, maintenance and security	2,561	2,342	9	6,247	6,487	(4)
	Heat, light and power	5,264	4,950	6	15,717	14,214	11
	Rebranding expenses for Australian hotels	448	-	n.m.	3,529	-	n.m.
	Others	4,286	5,533	(23)	11,910	16,634	(28)
		16,106	15,158	6	49,691	48,647	2
F	Other gains/(losses)						
	Negative goodwill on acquisition of interests in associated companies	2,731	244	n.m.	5,390	4,721	14
	Business acquisition costs [1]	-	-	-	(8,143)	-	n.m.
	(Loss)/gain on liquidation of a subsidiary	-	(70)	100	-	157	(100)
	Gain on liquidation of an available-for-sale financial asset	-	-	-	-	362	(100)
		2,731	174	n.m.	(2,753)	5,240	(153)

n.m. : not meaningful

[1] Business acquisition costs comprise mainly stamp duty and legal fees incurred for the acquisition of PARKROYAL Melbourne Airport ("PMA") 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					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		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]	12,060	11,025	9	34,932	31,984	9
H	Income tax expense						
	Tax expense attributable to profit is made up of:						
	Current income tax						
	- Singapore	5,085	4,780	6	47,400	25,390	87
	- Foreign	2,205	2,598	(15)	14,042	7,447	89
	Deferred income tax						
	- fair value gains of investment properties	-	-	-	5,201	1,335	290
	- others	8,006	5,168	55	21,918	11,502	91
		15,296	12,546	22	88,561	45,674	94
	(Over)/underprovision in preceding financial years						
	- Singapore current income tax	(218)	(42)	419	49	352	(86)
		15,078	12,504	21	88,610	46,026	93

[2] Depreciation and amortisation expenses have increased in the third quarter of 2011 arising mainly from 1) depreciation expenses of PARKROYAL Serviced Suites Kuala Lumpur which commenced operations in the fourth quarter of 2010 and 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

		The Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
	Notes	2011	2010	+ / (-)	2011	2010	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Net profit		110,266	125,262	(12)	625,660	435,693	44
Other comprehensive income/(loss):							
Fair value losses on available-for-sale financial assets	A	(86,925)	(35,469)	145	(42,344)	(40,914)	3
Fair value(losses)/gains on cash-flow hedges		(1)	(396)	(100)	862	(796)	208
Currency translation differences arising from consolidation of foreign operations	B	12,950	(1,946)	765	(576)	(1,271)	55
Share of other comprehensive income of an associated company		5,220	271	n.m.	3,898	428	811
Other comprehensive loss for the period, net of tax		(68,756)	(37,540)	83	(38,160)	(42,553)	(10)
Total comprehensive income for the period		41,510	87,722	(53)	587,500	393,140	49
Attributable to:							
Equity holders of the Company		31,064	74,966	(59)	496,183	342,524	45
Non-controlling interests		10,446	12,756	(18)	91,317	50,616	80
		41,510	87,722	(53)	587,500	393,140	49

n.m. : not meaningful

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

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

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The decrease in value for the third quarter ended 30 September 2011 is due to the decrease 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, AUD, RMB and MYR.

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

	Note	The Group			The Company	
		30.09.11	31.12.10 (Restated)	31.12.09 (Restated)	30.09.11	31.12.10
		$'000	$'000	$'000	$'000	$'000
ASSETS						
Current assets						
Cash and bank balances		281,752	313,169	281,459	3,552	1,727
Trade and other receivables	A	115,257	215,691	112,146	15,722	254,866
Developed properties held for sale		5,286	-	-	-	-
Development properties	B	1,103,966	1,034,366	1,379,789	-	-
Inventories		2,028	1,622	3,153	-	-
Available-for-sale financial assets		447,141	479,767	517,284	447,141	479,767
Other assets		14,365	45,695	5,898	2,048	315
Current income tax assets		424	904	1,236	-	-
		1,970,219	2,091,214	2,300,965	468,463	736,675
Non-current assets						
Trade and other receivables	C	71,665	1,906	99,201	1,070,429	685,866
Available-for-sale financial assets		249,301	246,972	228,897	77,595	66,184
Investments in associated companies	D	2,291,883	2,116,752	1,330,937	161,589	161,589
Investments in joint venture companies		412	-	-	-	-
Investments in subsidiaries		-	-	-	1,296,483	1,295,483
Investment properties	E	2,545,394	2,261,613	2,027,476	293,480	285,650
Property, plant and equipment	F	803,571	668,179	684,160	859	843
Properties under development		341,053	312,344	412,706	-	-
Intangibles		42,015	42,807	37,571	690	793
Deferred income tax assets		4,841	3,651	5,099	163	298
		6,350,135	5,654,224	4,826,047	2,901,288	2,496,706
Total assets		8,320,354	7,745,438	7,127,012	3,369,751	3,233,381
LIABILITIES						
Current liabilities						
Trade and other payables		182,830	201,725	171,387	80,449	155,296
Derivative financial instrument		1,174	2,213	-	957	1,756
Current income tax liabilities		52,508	61,494	46,045	17,628	19,931
Loans from non-controlling shareholders of subsidiaries		-	18,990	33,025	-	-
Bank overdrafts		2,803	9	-	-	-
3.34% unsecured fixed rate note due 2012		149,932	-	-	149,932	-
Unsecured floating rate note due 2012		99,954	-	-	99,954	-
Bank loans	H	1,025,560	745,651	723,009	252,474	469,951
		1,514,761	1,030,082	973,466	601,394	646,934
Non-current liabilities						
Trade and other payables		64,910	53,287	28,638	4,114	3,051
Bank loans	H	721,618	1,128,939	1,213,455	-	-
2.5% unsecured fixed rate notes due 2014	G	299,175	-	-	299,175	-
3.34% unsecured fixed rate notes due 2012		-	149,849	149,739	-	149,849
Unsecured floating rate note due 2012		-	99,899	99,826	-	99,899
Derivative financial instrument		-	-	2,221	-	-
Loans from non-controlling shareholders of subsidiaries		50,586	47,278	45,946	-	-
Provision for retirement benefits		2,691	2,539	2,316	-	-
Deferred income tax liabilities		236,355	185,989	172,623	71,490	77,036
		1,375,335	1,667,780	1,714,764	374,779	329,835
Total liabilities		2,890,096	2,697,862	2,688,230	976,173	976,769
NET ASSETS		5,430,258	5,047,576	4,438,782	2,393,578	2,256,612
Capital & reserves attributable to equity holders of the Company						
Share capital	I	1,040,694	1,051,898	1,058,527	1,040,694	1,051,898
Reserves		730,206	758,005	789,422	332,311	358,646
Retained earnings		3,212,444	2,827,072	2,180,740	1,020,573	846,068
		4,983,344	4,636,975	4,028,689	2,393,578	2,256,612
Non-controlling interests		446,914	410,601	410,093	-	-
TOTAL EQUITY		5,430,258	5,047,576	4,438,782	2,393,578	2,256,612

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

Explanatory Notes to the Statement of Financial Position

A Current Trade and other receivables

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

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 completion of the Group's development projects, Breeze by the East, Duchess Residences and Panorama in Kuala Lumpur in the first half 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 in the Statement of Financial Position.

C Non-current Trade and other receivables

The increase in non-current Trade and other receivables was due mainly to a loan of $70 million to a new joint venture company, United Venture Development (Bedok) Pte. Ltd. ("UVDB") for the development of the site at Bedok Reservoir Road.

D 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 nine 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.

E 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. The increase in investment properties was due mainly to fair value gains on investment properties and payments for the acquisition of Lion City.

F 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.

G 2.5% unsecured fixed rate notes due 2014

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

H Bank loans

The decrease in bank loans was due mainly to alternative funding received from the issuance of unsecured fixed rate notes described in Note G above.

I Share capital

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

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

	As at 30.9.11		As at 31.12.10	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	665,049	614,277	198,770	566,050
Amount repayable after one year	725,484	350,586	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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the third quarter ended 30 September

	Notes	The Group 3rd Qtr 2011	3rd Qtr 2010 (Restated)
		$'000	$'000
Cash flows from operating activities			
Net profit		110,266	125,262
Adjustments for:			
Income tax expense		15,078	12,504
Non-cash items	i	(14,464)	(53,506)
Dividend income and interest income		(8,173)	(8,089)
Interest expense		9,333	5,052
Negative goodwill on acquisition of interests in associated companies		(2,731)	(244)
Loss on liquidation of a subsidiary		-	70
Operating cash flow before working capital changes		109,309	81,049
Change in working capital			
Receivables	ii	1,322	(53,018)
Development properties	iii	16,538	(1,514)
Inventories		1,174	213
Payables		(4,787)	3,582
		14,247	(50,737)
Cash generated from operations		123,556	30,312
Income tax paid		(17,938)	(18,963)
Retirement benefits paid		(31)	(83)
Net cash provided by operating activities		105,587	11,266
Cash flows from investing activities			
Payments for interests in an associated company	iv	(12,192)	(3,184)
Payments for interests in a joint venture company	iv	(500)	-
Loan to a joint venture company		(1,750)	-
Loan to an associated company		-	(500)
Repayment of loan by an associated company		-	10,382
Net proceeds from disposal of property, plant and equipment		20	1
Purchase of property, plant and equipment and investment properties	v	(31,406)	(20,709)
Interest received		777	982
Dividend received	vi	124,208	25,067
Net cash provided by investing activities		79,157	12,039
Cash flows from financing activities			
Proceeds from issue of shares		1,220	783
Loan from non-controlling shareholders of a subsidiary		491	3,382
Proceeds from unsecured fixed rate notes	vii	300,000	-
Proceeds from borrowings		18,761	31,853
Repayment of borrowings	vii	(495,731)	(153,559)
Expenditure relating to bank borrowings		(969)	(431)
Interest paid		(10,338)	(8,063)
Dividends paid to non-controlling interests		(6,900)	(12,263)
Net cash used in financing activities		(193,466)	(138,298)
Net decrease in cash and cash equivalents		(8,722)	(114,993)
Cash and cash equivalents at 1 July		281,172	449,012
Effects of currency translation on cash and cash equivalents		499	1,261
Cash and cash equivalents at 30 September	viii	272,949	335,280

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

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Non-cash items

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

ii. Receivables

The cash outflow from receivables in the third quarter of 2010 was due mainly to the Group's $52.0 million share of the tender deposit paid for the proposed development in Changfeng district, Shanghai. There were no similar items noted for the quarter under review.

iii. Development properties

The cash inflow for development properties for the third quarter of 2011 relate to progress billings which were in excess of expenditure for the Group's development projects.

iv. Payments for interests in an associated company and a joint venture company

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

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

Expenditure on property, plant and equipment and investment properties were incurred mainly on the Group's construction of the hotel property at Upper Pickering and Hai He Hua Ding in Tianjin.

vi. Dividend received

Dividends were received mainly from an associated company following the completion of it's development project, Nassim Park Residences.

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

In the third quarter of 2011, the cash inflow from dividends described in Note 1(c)(vi) above together with those from the Group's operations and issue of unsecured fixed rate notes were used mainly to fund the Group's investments and to reduce the Group's bank borrowings.

viii. Cash and cash equivalents

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

	The Group	
	30.09.11	30.09.10
	$'000	$'000
Fixed deposits with financial institutions	188,467	259,830
Cash at bank and on hand	93,285	81,693
Cash and bank balances per Statement of Financial Position	281,752	341,523
Less: Bank overdrafts	(2,803)	(243)
Less: Bank deposits pledged as security	(6,000)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	272,949	335,280

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 third quarter ended 30 September

	Share Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2011					
Balance at 1 July 2011	1,039,474	800,119	3,109,526	443,368	5,392,487
Employee share option scheme - proceeds from shares issued	1,220	-	-	-	1,220
Dividends	-	-	-	(6,900)	(6,900)
Share of an associated company's acquisition of interests from non-controlling shareholders	-	-	1,941	-	1,941
Total comprehensive income for the period	-	(69,913)	100,977	10,446	41,510
Balance at 30 September 2011	1,040,694	730,206	3,212,444	446,914	5,430,258
2010					
Balance at 1 July 2010	1,050,344	786,054	2,354,414	430,642	4,621,454
Employee share option scheme - proceeds from shares issued	783	-	-	-	783
Dividends	-	-	-	(12,263)	(12,263)
Total comprehensive income for the period	-	(38,997)	113,963	12,756	87,722
Balance at 30 September 2010	1,051,127	747,057	2,468,377	431,135	4,697,696
The Company					
2011					
Balance at 1 July 2011	1,039,474	393,520	891,613	-	2,324,607
Employee share option scheme - proceeds from shares issued	1,220	-	-	-	1,220
Total comprehensive income for the period	-	(61,209)	128,960	-	67,751
Balance at 30 September 2011	1,040,694	332,311	1,020,573	-	2,393,578
2010					
Balance at 1 July 2010	1,050,344	376,050	744,311	-	2,170,705
Employee share option scheme - proceeds from shares issued	783	-	-	-	783
Total comprehensive income for the period	-	(25,961)	46,858	-	20,897
Balance at 30 September 2010	1,051,127	350,089	791,169	-	2,192,385

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 September 2011, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 July 2011	767,892,154
Issue of ordinary shares arising from the exercise of:	
2002 Options granted under the UOL 2000 Share Option Scheme	18,000
2003 Options granted under the UOL 2000 Share Option Scheme	18,000
2004 Options granted under the UOL 2000 Share Option Scheme	12,000
2006 Options granted under the UOL 2000 Share Option Scheme	20,000
2008 Options granted under the UOL 2000 Share Option Scheme	102,000
2009 Options granted under the UOL 2000 Share Option Scheme	22,000
2010 Options granted under the UOL 2000 Share Option Scheme	164,000
Issued capital as at 30 September 2011	768,248,154

As at 30 September 2011, there were unexercised options for 4,506,000 (30.9.2010: 4,441,000) 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	
	30.09.11	31.12.10
Total number of issued shares, excluding treasury shares	768,248,154	777,751,154

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

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

The adoption of the above FRS 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:

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

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

<u>INT FRS 115 – Agreements for the Construction of Real Estate</u>

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 third quarter of 2011 and the relevant comparatives, subject to year-end audit, are as follows:

<u>Effect on Consolidated Income Statement</u>	The Group 3rd Qtr Ended 30 September		The Group 9 months Ended 30 September	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(Decrease)/increase in revenue	-	(43,227)	395,760	72,630
Decrease/(increase) in cost of sales	-	23,352	(205,393)	(79,693)
(Decrease)/increase in share of profit of associated companies	-	(227)	-	31,369
(Decrease)/increase in profit before income tax	-	(20,102)	190,367	24,306
Decrease/(increase) in income tax expense	-	3,850	(34,488)	2,072
	-	(16,252)	155,879	26,378
(Decrease)/increase in net profit attributable to:				
- Equity holders of the Company	-	(10,784)	106,125	25,912
- Non-controlling interests	-	(5,468)	49,754	466
	-	(16,252)	155,879	26,378
(Decrease)/increase in basic earnings per share (cents)	-	(1.38)	13.74	3.32
(Decrease)/increase in diluted earnings per share (cents)	-	(1.38)	13.73	3.31

<u>Effect on Statement of Financial Position</u>	The Group		
	<u>30.09.11</u>	<u>31.12.10</u>	<u>1.1.10</u>
	$'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 adjustments made in relation to the adoption of INT FRS 115:

Consolidated Income Statement	3rd Qtr Ended 30 September			9 months Ended 30 September		
	2011	2010	+ / (-)	2011	2010	+ / (-)
	$'000	$'000	%	$'000	$'000	%
Revenue	413,281	345,190	20	1,198,515	914,878	31
Cost of sales	(273,404)	(209,864)	30	(777,708)	(536,884)	45
Share of profit of associated companies	36,769	65,470	(44)	127,751	172,456	(26)
Profit before income tax	125,344	157,868	(21)	523,903	457,413	15
Income tax expense	(15,078)	(16,354)	(8)	(54,122)	(48,098)	13
Net profit	110,266	141,514	(22)	469,781	409,315	15
Net profit attributable to:						
- Equity holders of the Company	100,977	124,747	(19)	427,062	360,417	18
- Non-controlling interests	9,289	16,767	(45)	42,719	48,898	(13)
	110,266	141,514	(22)	469,781	409,315	15
Basic earnings per share (cents)	13.07	15.97		55.29	46.13	
Diluted earnings per share (cents)	13.06	15.95		55.24	46.09	

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	
	3rd Qtr 2011	3rd Qtr 2010
		(Restated)
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 13.07	cents 14.59
(ii) On a fully diluted basis	cents 13.06	cents 14.57

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	
	30.09.11	31.12.10	30.09.11	31.12.10
		(Restated)		
Net asset value per ordinary share	$6.49	$5.96	$3.12	$2.90
Net tangible asset backing per ordinary share	$6.43	$5.91	$3.11	$2.90

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

Revenue

Group revenue in the third quarter of 2011 increased by $111.3 million or 37% to $413.3 million, compared with $302.0 million in the corresponding period of 2010. The improvement was due mainly to 1) higher recognition of revenue from the sale of the Group's development properties; and 2) the inclusion of revenue from PARKROYAL Serviced Suites Kuala Lumpur which commenced operations in the fourth quarter of 2010 and from PARKROYAL Melbourne Airport which was acquired in April 2011.

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

Expenses

Marketing and distribution expenses decreased by 38%, from $12.1 million to $7.5 million due mainly to sales commissions and showflat expenses incurred for the Waterbank at Dakota development in the third quarter of 2010. The increase in administrative expenses from $15.2 million to $16.3 million arose mainly from higher payroll costs from additional staff hired to support the expanded operations of the Group, including the PARKROYAL Serviced Suites Kuala Lumpur and PARKROYAL Melbourne Airport.

Finance expenses increased by $13.0 million from $5.1 million to $18.1 million due mainly to 1) additional borrowings secured for the Group's investments and acquisitions; and 2) unrealised currency exchange losses from the Group's borrowings in United States Dollars to fund its investments.

Associated companies

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

Profit & Loss

Third quarter ended 30 September 2011/2010

The pre-tax profit before fair value and other gains/(losses) for the third quarter of 2011 was $122.6 million compared with $137.6 million for the third quarter of 2010. The decrease was due mainly to a lower share of profit from associated companies and higher finance expenses.

The Group recorded a pre-tax profit of $125.3 million, a decrease of 9% from $137.8 million in the corresponding period of 2010. Profit after tax and non-controlling interest was $101.0 million, representing an 11% decrease from the profit of $114.0 million in the corresponding period of 2010.

Nine Months Ended 30 September 2011/2010

For the nine months ended 30 September 2011, pre-tax profit before fair value and other gains/(losses) was $602.1 million or a 35% increase from the profit of $445.9 million in the corresponding period of 2010.

Including fair value and other gains, profit before tax for the nine months ended 30 September 2011 was $714.3 million, an increase of $232.6 million or 48% from the profit of $481.7 million for the corresponding period in 2010. The increase 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 $533.2 million or a 38% increase from the profit of $386.3 million for the first nine months of 2010.

Net tangible asset and gearing

The Group shareholders' funds increased from $4.64 billion as at 31 December 2010 to $4.98 billion as at 30 September 2011. The increase was due mainly to profits recognised in the first nine months of 2011 offset partially by lower fair value reserves on available-for-sale financial assets, adjustments for share buy-back and dividends paid. Consequently the net tangible asset per ordinary share of the Group increased to $6.43 as at 30 September 2011 from $5.91 as at 31 December 2010. The Group's gearing ratio increased marginally from 0.37 as at 31 December 2010 to 0.38 as at 30 September 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 Ministry of Trade and Industry of Singapore has revised its annual GDP growth forecast for 2011 to 5%, down from an earlier forecast of 5% - 6%. As the weak external environment is likely to persist, the Singapore economy is expected to moderate its growth in 2012. As a result, buying sentiment in the private residential property market is likely to be cautious. Growth in Singapore office rents is expected to moderate while retail rents are expected to remain stable.

The outlook for our hotels in Singapore is expected to remain encouraging while some of the Group's hotels in the Asia Pacific region could face challenges.

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 third quarter ended 30 September 2011.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

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 nine months/ third quarter ended 30 September 2011 to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
11 November 2011