UOL Group Limited
Company Registration No. 196300438C

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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement

		The Group		
		First Quarter Ended 31 March		
	Note	2011	2010	+ / (-)
		$'000	(Restated) $'000	%
Revenue	A	725,076	358,863	102
Cost of sales		(409,754)	(220,445)	86
Gross profit		315,322	138,418	128
Other income				
- Finance income	B	2,099	962	118
- Miscellaneous income		3,144	2,646	19
Expenses				
- Marketing and distribution	C	(6,401)	(8,506)	(25)
- Administrative		(14,144)	(11,810)	20
- Finance	D	(7,778)	(6,670)	17
- Other operating	E	(17,710)	(15,622)	13
Share of profit of associated companies		57,754	38,834	49
Profit before other gains and income tax		332,286	138,252	140
Other gains	F	876	4,261	(79)
Profit before income tax	G	333,162	142,513	134
Income tax expense	H	(47,165)	(18,930)	149
Net profit		285,997	123,583	131
Attributable to:				
Equity holders of the Company		229,993	98,675	133
Non-controlling interests		56,004	24,908	125
		285,997	123,583	131

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

	The Group		
	First Quarter Ended 31 March		
	2011	2010	+/ (-)
	$'000	(Restated) $'000	%
A Revenue			
Revenue from property development	602,038	239,999	151
Revenue from property investments	39,211	36,571	7
Gross revenue from hotel operations	79,058	77,658	2
Revenue from management services	4,769	4,635	3
	725,076	358,863	102
B Finance income			
Interest income	301	860	(65)
Currency exchange gains (net)	1,798	102	1,663
	2,099	962	118
C Marketing and distribution expense			
Sales commissions	569	1,159	(51)
Showflat expenses	448	2,161	(79)
Advertising, sales and marketing	2,555	2,971	(14)
Marketing and distribution payroll expenses	2,829	1,825	55
Others	-	390	(100)
	6,401	8,506	(25)
D Finance expense			
Bank facility fees	752	758	(1)
Interest expense	7,026	5,912	19
	7,778	6,670	17
E Other operating expense			
Property tax	4,324	4,703	(8)
Repairs, maintenance and security	2,004	2,051	(2)
Heat, light and power	4,914	4,396	12
Rebranding expenses for Australian hotels	2,216	-	n.m.
Others	4,252	4,472	(5)
	17,710	15,622	13
F Other gains			
Negative goodwill on acquisition of interests in associated companies	876	4,034	(78)
Gain on liquidation of a subsidiary	-	227	(100)
	876	4,261	(79)

n.m. : not meaningful

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

	The Group		
	First Quarter Ended 31 March		
	2011	2010	+/ (-)
	$'000	(Restated) $'000	%
G Profit before income tax			
Profit before income tax is stated after charging:			
Depreciation and amortisation	10,581	10,453	1
H Income tax expense			
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	6,207	4,703	32
- Foreign	1,385	2,759	(50)
Deferred income tax	39,413	11,468	244
	47,005	18,930	
Under provision in preceding financial years			
Current income tax			
- Singapore	160	-	n.m.
	47,165	18,930	149

n.m. : not meaningful

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

	Note	The Group First Quarter Ended 31 March 2011	 2010	 + / (-)
		$'000	(Restated) $'000	%
Net profit		285,997	123,583	131
Other comprehensive income/(loss):				
Fair value gains/(losses) on available-for-sale financial assets	A	17,739	(13,006)	236
Fair value losses on cash-flow hedges		(93)	(610)	85
Currency translation differences arising from consolidation of foreign operations	B	(8,997)	8,955	(200)
Share of other comprehensive income of an associated company		6,537	5	n.m.
Other comprehensive income/(loss) for the period, net of tax		15,186	(4,656)	426
Total comprehensive income for the period		301,183	118,927	153
Attributable to:				
Equity holders of the Company		246,460	91,292	170
Non-controlling interests		54,723	27,635	98
		301,183	118,927	153

n.m. : not meaningful

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

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

The quoted available-for-sale financial assets are stated at their fair values based on the quoted closing bid prices as at the reporting date. The increase in value as at 31 March 2011 is 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 AUD, USD and MYR.

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

Statement of Financial Position

		The Group			The Company	
	Note	31.03.11	31.12.10 (Restated)	31.12.09 (Restated)	31.03.11	31.12.10
		$'000	$'000	$'000	$'000	$'000
ASSETS						
Current assets						
Cash and bank balances	A	376,803	313,169	281,459	1,693	1,727
Trade and other receivables	B	328,419	215,691	112,146	102,732	254,866
Developed properties held for sale		4,360	-	-	-	-
Development properties	B	869,409	1,015,672	1,348,283	-	-
Inventories		1,331	1,622	3,153	-	-
Available-for-sale financial assets		494,303	479,767	517,284	494,303	479,767
Other assets		29,045	45,695	5,898	1,843	315
Current income tax assets		435	904	1,236	-	-
		2,104,105	2,072,520	2,269,459	600,571	736,675
Non-current assets						
Trade and other receivables		1,921	1,906	99,201	947,996	685,866
Available-for-sale financial assets		252,646	246,972	228,897	66,702	66,184
Investments in associated companies	C	2,334,987	2,120,026	1,319,864	161,589	161,589
Investments in subsidiaries		-	-	-	1,295,483	1,295,483
Investment properties	D	2,260,969	2,261,613	2,027,476	285,650	285,650
Property, plant and equipment		662,172	668,179	684,160	932	843
Properties under development		315,384	312,344	412,706	-	-
Intangibles		42,878	42,807	37,571	1,131	793
Deferred income tax assets		4,813	3,651	5,099	313	298
		5,875,770	5,657,498	4,814,974	2,759,796	2,496,706
Total assets		7,979,875	7,730,018	7,084,433	3,360,367	3,233,381
LIABILITIES						
Current liabilities						
Trade and other payables		194,919	201,725	171,387	115,904	155,296
Derivative financial instrument		2,325	2,213	-	1,842	1,756
Current income tax liabilities		64,975	61,494	46,045	19,931	19,931
Loans from non-controlling shareholders of subsidiaries		3,000	18,990	33,025	-	-
Bank overdrafts		-	9	-	-	-
Bank loans		726,772	745,651	723,009	563,680	469,951
		991,991	1,030,082	973,466	701,357	646,934
Non-current liabilities						
Bank loans		1,168,065	1,128,939	1,213,455	-	-
3.34% unsecured fixed rate note due 2012		149,876	149,849	149,739	149,876	149,849
Unsecured floating rate note due 2012		99,918	99,899	99,826	99,918	99,899
Derivative financial instrument		-	-	2,221	-	-
Loans from non-controlling shareholders of subsidiaries		47,230	47,278	45,946	-	-
Deferred liabilities		6,561	6,561	-	-	-
Rental deposits		12,524	22,277	19,658	-	3,051
Retention monies		25,300	24,449	8,980	-	-
Provision for retirement benefits		2,580	2,539	2,316	-	-
Deferred income tax liabilities		225,331	182,811	167,267	79,508	77,036
		1,737,385	1,664,602	1,709,408	329,302	329,835
Total liabilities		2,729,376	2,694,684	2,682,874	1,030,659	976,769
NET ASSETS		5,250,499	5,035,334	4,401,559	2,329,708	2,256,612
Capital & reserves attributable to equity holders of the Company						
Share capital	E	1,039,242	1,051,898	1,058,527	1,039,242	1,051,898
Reserves		776,368	758,005	789,422	373,054	358,646
Retained earnings		3,016,460	2,819,485	2,152,506	917,412	846,068
		4,832,070	4,629,388	4,000,455	2,329,708	2,256,612
Non-controlling interests		418,429	405,946	401,104	-	-
TOTAL EQUITY		5,250,499	5,035,334	4,401,559	2,329,708	2,256,612

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

Explanatory Notes to the Statement of Financial Position

A Cash and bank balances

The increase in Cash and bank balances arose mainly from 1) receipts from progress billings for the Breeze by the East and Duchess Residences developments which obtained temporary occupation permit ("TOP") in the first quarter of 2011; and 2) bank loans drawn pending disbursement for the completion of the acquisition of Hilton Melbourne Airport Hotel ("HMAH") on 1 April 2011.

B Trade and other receivables/ Development properties

The increase in current Trade and other receivables was due mainly to the recognition of receivables for the balance of payments for development projects, Breeze by the East and Duchess Residences upon the receipt of TOP. The completion of these development projects also resulted in a corresponding decrease in development properties from the balance as of 31 December 2010.

C Investments in associated companies

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

D Investment properties

Investment properties are stated at valuation as determined by a firm of independent professional valuers at 31 December 2010. It is the practice of the Group to revalue its investment properties half yearly.

E 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 31 March 2011 purchased a total of 9,839,000 ordinary shares fully paid (or 1.26%) in the share capital of the Company at a total cost of $46.3 million or at an average cost of $4.71 per share.

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

	As at 31.3.11		As at 31.12.10	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	147,408	582,479	198,770	566,050
Amount repayable after one year	884,249	588,230	846,408	588,278

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

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

	Note	The Group 1st Qtr 2011 $'000	1st Qtr 2010 (Restated) $'000
Cash flows from operating activities			
Net profit		285,997	123,583
Adjustments for:			
Income tax expense		47,165	18,930
Non-cash items	i	(47,227)	(28,515)
Interest income		(301)	(860)
Interest expense		7,778	6,670
Negative goodwill on acquisition of interests in associated companies		(876)	(4,034)
Gain on liquidation of a subsidiary		-	(227)
Operating cash flow before working capital changes		292,536	115,547
Change in working capital			
Receivables	ii	(20,680)	(67,084)
Development properties	ii	35,708	85,154
Inventories		291	102
Rental deposits		(459)	(326)
Payables		(22,341)	(20,434)
Retention monies payables		3,652	1,703
		(3,829)	(885)
Cash generated from operations		288,707	114,662
Income tax paid		(3,538)	(1,762)
Retirement benefits paid		(29)	(43)
Net cash provided by operating activities		285,140	112,857
Cash flows from investing activities			
Payments for intangibles		(479)	(107)
Payments for interests in associated companies	iii	(128,994)	(11,476)
Loans to associated companies		(15)	(5,906)
Net proceeds from disposal of property, plant and equipment		34	21
Purchase of property, plant and equipment and investment properties		(15,019)	(8,917)
Payment of deposit for property, plant & equipment	iii	(14,232)	-
Repayment of loan by an associated company	iv	26,500	-
Interest received		304	881
Dividend received		657	-
Net cash used in investing activities		(131,244)	(25,504)
Cash flows from financing activities			
Proceeds from issue of shares		655	382
Proceeds from borrowings	iii	189,677	62,806
Repayment of borrowings	v	(166,845)	(78,374)
Repayment of loan obtained from non-controlling shareholders of a subsidiary	v	(15,960)	-
Expenditure relating to bank borrowings		(202)	(441)
Interest paid		(8,013)	(12,149)
Dividends paid to non-controlling shareholders of subsidiaries		(42,240)	(2,000)
Payments for share buy-back		(46,329)	-
Net cash used in financing activities		(89,257)	(29,776)
Net increase in cash and cash equivalents		64,639	57,577
Cash and cash equivalents at 1 January		307,160	275,459
Effects of currency translation on cash and cash equivalents		(996)	1,799
Cash and cash equivalents at 31 March	vi	370,803	334,835

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

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Non-cash items

The adjustment for non-cash items includes depreciation, share of profit of associated companies and exchange differences. The increase was due mainly to the higher share of profit of associated companies in the first quarter of 2011.

ii. Receivables / Development properties

The changes in Receivables and Development properties were due mainly to the receipt of TOP for Breeze by the East and Duchess Residences. See Note B to the Statement of Financial Position.

iii. Payment for interest in associated company / Payment of deposit for property, plant & equipment / Proceeds from borrowings

Payment for interest in associated company and payment of deposit for property, plant and equipment relates to cash outflows for the capital injection into SJP and acquisition of HMAH respectively, funded primarily by bank borrowings.

iv. Repayment of loan by an associated company

This relates to progressive repayments from Nassim Park Residences Pte Ltd from proceeds from the sales of its development project. The project received its TOP in the first quarter of 2011.

v. Repayment of borrowings / Repayment of loan obtained from non-controlling shareholders of a subsidiary

Repayment of borrowings were made mainly with funds received from the progress billings of the Group's development projects and in particular, from billings following the receipt of TOP for Breeze by the East and Duchess Residences. The funds received from progress billings for the Duchess Residences development were also applied to fully repay the loan obtained from its non-controlling shareholders.

vi. Cash and cash equivalents

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

	The Group	
	31.03.11	31.03.10
	$'000	$'000
Fixed deposits with financial institutions	247,212	240,184
Cash at bank and on hand	129,591	100,651
Cash and bank balances per Statement of Financial Position	376,803	340,835
Less: Bank deposits pledged as security	(6,000)	(6,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	370,803	334,835

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 first quarter ended 31 March

	Share Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000
The Group					
2011					
Balance at 1 January 2011, as previously reported	1,051,898	758,005	2,936,472	460,354	5,206,729
Effect of adopting INT FRS 115	-	-	(116,987)	(54,408)	(171,395)
Balance at 1 January 2011, as restated	1,051,898	758,005	2,819,485	405,946	5,035,334
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	1,039,242	776,368	3,016,460	418,429	5,250,499
2010					
Balance at 1 January 2010, as previously reported	1,058,527	789,422	2,300,284	459,666	4,607,899
Effect of adopting INT FRS 115	-	-	(147,777)	(58,562)	(206,339)
Balance at 1 January 2010, as restated	1,058,527	789,422	2,152,507	401,104	4,401,560
Employee share option scheme					
- value of employee services	-	1,437	-	-	1,437
- proceeds from shares issued	382	-	-	-	382
Dividends	-	-	-	(2,000)	(2,000)
Total comprehensive income for the period	-	(7,383)	98,675	27,635	118,927
Balance at 31 March 2010	1,058,909	783,476	2,251,182	426,739	4,520,306
The Company					
2011					
Balance at 1 January 2011	1,051,898	358,646	846,068	-	2,256,612
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	1,039,242	373,054	917,412	-	2,329,708
2010					
Balance at 1 January 2010	1,058,527	377,435	775,475	-	2,211,437
Employee share option scheme					
- value of employee services	-	1,437	-	-	1,437
- proceeds from shares issued	382	-	-	-	382
Total comprehensive income for the period	-	(9,867)	9,279	-	(588)
Balance at 31 March 2010	1,058,909	369,005	784,754	-	2,212,668

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

	Number of Ordinary Shares
Issued share capital as at 1 January 2011	777,751,154
Shares cancelled upon buyback	(9,839,000)
Issue of ordinary shares arising from the exercise of	
2002 Options granted under the UOL 2000 Share Option Scheme	6,000
2003 Options granted under the UOL 2000 Share Option Scheme	12,000
2006 Options granted under the UOL 2000 Share Option Scheme	72,000
2008 Options granted under the UOL 2000 Share Option Scheme	54,000
2009 Options granted under the UOL 2000 Share Option Scheme	91,000
2010 Options granted under the UOL 2000 Share Option Scheme	10,000
Issued share capital as at 31 March 2011	768,157,154

On 4 March 2011, 1,421,000 options were granted pursuant to the UOL Group Executives' Share Option Scheme ("the 2000 Scheme") to executives of the Company and its subsidiaries to subscribe for ordinary shares in the Company at the offer price of $4.62. The option period begins on 4 March 2012 and expires on 3 March 2021. 1,421,000 of the options granted were accepted by the executives at the close of offer on 1 April 2011.

As at 31 March 2011, there were unexercised options for 5,255,000 (31.3.10: 5,665,000) of unissued ordinary shares under the 2000 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	
	31.03.11	31.12.10
Total number of issued shares, excluding treasury shares	768,157,154	777,751,154

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

Amendments to FRS 24	Related party disclosures
Amendments to INT FRS 114	Prepayments of a minimum funding requirement
INT FRS 119	Extinguishing financial liabilities with equity instruments
INT FRS 115	Agreements for the Construction of Real Estate

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

Amendments to FRS 24 - Related party disclosures

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

INT FRS 115 – Agreements for the Construction of Real Estate

The Interpretation clarifies that an agreement for the construction of real estate that does not fall within FRS 11- Construction Contracts, may still apply percentage of-completion method of accounting provided certain criteria in FRS 18- Revenue are met. Otherwise, such an agreement should be accounted for using the completion of construction method. On the initial adoption of INT FRS 115, revenue and profit on the Group's sale of development properties under the progressive payment scheme in Singapore continues to be accounted based on the percentage-of-completion method. For the overseas development properties which have yet to be launched, the completion of construction method may have to be adopted depending on whether the eventual sale and purchase agreements satisfy the criteria in INT FRS 115. For the Group's on-going overseas development project in Malaysia and development projects sold under the deferred payment scheme in Singapore, a change in accounting policy from the percentage-of-completion method to the completion of construction method was required. The change in accounting policy has been applied retrospectively and the comparatives have been restated accordingly. The effects of the adoption on the results and financial position for the first quarter of 2011 and the relevant comparatives are as follows:

	The Group	
Effect on Consolidated Income Statement	First Quarter Ended 31 March	
	2011	2010
	$'000	$'000
Increase in revenue	339,059	109,614
Increase in cost of sales	(159,858)	(76,387)
Decrease in share of profit of associated companies	-	(4,477)
Increase in profit before income tax	179,201	28,750
Increase in income tax expense	(30,201)	(5,494)
	149,000	23,256
Increase in net profit attributable to:		
- Equity holders of the Company	104,669	10,823
- Non-controlling interests	44,331	12,433
	149,000	23,256
Increase in basic earnings per share (cents)	13.46	1.38
Increase in diluted earnings per share (cents)	13.45	1.38

Effect on Statement of Financial Position	The Group		
	31.03.11	31.12.10	1.1.10
	$'000	$'000	$'000
Decrease in development properties	(29,860)	(209,061)	(214,368)
Decrease in investment in associated companies	-	-	(29,185)
Decrease in current income tax liabilities	7,465	6,644	2,407
Decrease in deferred income tax liabilities	-	31,022	34,806
	(22,395)	(171,395)	(206,340)
Decrease in retained earnings	(12,318)	(116,987)	(147,778)
Decrease in non-controlling interest	(10,077)	(54,408)	(58,562)
	(22,395)	(171,395)	(206,340)
Decrease in net asset value per ordinary share ($)	(0.02)	(0.15)	(0.19)
Decrease in net tangible asset backing per ordinary share ($)	(0.02)	(0.15)	(0.19)

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 (cont'd)</u>

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

Consolidated Income Statement	First Quarter Ended 31 March		
	2011	2010	+ / (-)
	$'000	$'000	%
Revenue	386,017	249,249	55
Cost of sales	(249,896)	(144,058)	73
Share of profit of associated companies	57,754	43,311	33
Profit before income tax	153,961	113,763	35
Income tax expense	(16,964)	(13,436)	26
Net profit	136,997	100,327	37
Net profit attributable to:			
- Equity holders of the Company	125,324	87,852	43
- Non-controlling interests	11,673	12,475	(6)
	136,997	100,327	37
Basic earnings per share (cents)	16.12	11.21	
Diluted earnings per share (cents)	16.10	11.20	

6 <u>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</u>

	The Group	
	1st Quarter 2011	1st Quarter 2010
		(Restated)
Earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 29.59	cents 12.59
(ii) On a fully diluted basis	cents 29.55	cents 12.57

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 <u>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</u>

	The Group		The Company	
	31.03.11	31.12.10	31.03.11	31.12.10
		(Restated)		
Net asset value per ordinary share	$6.29	$5.95	$3.03	$2.90
Net tangible asset backing per ordinary share	$6.23	$5.90	$3.03	$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 first quarter of 2011 increased by $366.2 million or 102% to $725.1 million from $358.9 million (restated) in the corresponding period of 2010. Excluding the effects of the adoption of INT FRS 115, the increase was $136.8 million or 55% from the corresponding period of 2010 and arose mainly from the progressive recognition of revenue from the sale of the Group's development properties and the inclusion of revenue from the PARKROYAL Serviced Suites Kuala Lumpur which commenced operations in the fourth quarter of 2010, as well as higher revenues from most of the Group's hotels and serviced suites.

Expenses

Cost of sales in the first quarter of 2011 increased by 86% to $409.8 million from $220.4 million in the corresponding quarter of 2010, lower than the increase in revenue due to lower cost margins for some of the Group's development projects. Marketing and distribution expenses decreased by 25% from $8.5 million to $$6.4 million as more projects were put up for sale in the first quarter of 2010 as compared to the quarter under review. Administrative expenses increased by 20% to $14.1 million from $11.8 million in first quarter 2010 with higher payroll costs from additional staff hired to support the expanded operations of the Group, including the PARKROYAL Serviced Suites Kuala Lumpur. Finance expenses increased by 17% to $7.8 million from $6.7 million in the corresponding quarter of 2010 as additional borrowings were secured for investments and acquisitions. The increase in other operating expenses was due mainly to costs incurred by the Group for the rebranding of its three Australian hotels.

Associated companies

The increase in the share of profit of associated companies was due mainly to the progressive recognition of profit from the sale of units in Nassim Park Residences.

Profit & Loss

The Group's pre-tax profit before other gains for the first quarter of 2011 increased by 140% to $332.3 million from $138.3 million (restated) achieved in the first quarter of 2010. The increase was due mainly to higher income from property development and associated companies.

With the inclusion of other gains which was made up predominantly of negative goodwill on acquisition of interests in associated companies, pre-tax profit for the first quarter of 2011 was $333.2 million or a 134% increase from $142.5 million (restated) in the corresponding period of 2010. Profit after tax and non-controlling interests was $230.0 million or a 133% increase from the profit of $98.7 million (restated) for the first quarter of 2010. Excluding the effects of the adoption of INT FRS 115, profit after tax and non-controlling interests was $125.3 million or a 43% increase from the profit of $87.9 million for the first quarter of 2010.

Net tangible asset and gearing

The Group shareholders' funds increased from $4.63 billion (restated) as at 31 December 2010 to $4.83 billion as at 31 March 2011. The increase, in addition to those arising from adjustments upon the adoption of INT FRS 115, was due mainly to profits recognised in the first quarter of 2011 and higher reserves from fair value gains on available-for-sale financial assets, offset by the adjustments for share buy-back. Consequently the net tangible asset per ordinary share of the Group increased to $6.23 as at 31 March 2011 from $5.90 (restated) as at 31 December 2010.

The Group's gearing ratio declined to 34.6% as at 31 March 2011 from 37.3% (restated) as at 31 December 2010 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

Advance estimates indicate that for the first quarter of 2011, the Singapore economy grew at a healthy pace of 8.5% on a year-on-year basis and the outlook for the rest of the year remains positive. The measures introduced in January 2011 to cool the Singapore residential property market have moderated demand and the rate of increase in private housing prices. The Singapore office rental market is expected to improve though the pace may be moderated by new supply in the pipeline. Rentals for retail space are expected to remain stable, underpinned by the positive economic outlook and strong visitor arrivals.

The outlook for the tourism sector in Singapore and the Asia Pacific region is expected to remain positive and this should benefit the majority of the Group's hotels.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable	:	N.A.
(d) Books closure date	:	N.A.

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

No dividend has been declared or recommended for the first quarter ended 31 March 2011.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first quarter ended 31 March 2011 to be false or misleading.

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Company Secretary
13 May 2011