

**UNAUDITED FIRST 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 and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Note	The Group		
		First Quarter Ended 31 March		
		2012	2011	+ / (-)
		\$'000	\$'000	%
Revenue	A	297,733	725,076	(59)
Cost of sales		(179,573)	(409,754)	(56)
Gross profit		118,160	315,322	(63)
Other income				
- Finance income	B	5,663	2,099	170
- Miscellaneous income		3,254	3,144	3
Expenses				
- Marketing and distribution	C	(6,446)	(6,401)	1
- Administrative		(16,284)	(14,144)	15
- Finance	D	(8,183)	(7,778)	5
- Other operating	E	(16,135)	(17,710)	(9)
Share of profit of associated companies		27,754	57,754	(52)
Profit before other gains and income tax		107,783	332,286	(68)
Other gains	F	572	876	(35)
Profit before income tax	G	108,355	333,162	(67)
Income tax expense	H	(14,637)	(47,165)	(69)
Net profit		93,718	285,997	(67)
<u>Attributable to:</u>				
Equity holders of the Company		84,006	229,993	(63)
Non-controlling interests		9,712	56,004	(83)
		93,718	285,997	(67)

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

	The Group		
	First Quarter Ended 31 March		
	2012	2011	+ / (-)
	\$'000	\$'000	%
<b>A <u>Revenue</u></b>			
Revenue from property development	153,219	602,038	(75)
Revenue from property investments	41,893	39,211	7
Gross revenue from hotel ownership and operations	96,830	79,058	22
Revenue from hotel and other management services	5,791	4,769	21
	297,733	725,076	(59)
<b>B <u>Finance income</u></b>			
Interest income	866	301	188
Currency exchange gains (net)	4,797	1,798	167
	5,663	2,099	170
<b>C <u>Marketing and distribution expense</u></b>			
Sales commissions	32	569	(94)
Showflat expenses	29	448	(94)
Advertising and promotion	3,389	2,555	33
Marketing and distribution payroll expenses	2,724	2,829	(4)
Others	272	-	n.m.
	6,446	6,401	1
<b>D <u>Finance expense</u></b>			
Bank facility fees	561	752	(25)
Interest expense <sup>1</sup>	7,622	7,026	8
	8,183	7,778	5
<b>E <u>Other operating expense</u></b>			
Property tax	4,734	4,324	9
Repairs, maintenance and security	2,150	2,004	7
Heat, light and power	5,085	4,914	3
Rebranding expenses for Australian hotels	-	2,216	(100)
Others	4,166	4,252	(2)
	16,135	17,710	(9)
<b>F <u>Other gains</u></b>			
Negative goodwill on acquisition of interests in an associated company	572	876	(35)

n.m. : not meaningful

<sup>1</sup> Interest expense for first quarter of 2012 increased by 8% from the corresponding quarter of 2011 due to higher interest incurred on Australian dollar borrowings taken in April 2011 to fund the acquisition of PARKROYAL Melbourne Airport.

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

	The Group		
	First Quarter Ended 31 March		
	2012	2011	+ / (-)
	\$'000	\$'000	%
<b>G</b> <u>Profit before income tax</u>			
Profit before income tax is stated after charging:			
Depreciation and amortisation <sup>2</sup>	11,447	10,581	8
<b>H</b> <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	6,211	6,207	0
- Foreign	2,897	1,385	109
- Withholding tax paid	173	-	n.m.
Deferred income tax	5,326	39,413	(86)
	14,607	47,005	(69)
Under provision in preceding financial years			
Current income tax			
- Singapore	30	160	(81)
	14,637	47,165	(69)

n.m. : not meaningful

<sup>2</sup> Depreciation and amortisation charge is higher by 8% compared to the first quarter of 2011 due to the inclusion of PARKROYAL Melbourne Airport and amortisation charge for a new group-wide information system.

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

	Note	The Group		
		First Quarter Ended 31 March		
		2012	2011	+ / (-)
		\$'000	\$'000	%
Net profit		93,718	285,997	(67)
Other comprehensive income/(loss):				
Fair value gains on available-for-sale financial assets	A	100,277	17,739	465
Fair value losses on cash-flow hedges		-	(93)	(100)
Currency translation differences arising from consolidation of foreign operations	B	(8,049)	(8,997)	(11)
Share of other comprehensive (loss)/income of an associated company		(2,212)	6,537	(134)
Other comprehensive income for the period, net of tax		90,016	15,186	493
Total comprehensive income for the period		183,734	301,183	(39)
<u>Attributable to:</u>				
Equity holders of the Company		174,438	246,460	(29)
Non-controlling interests		9,296	54,723	(83)
		183,734	301,183	(39)

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

A Fair value gains 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 as at 31 March 2012 was due to the increase in the closing bid prices of the relevant quoted equity shares.

B Currency translation differences arising from consolidation of foreign operations

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

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

	Note	The Group			The Company		
		31.03.12	31.12.11 (Restated)	31.12.10 (Restated)	31.03.12	31.12.11 (Restated)	31.12.10 (Restated)
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and bank balances	A	334,182	297,358	313,169	3,321	6,515	1,727
Trade and other receivables	B	204,415	126,247	215,691	20,407	243,732	254,866
Developed properties held for sale		4,270	5,452	-	-	-	-
Development properties	B	935,974	1,145,435	1,192,916	-	-	-
Inventories		963	1,110	1,622	-	-	-
Available-for-sale financial assets		482,779	402,833	479,767	482,779	402,833	479,767
Other assets		28,280	23,258	45,695	1,034	774	315
Current income tax assets		392	647	904	-	-	-
		1,991,255	2,002,340	2,249,764	507,541	653,854	736,675
<b>Non-current assets</b>							
Trade and other receivables		76,750	73,150	1,906	1,379,869	970,364	685,866
Derivative financial instrument		686	754	-	686	754	-
Available-for-sale financial assets		254,486	220,565	246,972	69,760	64,778	66,184
Investments in associated companies	C	2,451,685	2,423,183	2,276,011	161,589	161,589	161,589
Investments in subsidiaries		-	-	-	1,308,546	1,308,546	1,295,483
Investment properties	D	2,845,196	2,838,328	2,261,613	296,580	296,580	285,650
Property, plant and equipment		1,101,707	1,090,066	980,523	1,126	983	843
Intangibles		29,334	29,908	42,807	967	1,031	793
Deferred income tax assets		4,337	4,338	3,651	-	-	298
		6,764,181	6,680,292	5,813,483	3,219,123	2,804,625	2,496,706
<b>Total assets</b>		<b>8,755,436</b>	<b>8,682,632</b>	<b>8,063,247</b>	<b>3,726,664</b>	<b>3,458,479</b>	<b>3,233,381</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	E	211,835	301,832	360,275	61,812	68,696	155,296
Derivative financial instrument		-	-	2,213	-	-	1,756
Current income tax liabilities		103,031	94,988	61,494	20,789	20,789	19,931
Loans from non-controlling shareholders of subsidiaries		42,537	43,364	18,990	-	-	-
Bank overdrafts		-	217	9	-	-	-
3.34% unsecured fixed rate note due 2012		149,987	149,959	-	149,987	149,959	-
Unsecured floating rate note due 2012		99,991	99,973	-	99,991	99,973	-
Bank loans	F	712,833	948,581	745,651	346,296	157,382	469,951
Finance lease liabilities		344	343	-	-	-	-
		1,320,558	1,639,257	1,188,632	678,875	496,799	646,934
<b>Non-current liabilities</b>							
Trade and other payables		59,674	57,257	53,287	4,304	3,526	3,051
Finance lease liabilities		4,603	4,582	-	-	-	-
Bank loans	F	963,070	772,299	1,128,939	199,489	199,439	149,849
2.5% unsecured fixed rate notes due 2014		299,325	299,250	-	299,325	299,250	99,899
3.34% unsecured fixed rate notes due 2012		-	-	149,849	-	-	-
Unsecured floating rate note due 2012		-	-	99,899	-	-	-
Loans from non-controlling shareholders of subsidiaries		7,376	7,353	47,278	-	-	-
Provision for retirement benefits		2,858	2,758	2,539	-	-	-
Deferred income tax liabilities		162,881	143,911	136,359	72,349	58,759	71,681
		1,499,787	1,287,410	1,618,150	575,467	560,974	324,480
<b>Total liabilities</b>		<b>2,820,345</b>	<b>2,926,667</b>	<b>2,806,782</b>	<b>1,254,342</b>	<b>1,057,773</b>	<b>971,414</b>
<b>NET ASSETS</b>		<b>5,935,091</b>	<b>5,755,965</b>	<b>5,256,465</b>	<b>2,472,322</b>	<b>2,400,706</b>	<b>2,261,967</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>							
Share capital		1,040,941	1,040,694	1,051,898	1,040,941	1,040,694	1,051,898
Reserves		751,358	661,039	758,005	354,737	283,513	358,646
Retained earnings		3,651,288	3,567,282	3,027,621	1,076,644	1,076,499	851,423
		5,443,587	5,269,015	4,837,524	2,472,322	2,400,706	2,261,967
<b>Non-controlling interests</b>		491,504	486,950	418,941	-	-	-
<b>TOTAL EQUITY</b>		<b>5,935,091</b>	<b>5,755,965</b>	<b>5,256,465</b>	<b>2,472,322</b>	<b>2,400,706</b>	<b>2,261,967</b>

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 Cash and bank balances

The increase in Cash and bank balances arose mainly from receipts from progress billings of development projects, Waterbank at Dakota, Meadows@Peirce and Duchess Residences.

B Trade and other receivables/ Development properties

The increase in current Trade and other receivables was due mainly to progress billings for Meadows@Peirce upon the receipt of TOP. The completion of Meadows@Peirce also resulted in the corresponding decrease in development properties from the balance as of 31 December 2011.

C Investments in associated companies

The increase in Investments in associated companies was due mainly to 1) the Group's acquisition of additional interests in United Industrial Corporation ("UIC"); and 2) the Group's share of profit of associated companies for the first quarter of 2012.

D Investment properties

Investment properties are stated at valuation as determined by a firm of independent professional valuers at 31 December 2011. It is the practice of the Group to revalue its investment properties half yearly.

E Trade and other payables

The decrease in Trade and other payables arose mainly from the payment of accrued development charges of \$88.1 million for the development of Katong Regency and One KM.

F Bank loans

The decrease in current bank loans was due mainly to the repayment of a \$291 million loan previously obtained for the purpose of acquisition of UIC with proceeds from progress billings of development projects. The increase in non-current bank loans arose mainly from loans drawn in relation to the development of Katong Regency and One KM.

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

	As at 31.3.12		As at 31.12.11	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	287,202	718,448	318,491	924,489
Amount repayable after one year	767,984	507,375	575,606	507,353

Details of any collateral

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

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

Consolidated Statement of Cash Flows for the first quarter ended 31 March

	Note	The Group	
		1st Qtr	1st Qtr
		2012	2011
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		93,718	285,997
Adjustments for:			
Income tax expense		14,637	47,165
Non-cash items	i	(20,994)	(47,227)
Interest income		(866)	(301)
Interest expense		8,183	7,778
Negative goodwill on acquisition of interests in associated companies		(572)	(876)
		94,106	292,536
Change in working capital			
Receivables		(25,836)	(20,680)
Development properties	ii	169,779	35,708
Derivative financial instrument		(267)	-
Inventories		147	291
Payables	iii	(100,618)	(19,148)
		43,205	(3,829)
Cash generated from operations		137,311	288,707
Income tax paid		(1,016)	(3,538)
Retirement benefits paid		(9)	(29)
Release of bank deposits pledged as security		6,000	-
Bank deposits pledged as security		(5,304)	-
<b>Net cash provided by operating activities</b>		<b>136,982</b>	<b>285,140</b>
<b>Cash flows from investing activities</b>			
Payments for intangibles		-	(479)
Payments for interests in associated companies		(3,508)	(128,994)
Loan to an associated company		(3,600)	(15)
Net proceeds from disposal of property, plant and equipment		58	34
Purchase of property, plant and equipment and investment properties	iv	(32,978)	(15,019)
Payment of deposit for property, plant & equipment		-	(14,232)
Repayment of loan by an associated company		-	26,500
Interest received		866	304
Dividend received		-	657
<b>Net cash used in investing activities</b>		<b>(39,162)</b>	<b>(131,244)</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		247	655
Proceeds from shares issued to non-controlling shareholders of subsidiaries		1,993	-
Proceeds from borrowings	v	515,275	189,677
Repayment of borrowings	v	(553,301)	(166,845)
Repayment of loan obtained from non-controlling shareholders of a subsidiary		(830)	(15,960)
Expenditure relating to bank borrowings		(2,334)	(202)
Interest paid		(14,083)	(8,013)
Dividends paid to non-controlling shareholders of subsidiaries		(6,735)	(42,240)
Payments for share buy-back		-	(46,329)
<b>Net cash used in financing activities</b>		<b>(59,768)</b>	<b>(89,257)</b>
<b>Net increase in cash and cash equivalents</b>		<b>38,052</b>	<b>64,639</b>
Cash and cash equivalents at 1 January		291,142	307,160
Effects of currency translation on cash and cash equivalents		(316)	(996)
<b>Cash and cash equivalents at 31 March</b>	vi	<b>328,878</b>	<b>370,803</b>

- 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 was due mainly to a lower share of profit of associated companies in the first quarter of 2012.

ii. Development properties

The change in Development properties was due mainly to cash inflows from progress billings following the receipt of TOP for Meadows@ Peirce. See also Note B to the Statement of Financial Position.

iii. Payables

Cash outflows from payables relate mainly to the payment of development charge of \$88.1 million for Katong Regency and One KM.

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

Expenditure on property, plant and equipment and investment properties were incurred mainly for upgrading works at United Square and for the construction of PARKROYAL on Pickering, One Upper Pickering, The Plaza, Beach Road and One KM.

v. Proceeds from borrowings/ Repayment of borrowings

The net repayment of borrowings were mainly sourced from the operating activities of the Group.

vi. Cash and cash equivalents

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

	<u>The Group</u>	
	<u>31.03.12</u>	<u>31.03.11</u>
	\$'000	\$'000
Fixed deposits with financial institutions	259,678	247,212
Cash at bank and on hand	<u>74,504</u>	<u>129,591</u>
Cash and bank balances per Statement of Financial Position	334,182	376,803
Less: Bank deposits pledged as security	<u>(5,304)</u>	<u>(6,000)</u>
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u><u>328,878</u></u>	<u><u>370,803</u></u>



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.

Consolidated Statement of Changes in Equity for the first quarter ended 31 March

	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
<u>2012</u>					
Balance at 1 January 2012, as previously reported	1,040,694	661,039	3,352,998	473,940	5,528,671
Effects of adopting Amendments to FRS 12	-	-	214,284	13,010	227,294
Balance at 1 January 2012, as restated	1,040,694	661,039	3,567,282	486,950	5,755,965
Employee share option scheme					
- value of employee services	-	(113)	-	-	(113)
- proceeds from shares issued	247	-	-	-	247
Dividends	-	-	-	(6,735)	(6,735)
Issue of shares to non-controlling interests	-	-	-	1,993	1,993
Total comprehensive income for the period	-	90,432	84,006	9,296	183,734
Balance at 31 March 2012	<u>1,040,941</u>	<u>751,358</u>	<u>3,651,288</u>	<u>491,504</u>	<u>5,935,091</u>
<u>2011</u>					
Balance at 1 January 2011, as previously reported	1,051,898	758,005	2,827,072	410,601	5,047,576
Effects of adopting Amendments to FRS 12	-	-	200,549	8,340	208,889
Balance at 1 January 2011, as restated	1,051,898	758,005	3,027,621	418,941	5,256,465
Employee share option scheme					
- value of employee services	-	1,896	-	-	1,896
- proceeds from shares issued	655	-	-	-	655
Shares cancelled upon buy-back	(13,311)	-	(33,018)	-	(46,329)
Dividends	-	-	-	(42,240)	(42,240)
Total comprehensive income for the period	-	16,467	229,993	54,723	301,183
Balance at 31 March 2011	<u>1,039,242</u>	<u>776,368</u>	<u>3,224,596</u>	<u>431,424</u>	<u>5,471,630</u>

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

Statement of Changes in Equity for the first quarter ended 31 March

	<u>Share capital</u> \$'000	<u>Reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
<u>The Company</u>				
<u>2012</u>				
Balance at 1 January 2012	1,040,694	283,513	1,071,258	2,395,465
Effects of adopting Amendments to FRS 12	-	-	5,241	5,241
Balance at 1 January 2012, as restated	<u>1,040,694</u>	<u>283,513</u>	<u>1,076,499</u>	<u>2,400,706</u>
Employee share option scheme				
- value of employee services	-	(113)	-	(113)
- proceeds from shares issued	247	-	-	247
Total comprehensive income for the period	-	71,337	145	71,482
Balance at 31 March 2012	<u><u>1,040,941</u></u>	<u><u>354,737</u></u>	<u><u>1,076,644</u></u>	<u><u>2,472,322</u></u>
<u>2011</u>				
Balance at 1 January 2011	1,051,898	358,646	846,068	2,256,612
Effects of adopting Amendments to FRS 12	-	-	5,355	5,355
Balance at 1 January 2011, as restated	<u>1,051,898</u>	<u>358,646</u>	<u>851,423</u>	<u>2,261,967</u>
Employee share option scheme				
- value of employee services	-	1,896	-	1,896
- proceeds from shares issued	655	-	-	655
Shares cancelled upon buy-back	(13,311)	-	(33,018)	(46,329)
Total comprehensive income for the period	-	12,512	104,362	116,874
Balance at 31 March 2011	<u><u>1,039,242</u></u>	<u><u>373,054</u></u>	<u><u>922,767</u></u>	<u><u>2,335,063</u></u>

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

During the quarter ended 31 March 2012, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2012	768,248,154
Issue of ordinary shares arising from the exercise of:	
2006 Options granted under the UOL 2000 Share Option Scheme	2,000
2008 Options granted under the UOL 2000 Share Option Scheme	14,000
2009 Options granted under the UOL 2000 Share Option Scheme	114,000
Issued share capital as at 31 March 2012	<u>768,378,154</u>

As at 31 March 2012, there were unexercised options for 4,296,000 (31.3.11: 5,255,000) of unissued ordinary shares under the 2000 Scheme.

The Company did not hold any treasury shares as of 31 March 2012 and 31 March 2011.

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

	The Company	
	31.03.12	31.12.11
Total number of issued shares, excluding treasury shares	768,378,154	768,248,154

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 2011.

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 2012, the Group adopted the amended Financial Reporting Standards ("FRS") that are mandatory for application from that date. The following are the amended FRS that are relevant to the Group:

Amendments to FRS 107	Disclosures - Transfers of Financial Assets
Amendments to FRS 12	Deferred Tax: Recovery of Underlying Assets

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements except for the amendments to FRS 12, of which the effects are disclosed below:

Amendments to FRS 12 – Income taxes – deferred tax accounting for investment properties

The amendment introduces a presumption that an investment property is recovered entirely through sale. Accordingly, unless the presumption is rebutted, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Previously, the Group and the Company had recognised deferred tax liability on its investment properties on the basis of recovery through use. Upon the adoption of Amendments to FRS 12, the deferred tax liabilities on the Group's and the Company's investment properties are recognised on the basis of recovery through sale.

The effects of the adoption on the financial position of the Group and the Company for the first quarter of 2011 and the relevant comparatives are set out in the following. There is no impact on the results of the Group and the Company for the first quarter of 2011 and 2012 as the revaluation of investment properties and corresponding deferred tax changes are recognised half yearly.

Effect on Statement of Financial Position

	The Group		The Company	
	31.12.11 \$'000	1.1.11 \$'000	31.12.11 \$'000	1.1.11 \$'000
Decrease in deferred income tax liabilities	69,086	49,630	5,241	5,355
Increase in investment in associated companies	158,208	159,259	-	-
	<u>227,294</u>	<u>208,889</u>	<u>5,241</u>	<u>5,355</u>
Increase in retained earnings	214,284	200,549	5,241	5,355
Increase in non-controlling interests	13,010	8,340	-	-
	<u>227,294</u>	<u>208,889</u>	<u>5,241</u>	<u>5,355</u>
Increase in net asset value per ordinary share (\$)	0.28	0.26	0.01	0.01
Increase in net tangible asset backing per ordinary share (\$)	0.28	0.26	0.01	0.01

INT FRS 115 – Agreements for the Construction of Real Estate

On 1 January 2011, the Group adopted INT FRS 115 – Agreements for the Construction of Real Estate ("INT FRS 115"). 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

	First Quarter Ended 31 March		
	2012 \$'000	2011 \$'000	+ / (-) %
Revenue	297,733	386,017	(23)
Cost of sales	(179,573)	(249,896)	(28)
Share of profit of associated companies	27,754	57,754	(52)
Profit before income tax	108,355	153,961	(30)
Income tax expense	(14,637)	(16,964)	(14)
Net profit	<u>93,718</u>	<u>136,997</u>	<u>(32)</u>
Net profit attributable to:			
- Equity holders of the Company	84,006	125,324	(33)
- Non-controlling interests	9,712	11,673	(17)
	<u>93,718</u>	<u>136,997</u>	<u>(32)</u>
Basic earnings per share (cents)	10.93	16.12	
Diluted earnings per share (cents)	10.93	16.10	

- 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	
	1st Qtr 2012	1st Qtr 2011
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 10.93	cents 29.59
(ii) On a fully diluted basis	cents 10.93	cents 29.55

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	
	31.03.12	31.12.11	31.03.12	31.12.11
Net asset value per ordinary share	\$7.08	(Restated) \$6.86	\$3.22	(Restated) \$3.12
Net tangible asset backing per ordinary share	\$7.05	\$6.82	\$3.22	\$3.12

- 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) 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.

#### **Revenue**

Group revenue in the first quarter of 2012 decreased by \$427.3 million or 59% to \$297.7 million from \$725.1 million in the corresponding period of 2011. The reduction was due mainly to lower revenues from the sale of development properties arising from 1) the recognition of revenue for units in Duchess Residences sold under the deferred payment scheme using the completion of construction method in the first quarter of 2011; and 2) the completion of some of the Group's development projects in 2011 and first quarter of 2012. Higher revenues were however recorded for the other segments of the Group, particularly from the Group's hotels in Singapore, Australia, Malaysia and Yangon and from the inclusion of revenues from PARKROYAL Melbourne Airport which was acquired in April 2011.

#### **Other income**

Finance income for the first quarter of 2012 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**

Administrative expenses increased by 15% to \$16.3 million from \$14.1 million in the first quarter 2012 due mainly to 1) higher payroll costs from additional staff hired to support the expanded operations of the Group, including PARKROYAL Melbourne Airport; and 2) higher maintenance expenses for a new enterprise resource planning system.

- 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)

#### **Associated companies**

The decrease in the share of profit of associated companies was due mainly to the absence of development profit from Nassim Park Residences following its completion in the first quarter of 2011.

#### **Profit & Loss**

The Group's pre-tax profit for the first quarter of 2012 was \$108.4 million or a 67% decrease from the profit of \$333.2 million in the corresponding period of 2011. The decrease was mainly from lower income from property development and associated companies. The results for first quarter 2011 also included the recognition of development profits using the completion of construction method instead of the percentage of completion method following the adoption of INT FRS 115 for the sale of units in Duchess Residences under the deferred payment scheme. Profit after tax and non-controlling interests was \$84.0 million or a 63% decrease from the profit of \$230.0 million for the first quarter of 2011.

#### **Net tangible asset and gearing**

The Group shareholders' funds increased from \$5.3 billion as at 31 December 2011 to \$5.4 billion as at 31 March 2012. The increase was due mainly to profits recognised in the first quarter of 2012 and higher reserves from fair value gains on available-for-sale financial assets. Consequently the net tangible asset per ordinary share of the Group increased to \$7.05 as at 31 March 2012 from \$6.82 as at 31 December 2011.

The Group's gearing ratio declined to 0.33 as at 31 March 2012 from 0.35 as at 31 December 2011 due mainly to a marginal decrease in borrowings and the effects of the increase in total equity.

- 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.

Prices of Singapore's private residential properties fell marginally by 0.1% in first quarter of 2012 compared to the 0.2% increase in the previous quarter. Nevertheless, it is expected that demand for new homes in the mass market segment will remain stable, underpinned by high liquidity and low interest rates. The uncertain global economic outlook will continue to affect demand and put pressure on office rents. Rentals for retail space are expected to remain stable, supported by higher visitor arrivals and healthy consumer spending.

The Singapore Tourism Board has forecasted 13.5 to 14.5 million visitor arrivals to Singapore for 2012, an increase of 2 to 10% compared to the 13.2 million visitor arrivals for 2011. The uncertain global economic outlook could have an impact on visitor arrivals and the hotel industry in the rest of the Asia Pacific region.

Rentals from the Furniture Mall at The Plaza, Beach Road will cease from May 2012 as the space will make way for the development of the 180-unit Pan Pacific Serviced Suites Beach Road and a column-free ballroom and meeting rooms for the adjoining PARKROYAL on Beach Road. The 363-room PARKROYAL on Pickering and the 13-storey One Upper Pickering office building are scheduled to open towards the end of 2012 while Pan Pacific Serviced Suites Beach Road will open in the first quarter of 2013.

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
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
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 first quarter ended 31 March 2012.

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 first quarter ended 31 March 2012 to be false or misleading.

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
11 May 2012