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 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

		The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
	Note	2012	2011	+ / (-)	2012	2011	+ / (-)
		$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
Revenue	A	298,842	455,918	(34)	596,575	1,180,994	(49)
Cost of sales		(169,995)	(299,943)	(43)	(349,568)	(709,697)	(51)
Gross profit		128,847	155,975	(17)	247,007	471,297	(48)
Other income							
- Finance income	B	885	4,635	(81)	1,909	6,734	(72)
- Miscellaneous income		3,802	2,920	30	7,056	6,063	16
Expenses							
- Marketing and distribution	C	(11,110)	(6,712)	66	(17,556)	(13,113)	34
- Administrative		(16,225)	(14,238)	14	(32,509)	(28,383)	15
- Finance	D	(12,926)	(10,024)	29	(16,470)	(17,802)	(7)
- Other operating	E	(17,020)	(18,595)	(8)	(33,155)	(36,304)	(9)
Share of profit of associated companies excluding fair value gains of associated companies' investment properties		23,479	33,229	(29)	51,233	90,982	(44)
Profit before fair value and other gains/(losses) and income tax		99,732	147,190	(32)	207,515	479,474	(57)
Other gains/(losses)	F	366	(6,360)	106	938	(5,484)	117
Fair value gains on associated companies' investment properties		22,839	41,064	(44)	22,839	41,064	(44)
Fair value gains on the Group's investment properties		59,588	80,651	(26)	59,588	80,651	(26)
Profit before income tax	G	182,525	262,545	(30)	290,880	595,705	(51)
Income tax credit/(expense)	H	2,340	(21,166)	(111)	(12,297)	(68,331)	(82)
Net profit		184,865	241,379	(23)	278,583	527,374	(47)
Attributable to:							
Equity holders of the Company		171,677	212,904	(19)	255,683	442,896	(42)
Non-controlling interests		13,188	28,475	(54)	22,900	84,478	(73)
		184,865	241,379	(23)	278,583	527,374	(47)
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)		93,737	110,603	(15)	177,171	339,719	(48)
Other gains/(losses)		366	(4,859)	108	938	(3,983)	124
Fair value gains on investment properties including those of associated companies		77,574	107,160	(28)	77,574	107,160	(28)
Net attributable profit		171,677	212,904	(19)	255,683	442,896	(42)

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

		The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
		2012	2011	+ / (-)	2012	2011	+ / (-)
		$'000	$'000	%	$'000	$'000	%
A	Revenue						
	Revenue from property development	148,516	305,654	(51)	301,735	907,692	(67)
	Revenue from property investments	41,311	39,260	5	83,204	78,471	6
	Gross revenue from hotel ownership and operations	89,450	88,096	2	186,280	167,154	11
	Revenue from hotel and other management services	3,768	4,084	(8)	9,559	8,853	8
	Dividend income from available-for-sale financial assets	15,797	18,824	(16)	15,797	18,824	(16)
		298,842	455,918	(34)	596,575	1,180,994	(49)
B	Finance income						
	Interest income	885	801	10	1,751	1,102	59
	Currency exchange gains (net)	-	3,834	(100)	158	5,632	(97)
		885	4,635	(81)	1,909	6,734	(72)
C	Marketing and distribution						
	Sales commissions	2,677	-	n.m.	2,709	145	1,768
	Showflat expenses	514	77	568	543	949	(43)
	Advertising and promotion	5,012	4,180	20	8,401	6,735	25
	Marketing and distribution payroll expenses	2,907	2,455	18	5,903	5,284	12
		11,110	6,712	66	17,556	13,113	34
D	Finance expense						
	Bank facility fees	381	1,208	(68)	942	1,959	(52)
	Interest expense	7,906	8,816	(10)	15,528	15,843	(2)
	Currency exchange losses (net)	4,639	-	n.m.	-	-	-
		12,926	10,024	29	16,470	17,802	(7)
E	Other operating expense						
	Property tax	4,350	4,417	(2)	9,084	8,741	4
	Repairs, maintenance and security	2,009	1,681	20	4,159	3,686	13
	Heat, light and power	6,559	5,539	18	11,644	10,453	11
	Rebranding expenses for Australian hotels	-	865	(100)	-	3,081	(100)
	Others	4,102	6,093	(33)	8,268	10,343	(20)
		17,020	18,595	(8)	33,155	36,304	(9)
F	Other gains/(losses)						
	Negative goodwill on acquisition of interests in associated companies	366	1,783	(79)	938	2,659	(65)
	Business acquisition costs [1]	-	(8,143)	100	-	(8,143)	100
		366	(6,360)	106	938	(5,484)	117

n.m. : not meaningful

[1] Business acquisition costs for the second quarter of 2011 comprised 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 Standard 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		
	2012	2011	+ / (-)	2012	2011	+ / (-)
	$'000	(Restated) $'000	%	$'000	(Restated) $'000	%
G Profit before income tax						
Profit before income tax is stated after charging:						
Depreciation and amortisation	11,475	12,292	(7)	22,922	22,872	0
H Income tax (credit)/expense						
Tax expense attributable to profit is made up of:						
Current income tax						
- Singapore	6,250	6,366	(2)	12,461	42,314	(71)
- Foreign	1,351	9,170	(85)	4,248	11,836	(64)
- Withholding tax paid	121	-	n.m.	294	-	n.m.
Deferred income tax	4,916	5,522	(11)	10,242	13,913	(26)
	12,638	21,058	(40)	27,245	68,063	(60)
(Over)/under provision in preceding financial years						
- Singapore current income tax [2]	(14,978)	108	n.m.	(14,948)	268	n.m.
	(2,340)	21,166	(111)	12,297	68,331	(82)

n.m. : not meaningful

[2] A reversal of tax provisions of $15.0 million was made in the second quarter of 2012 following the resolution of certain tax issues with the Inland Revenue of Singapore.

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

		The Group					
		Second Quarter Ended 30 June			Six Months Ended 30 June		
	Note	2012	2011	+ / (-)	2012	2011	+ / (-)
			(Restated)			(Restated)	
		$'000	$'000	%	$'000	$'000	%
Net profit		184,865	241,379	(23)	278,583	527,374	(47)
Other comprehensive income/(loss):							
Fair value gains on available-for-sale financial assets	A	8,772	26,842	(67)	109,048	44,580	145
Fair value (losses)/gains on cash-flow hedges		(118)	956	(112)	(118)	863	(114)
Currency translation differences arising from consolidation of foreign operations	B	(3,543)	(4,532)	(22)	(11,591)	(13,526)	(14)
Share of other comprehensive loss of associated companies		(300)	(550)	(45)	(2,511)	(1,322)	90
Other comprehensive income for the period, net of tax		4,811	22,716	(79)	94,828	30,595	210
Total comprehensive income for the period		189,676	264,095	(28)	373,411	557,969	(33)
Attributable to:							
Equity holders of the Company		177,941	236,655	(25)	352,380	475,805	(26)
Non-controlling interests		11,735	27,440	(57)	21,031	82,164	(74)
		189,676	264,095	(28)	373,411	557,969	(33)

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 for the second quarter ended 30 June 2012 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, 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 30.06.12 $'000	The Group 31.12.11 (Restated) $'000	The Group 31.12.10 (Restated) $'000	The Company 30.06.12 $'000	The Company 31.12.11 (Restated) $'000	The Company 31.12.10 (Restated) $'000
ASSETS							
Current assets							
Cash and bank balances		306,586	297,358	313,169	5,309	6,515	1,727
Trade and other receivables	A	159,332	126,247	215,691	81,751	243,732	254,866
Developed properties held for sale		2,048	5,452	-	-	-	-
Development properties	A	933,021	1,145,435	1,192,916	-	-	-
Inventories		1,009	1,110	1,622	-	-	-
Available-for-sale financial assets		491,213	402,833	479,767	491,213	402,833	479,767
Other assets		34,942	23,258	45,695	909	774	315
Current income tax assets		512	647	904	-	-	-
		1,928,663	2,002,340	2,249,764	579,182	653,854	736,675
Non-current assets							
Trade and other receivables		80,750	73,150	1,906	1,210,391	970,364	685,866
Derivative financial instrument		1,045	754	-	1,045	754	-
Available-for-sale financial assets		256,258	220,565	246,972	70,297	64,778	66,184
Investments in associated companies		2,482,581	2,438,141	2,290,327	161,589	161,589	161,589
Investments in subsidiaries		-	-	-	1,309,546	1,308,546	1,295,483
Investment properties	B	2,924,753	2,838,328	2,261,613	298,670	296,580	285,650
Property, plant and equipment	C	1,099,888	1,090,066	980,523	1,128	983	843
Intangibles		28,841	29,908	42,807	903	1,031	793
Deferred income tax assets		4,363	4,338	3,651	25	-	298
		6,878,479	6,695,250	5,827,799	3,053,594	2,804,625	2,496,706
Total assets		8,807,142	8,697,590	8,077,563	3,632,776	3,458,479	3,233,381
LIABILITIES							
Current liabilities							
Trade and other payables	D	194,584	301,832	360,275	69,834	68,696	155,296
Derivative financial instrument		-	-	2,213	-	-	1,756
Current income tax liabilities		62,982	94,988	61,494	4,765	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 notes due 2012	E	-	149,959	-	-	149,959	-
Unsecured floating rate notes due 2012	E	-	99,973	-	-	99,973	-
Bank loans	F	635,949	948,581	745,651	302,515	157,382	469,951
Finance lease liabilities		336	343	-	-	-	-
		936,388	1,639,257	1,188,632	377,114	496,799	646,934
Non-current liabilities							
Trade and other payables		60,967	57,257	53,287	4,339	3,526	3,051
Derivative financial instrument		147	-	-	147	-	-
Finance lease liabilities		4,490	4,582	-	-	-	-
Bank loans	F	1,060,003	772,299	1,128,939	199,539	199,439	149,849
2.5% unsecured fixed rate notes due 2014		299,400	299,250	-	299,400	299,250	99,899
3.04% unsecured fixed rate notes due 2017	E	74,636	-	-	74,636	-	-
2.49% unsecured fixed rate notes due 2015	E	174,501	-	-	174,501	-	-
3.34% unsecured fixed rate notes due 2012		-	-	149,849	-	-	-
Unsecured floating rate notes due 2012		-	-	99,899	-	-	-
Loans from non-controlling shareholders of subsidiaries		8,818	7,353	47,278	-	-	-
Provision for retirement benefits		2,888	2,758	2,539	-	-	-
Deferred income tax liabilities		168,908	143,911	136,359	73,784	58,759	71,681
		1,854,758	1,287,410	1,618,150	826,346	560,974	324,480
Total liabilities		2,791,146	2,926,667	2,806,782	1,203,460	1,057,773	971,414
NET ASSETS		6,015,996	5,770,923	5,270,781	2,429,316	2,400,706	2,261,967
Capital & reserves attributable to equity holders of the Company							
Share capital		1,041,223	1,040,694	1,051,898	1,041,223	1,040,694	1,051,898
Reserves		757,622	661,039	758,005	362,156	283,513	358,646
Retained earnings		3,722,686	3,582,240	3,041,937	1,025,937	1,076,499	851,423
		5,521,531	5,283,973	4,851,840	2,429,316	2,400,706	2,261,967
Non-controlling interests		494,465	486,950	418,941	-	-	-
TOTAL EQUITY		6,015,996	5,770,923	5,270,781	2,429,316	2,400,706	2,261,967

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 Trade and other receivables/ Development properties

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

B Investment properties

Investment properties are stated at valuation as determined by independent professional valuers at 30 June 2012. It is the practice of the Group to revalue its investment properties half yearly. The increase from 31 December 2011 was due mainly to fair value gains and expenditure incurred for the construction of One Upper Pickering, One KM and The Esplanade in Tianjin.

C Property, plant and equipment

The increase in property, plant and equipment was due mainly to expenditure incurred for the construction of PARKROYAL on Pickering and the hotel component of The Esplanade in Tianjin.

D 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.

E 2.49% unsecured fixed rate notes due 2015/3.04% unsecured fixed rate notes due 2017
3.34% unsecured fixed rate notes due 2012/Unsecured floating rate notes due 2012

The 3.34% unsecured fixed rate notes and unsecured floating rate notes which matured in May 2012 were redeemed with the proceeds from the issue of the 2.49% unsecured fixed rate notes due in 2015 and 3.04% unsecured fixed rate notes due in 2017.

F Bank loans

The decrease in current bank loans and increase in non-current banks loans was due mainly to the restructuring of some of the Group's bank loans from short term to long term.

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

	As at 30.6.12		As at 31.12.11	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	146,061	532,552	318,491	924,489
Amount repayable after one year	864,788	758,818	575,606	507,353

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 second quarter ended 30 June

	Note	The Group 2nd Qtr 2012	2nd Qtr 2011 (Restated)
		$'000	$'000
Cash flows from operating activities			
Net profit		184,865	241,379
Adjustments for:			
Income tax expense		(2,340)	21,166
Non-cash items	i	(29,780)	(64,562)
Dividend income and interest income		(16,682)	(19,625)
Interest expense		8,287	10,024
Fair value gains on investment properties		(59,588)	(80,651)
Negative goodwill on acquisition of interests in associated companies		(366)	(1,783)
Operating cash flow before working capital changes		84,396	105,948
Change in working capital			
Receivables	ii	33,145	100,120
Development properties	iii	10,334	(146,142)
Derivative financial instrument		(639)	-
Inventories		(46)	(977)
Payables		(15,055)	(2,650)
		27,739	(49,649)
Cash generated from operations		112,135	56,299
Income tax paid		(32,772)	(19,910)
Retirement benefits paid		(6)	-
Bank deposits pledged as security		(76)	-
Net cash provided by operating activities		79,281	36,389
Cash flows from investing activities			
Payments for intangibles		(172)	(309)
Payments for interests in associated companies		(2,320)	(12,725)
Loan to a joint venture company	iv	(4,000)	(67,994)
Net proceeds from disposal of property, plant and equipment		7	18
Purchase of property, plant and equipment and investment properties	v	(35,518)	(355,697)
Release of deposit for acquisition of property, plant and equipment		-	14,232
Repayment of loan by an associated company		-	46,700
Interest received		884	833
Dividend received		48,637	65,301
Net cash provided by/(used in) investing activities		7,518	(309,641)
Cash flows from financing activities			
Proceeds from shares issued		282	1,009
Loans from minority shareholders of subsidiaries		1,604	-
Proceeds from unsecured fixed rate notes due 2015/2017		250,000	-
Repayment of unsecured fixed and floating rate notes due 2012		(250,000)	-
Proceeds from borrowings	vi	390,611	330,240
Repayment of borrowings	vi	(369,120)	(9,800)
Expenditure relating to bank borrowings		(1,430)	(325)
Interest paid		(11,327)	(13,264)
Dividends paid to equity holders of the Company		(115,237)	(115,101)
Dividends paid to non-controlling interests		(8,774)	(5,862)
Payments for share buy-back		-	(2,823)
Net cash (used in)/provided by financing activities		(113,391)	184,074
Net decrease in cash and cash equivalents		(26,592)	(89,178)
Cash and cash equivalents at 1 April		328,878	370,803
Effects of currency translation on cash and cash equivalents		(1,080)	(453)
Cash and cash equivalents at 30 June	vii	301,206	281,172

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 2011 was due mainly to a lower share of profit from associated companies for the second quarter of 2012.

ii. Receivables

The higher cash inflows from receivables for the second quarter of 2011 was due mainly to higher proceeds from the sale of development properties following the receipt of TOP for Breeze by the East and Duchess Residences in the first quarter of 2011.

iii. Development properties

The cash inflows in the current quarter arose mainly from the excess of progress billings over expenditure for the Group's development projects. The higher cash outflow for the second quarter of 2011 was due mainly to the Group's acquisition of Katong Regency.

iv. Loan to a joint venture company

The loan to a joint venture company was to United Venture Development (Bedok) Pte. Ltd., for its development project, Archipelago.

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

Purchases of property, plant and equipment and investment properties in the second quarter of 2011 relate mainly to payments made for the acquisitions of PARKROYAL Melbourne Airport and One KM. The expenditures in the current quarter were mainly for capital enhancements to the Group's hotels and for the construction of PARKROYAL on Pickering, One KM and the hotel component of The Esplanade, Tianjin.

vi. Proceeds from borrowings/Repayment of borrowings

The proceeds from borrowings in the second quarter of 2011 were mainly for the acquisitions of PARKROYAL Melbourne Airport and One KM. Net proceeds from borrowings in the second quarter of 2012 were mainly for the construction of PARKROYAL on Pickering and One KM.

vii. Cash and cash equivalents

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

	The Group	
	30.06.12	30.06.11
	$'000	$'000
Fixed deposits with financial institutions	228,134	208,174
Cash at bank and on hand	78,452	78,998
Cash and bank balances per Statement of Financial Position	306,586	287,172
Less: Bank deposits pledged as security	(5,380)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	301,206	281,172

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 second quarter ended 30 June

	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2012					
Balance at 1 April 2012, as previously reported	1,040,941	751,358	3,651,288	491,504	5,935,091
Effects of adopting Amendments to FRS 12	-	-	14,958	-	14,958
Balance at 1 April 2012, as restated	1,040,941	751,358	3,666,246	491,504	5,950,049
Employee share option scheme - proceeds from shares issued	282	-	-	-	282
Dividends	-	-	(115,237)	(8,774)	(124,011)
Total comprehensive income for the period	-	6,264	171,677	11,735	189,676
Balance at 30 June 2012	1,041,223	757,622	3,722,686	494,465	6,015,996
2011					
Balance at 1 April 2011, as previously reported	1,039,242	776,368	3,224,596	431,424	5,471,630
Effects of adopting Amendments to FRS 12	-	-	14,316	-	14,316
Balance at 1 April 2011, as restated	1,039,242	776,368	3,238,912	431,424	5,485,946
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	212,904	27,440	264,095
Balance at 30 June 2011	1,039,474	800,119	3,335,077	453,002	5,627,672
The Company					
2012					
Balance at 1 April 2012	1,040,941	354,737	1,076,644	-	2,472,322
Employee share option scheme - proceeds from shares issued	282	-	-	-	282
Dividends	-	-	(115,237)	-	(115,237)
Total comprehensive income for the period	-	7,419	64,530	-	71,949
Balance at 30 June 2012	1,041,223	362,156	1,025,937	-	2,429,316
2011					
Balance at 1 April 2011	1,039,242	373,054	922,767	-	2,335,063
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	896,968	-	2,329,962

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 30 June 2012, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued capital as at 1 April 2012	768,378,154
Issue of ordinary shares arising from the exercise of:	
2006 Options granted under the UOL 2000 Share Option Scheme	12,000
2008 Options granted under the UOL 2000 Share Option Scheme	48,000
2010 Options granted under the UOL 2000 Share Option Scheme	17,000
Issued capital as at 30 June 2012	768,455,154

As at 30 June 2012, there were unexercised options for 4,175,000 (30.6.2011: 4,946,000) of unissued ordinary shares under the UOL 2000 Share Option Scheme.

The Company did not hold any treasury shares as of 30 June 2012 and 30 June 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	
	30.06.12	31.12.11
Total number of issued shares, excluding treasury shares	768,455,154	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 results and financial position of the Group and the Company for the second quarter of 2012 and the relevant comparatives, subject to year-end audit, are as follows.

Effect on Consolidated Income Statement	The Group		The Group	
	2nd Qtr Ended 30 June		6 months Ended 30 June	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Increase in share of profit of associated companies	3,883	6,779	3,883	6,779
Increase in profit before income tax	3,883	6,779	3,883	6,779
Decrease in income tax expense	4,748	5,201	4,748	5,201
	8,631	11,980	8,631	11,980
Increase in net profit attributable to:				
- Equity holders of the Company	7,806	10,686	7,806	10,686
- Non-controlling interests	825	1,294	825	1,294
	8,631	11,980	8,631	11,980
Increase in basic earnings per share (cents)	1.02	1.38	1.02	1.38
Increase in diluted earnings per share (cents)	1.02	1.38	1.02	1.38

	The Company		The Company	
	2nd Qtr Ended 30 June		6 months Ended 30 June	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Decrease in income tax expense	32	-	32	-
Increase in net profit attributable to:				
- Equity holders of the Company	32	-	32	-

Effect on Statement of Financial Position	The Group			The Company		
	30.06.12	31.12.11	1.1.11	30.06.12	31.12.11	1.1.11
	$'000	$'000	$'000	$'000	$'000	$'000
Decrease in deferred income tax liabilities	73,834	69,086	49,630	5,273	5,241	5,355
Increase in investment in associated companies	177,049	173,166	173,575	-	-	-
	250,883	242,252	223,205	5,273	5,241	5,355
Increase in retained earnings	237,048	229,242	214,865	5,273	5,241	5,355
Increase in non-controlling interests	13,835	13,010	8,340	-	-	-
	250,883	242,252	223,205	5,273	5,241	5,355
Increase in net asset value per ordinary share ($)	0.31	0.30	0.28	0.01	0.01	0.01
Increase in net tangible asset backing per ordinary share ($)	0.31	0.30	0.28	0.01	0.01	0.01

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)

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	2nd Qtr Ended 30 June			6 Months Ended 30 June		
	2012	2011	+ / (-)	2012	2011	+ / (-)
	$'000	$'000	%	$'000	$'000	%
Revenue	298,842	399,217	(25)	596,575	785,234	(24)
Cost of sales	(169,995)	(254,408)	(33)	(349,568)	(504,304)	(31)
Share of profit of associated companies	23,479	33,229	(29)	51,233	90,982	(44)
Profit before income tax	182,525	251,379	(27)	290,880	405,338	(28)
Income tax expense	2,340	(16,879)	(114)	(12,297)	(33,843)	(64)
Net profit	184,865	234,500	(21)	278,583	371,495	(25)
Net profit attributable to:						
- Equity holders of the Company	171,677	211,448	(19)	255,683	336,771	(24)
- Non-controlling interests	13,188	23,052	(43)	22,900	34,724	(34)
	184,865	234,500	(21)	278,583	371,495	(25)
Basic earnings per share (cents)	22.34	27.29		33.28	43.46	
Diluted earnings per share (cents)	22.33	27.26		33.26	43.41	

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 2012	2nd Qtr 2011
		(Restated)
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 22.34	cents 27.48
(ii) On a fully diluted basis	cents 22.33	cents 27.44

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	
	30.06.12	31.12.11	30.06.12	31.12.11
		(Restated)		
Net asset value per ordinary share	$7.19	$6.88	$3.16	$3.12
Net tangible asset backing per ordinary share	$7.15	$6.84	$3.16	$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) 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 2012 decreased by $157.1 million or 34% to $298.8 million from $455.9 million in the corresponding period of 2011. The reduction was due mainly to 1) lower revenues from the sale of development properties following the completion of some of the Group's development projects in 2011 and first quarter of 2012; and 2) lower dividend income from the Group's quoted investments in the absence of special dividends received from United Overseas Bank Limited in the second quarter of 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)

Other income

Finance income for the second quarter of 2012 had decreased in the absence of unrealised currency exchange gains recognised in the second quarter of 2011 from the Group's borrowings in US Dollars.

Expenses

Gross profit margin of 43% for the second quarter of 2012 was higher than the 34% recorded for the second quarter of 2011 due mainly to higher revenue in the second quarter of 2011 from property development which has a higher cost margin. The increase in marketing and distribution expenses by 66% from $6.7 million to $11.1 million resulted mainly from sales commissions and marketing expenses incurred for the launch of Katong Regency which was fully sold in the second quarter of 2012. Administrative expenses increased by 14% from $14.2 million to $16.2 million due mainly to 1) write-back in the second quarter of 2011 of $1.7 million for a provision for claim no longer required; and 2) higher maintenance expenses for the Group's enterprise resource planning system. Finance expenses increased by 29% due mainly to currency exchange losses recognised in the second quarter of 2012 from borrowings in US Dollars.

Associated companies

The decrease in the share of profit of associated companies in the second quarter of 2012 was due mainly to a lower share of profit from United Industrial Corporation Limited.

Profit & Loss

Second quarter ended 30 June 2012/2011

The pre-tax profit before fair value and other gains/(losses) for the second quarter of 2012 was $99.7 million compared with $147.2 million for the second quarter of 2011. The decrease was attributed mainly to lower income from property development, lower share of profit from associated companies and higher marketing expenses.

The Group recorded a pre-tax profit of $182.5 million, a decrease of 30% from $262.5 million in the corresponding period of 2011 with lower fair value gains recognised for the investment properties of the Group and its associated companies. Profit after tax and non-controlling interest was $172.9 million, representing a 19% decrease from $212.9 million in the corresponding period of 2011.

Six Months Ended 30 June 2012/2011

For the six months ended 30 June 2012, pre-tax profit before fair value and other gains/(losses) was $207.5 million or a 57% decrease from the profit of $479.5 million in the corresponding period of 2011.

Profit before tax for the six months ended 30 June 2012 was $290.9 million, a decrease of 51% from the profit of $595.7 million for the corresponding period in 2011. The decrease was mainly from lower income from property development and associated companies and lower fair value gains on investment properties of the Group and associated companies. The results for the six months ended 30 June 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 and Panorama. Profit after tax and non-controlling interest was $255.7 million or a 42% decrease from the profit of $442.9 million for the first six months of 2011.

Net tangible asset and gearing

The Group shareholders' funds increased from $5.3 billion as at 31 December 2011 to $5.5 billion as at 30 June 2012. The increase was due mainly to profits recognised in the first half 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 $7.15 as at 30 June 2012 from $6.84 as at 31 December 2011.

The Group's gearing ratio declined to 0.33 as at 30 June 2012 from 0.35 as at 31 December 2011 due mainly to 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 private residential properties in Singapore increased by 0.4% in the second quarter of 2012 compared to the 0.1% decrease in the previous quarter. With high liquidity and low interest rates, demand for new homes in the mass market segment is expected to remain stable. Prices for acquisition of development sites have been increasing as can be seen from recent tenders for government land sales sites. The uncertain global economic outlook will continue to put pressure on office rents. Retail rents are expected to remain resilient, underpinned by higher visitor arrivals and healthy consumer spending.

For the first five months of 2012, total visitor arrivals to Singapore registered a year-on-year increase of 12.3%. The introduction of new attractions is expected to draw more visitors to Singapore. However, uncertainties in the global economy will weigh on demand for hotel accommodation in the rest of the Asia Pacific region.

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 second quarter ended 30 June 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 six months/ second quarter ended 30 June 2012 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
10 August 2012