

**Q3 2010 Financial Statement Announcement**

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 AND PERIOD ENDED 30 SEPTEMBER 2010 RESULTS

These figures have not been audited.

1(a)(i) Income Statement for the third quarter ended:

Group	3 months ended			9 months ended		
	30/9/2010 \$000	30/9/2009 \$000	Change %	30/9/2010 \$000	30/9/2009 \$000	Change %
Revenue*	237,002	169,505	40	655,779	485,555	35
Cost of Sales	(168,120)	(128,440)	31	(457,916)	(370,904)	23
Gross Profit	68,882	41,065	68	197,863	114,651	73
<u>Other Items of Income</u>						
Interest Income	784	768	2	2,352	1,740	35
Other Income	763	2,437	(69)	1,961	8,498	(77)
<u>Other Items of Expense</u>						
Distribution Costs	(2,795)	(3,007)	(7)	(8,125)	(7,664)	6
Administrative Expenses	(16,710)	(15,240)	10	(55,244)	(47,015)	18
Finance Costs	(649)	(2,262)	(71)	(3,640)	(8,244)	(56)
Other Expenses	(7,542)	(5,046)	49	(12,271)	(17,250)	(29)
<b>Operating Profit</b>	<b>42,733</b>	<b>18,715</b>	<b>128</b>	<b>122,896</b>	<b>44,716</b>	<b>175</b>
Share of Profit/(Loss) from Equity-Accounted Associates and Joint Ventures	932	(86)	NM	2,524	(1,953)	NM
Profit Before Tax	43,665	18,629	134	125,420	42,763	193
Income Tax Expense	(10,038)	(4,912)	104	(27,515)	(8,572)	221
<b>Profit Net of Tax</b>	<b>33,627</b>	<b>13,717</b>	<b>145</b>	<b>97,905</b>	<b>34,191</b>	<b>186</b>
Profit Attributable to Owners of the Parent, Net of Tax	34,454	12,720	171	96,895	32,424	199
Profit Attributable to Non- Controlling Interests, Net of Tax	(827)	997	NM	1,010	1,767	(43)
	<b>33,627</b>	<b>13,717</b>	<b>145</b>	<b>97,905</b>	<b>34,191</b>	<b>186</b>
<u>Earnings per Stock Unit (cents)</u>						
Earnings per Stock (Basic)	13.2¢	5.2¢		37.4¢	14.1¢	
Earnings per Stock (Diluted)	10.9¢	4.4¢		31.0¢	11.6¢	
<u>* Revenue comprises:</u>						
Sales of goods	5,753	6,072	(5)	15,618	20,166	(23)
Sales of residential apartments	137,600	46,627	195	356,978	110,902	222
Rendering of services	24,674	26,134	(6)	69,502	75,327	(8)
Revenue from construction contracts	48,328	72,775	(34)	150,622	227,132	(34)
Rental income	20,593	17,811	16	61,092	51,666	18
Dividend income	54	86	(37)	1,967	362	443
<b>Total revenue</b>	<b>237,002</b>	<b>169,505</b>	<b>40</b>	<b>655,779</b>	<b>485,555</b>	<b>35</b>

NM: Not meaningful

1(a)(ii) Other information:

	Group			
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	\$000	\$000	\$000	\$000
Depreciation of Property, Plant and Equipment	(1,821)	(2,152)	(5,698)	(6,365)
Amortisation of Intangible Assets	(258)	(170)	(739)	(245)
Foreign Exchange (Loss)/Gain	(2,330)	(1,537)	767	(3,314)
Reversal of Impairment Loss on Available-for-Sale Investments	-	1,087	-	-
Reversal of impairment/(Impairment Loss) on Intangible Assets	73	-	(227)	-
(Impairment)/Reversal of Impairment Loss on Property, Plant and Equipment	(41)	-	906	(1,200)
Reversal of Impairment Loss on Assets and Disposal Groups Held for Sale under FRS 105	-	-	-	604
Gain/(Loss) on Held for Trading Investments	452	2,417	(583)	6,510

1(b)(i) Statements of Financial Position

	Group		Company	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	\$000	\$000	\$000	\$000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	39,804	42,350	3,585	2,963
Investment Properties	997,314	912,978	661,964	636,000
Intangible Assets	26,375	25,867	-	-
Investments in Subsidiaries	-	-	344,637	281,623
Investments in Associates	51,340	63,725	315	315
Investments in Joint Ventures	53,400	43,410	-	-
Deferred Tax Assets	2,328	2,328	-	-
Other Investments	7,159	6,667	5,830	5,556
<b>Total Non-Current Assets</b>	<b>1,177,720</b>	<b>1,097,325</b>	<b>1,016,331</b>	<b>926,457</b>
<b>Current Assets</b>				
Inventories	8,363	7,999	-	-
Income Tax Receivables	3,598	4,248	-	-
Trade and Other Receivables	189,302	192,184	34,316	26,700
Other Investments	15,051	16,721	-	-
Gross Amount due from Customers for Contract Work	26,238	36,202	-	-
Prepayments	3,643	3,203	54	105
Properties Held for Sale	568,104	260,810	-	-
Cash and Bank Balances	266,462	318,192	79,061	152,532
<b>Total Current Assets</b>	<b>1,080,761</b>	<b>839,559</b>	<b>113,431</b>	<b>179,337</b>
<b>Total Assets</b>	<b>2,258,481</b>	<b>1,936,884</b>	<b>1,129,762</b>	<b>1,105,794</b>

1(b)(i) Statements of Financial Position (continued):

	Group		Company	
	30/9/2010 \$000	31/12/2009 \$000	30/9/2010 \$000	31/12/2009 \$000
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity</u></b>				
Share Capital	273,386	266,466	273,386	266,466
Retained Earnings	625,151	551,601	430,351	414,326
Other Reserves	46,418	59,858	23,479	23,354
<b>Equity, Attributable to Owners of the Parent</b>	<b>944,955</b>	<b>877,925</b>	<b>727,216</b>	<b>704,146</b>
Non-Controlling Interests	3,908	5,539	-	-
<b>Total Equity</b>	<b>948,863</b>	<b>883,464</b>	<b>727,216</b>	<b>704,146</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	37,983	21,210	2,039	2,039
Borrowings	555,346	423,625	184,579	187,926
<b>Total Non-Current Liabilities</b>	<b>593,329</b>	<b>444,835</b>	<b>186,618</b>	<b>189,965</b>
<b><u>Current Liabilities</u></b>				
Provisions	3,353	3,852	-	-
Income Tax Payable	17,582	14,871	10,428	7,806
Trade and Other Payables	306,755	241,651	18,489	17,762
Borrowings	360,661	340,017	187,011	186,115
Gross Amount due to Customers for Contract Work	27,938	8,194	-	-
<b>Total Current Liabilities</b>	<b>716,289</b>	<b>608,585</b>	<b>215,928</b>	<b>211,683</b>
<b>Total Liabilities</b>	<b>1,309,618</b>	<b>1,053,420</b>	<b>402,546</b>	<b>401,648</b>
<b>Total Equity and Liabilities</b>	<b>2,258,481</b>	<b>1,936,884</b>	<b>1,129,762</b>	<b>1,105,794</b>

1(b)(ii) Comparative figures of the Group's borrowings and debt securities

- (a) Amount repayable in one year or less, or on demand

As at 30/9/2010		As at 31/12/2009	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
101,695	258,966	15,860	324,157

- (b) Amount repayable after one year

As at 30/9/2010		As at 31/12/2009	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
364,862	190,484	231,592	192,033

- (c) Details of any collaterals

Investment properties amounting to \$5,534,000 at 30 September 2010 (31 December 2009: \$5,781,000) have been mortgaged to secure certain loan facilities to partially finance their developments. Property, plant and equipment and investment properties under construction with a total book value of \$2,462,000 (31 December 2009: \$2,508,000) and \$287,100,000 (31 December 2009: \$126,593,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$894,408,000 (31 December 2009: \$485,356,000) have also been mortgaged to secure term loan facilities of certain subsidiaries.

1(c) Statement of Cash Flows

	Group			
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	\$000	\$000	\$000	\$000
<u>Cash Flows From Operating Activities</u>				
Profit before Tax	43,665	18,629	125,420	42,763
Adjustments				
Depreciation of Property, Plant and Equipment	1,821	2,152	5,698	6,365
Interest Income	(785)	(768)	(2,352)	(1,740)
Finance Costs	649	2,262	3,640	8,244
Amortisation of Intangible Assets	258	170	739	245
Currency Realignment	(2,702)	(2,018)	51	(3,803)
Dividend Income from Investment Securities	-	(86)	(1,913)	(362)
Equity Share Options Issued	-	62	125	83
Gain on Disposal of Property, Plant and Equipment	-	(65)	(212)	(238)
(Reversal of Impairment)/Impairment Loss on Intangible Assets	(73)	-	227	-
(Gain)/Loss on Held for Trading Investments	(452)	(2,417)	583	(6,510)
Impairment/(Reversal of Impairment) Loss on Property, Plant and Equipment	41	-	(906)	1,200
Reversal of Impairment Loss on Available-for-Sale Investments	-	(1,087)	-	-
Reversal of Impairment Loss on Assets and Disposal Groups Held for Sale under FRS 105	-	-	-	(604)
Write-down of Inventories/(Reversal of write-down)	-	10	10	(210)
Share of (Profit)/Loss from Equity-Accounted Associates and Joint Ventures	(932)	86	(2,524)	1,953
Unrealised Exchange Loss/(Gain)	2,360	878	(12)	1,594
Operating Cash Flows before Changes in Working Capital	43,850	17,808	128,574	48,980
Changes in Working Capital				
Properties Held for Sale				
- Development Expenditure	(266,921)	(33,480)	(411,362)	(79,239)
- Proceeds from Progress Billings	48,673	3,535	107,126	38,684
Increase/(Decrease) in Trade and Other Payables and Provisions	48,540	9,345	63,922	(24,191)
Decrease/(Increase) in Trade and Other Receivables	27,581	(5,628)	4,609	136,243
(Increase)/Decrease in Gross Amount due from Customers for Contract Work	(1,717)	11,231	10,759	21,905
(Decrease)/Increase in Gross Amount due to Customers for Contract Work	(227)	1,912	19,744	9,436
Decrease/(Increase) in Inventories	729	1,011	(343)	1,435
Cash Flows (Used In)/From Operations	(99,492)	5,734	(76,971)	153,253
Income Taxes Paid	(3,234)	(939)	(8,198)	(2,149)
Interest Paid	(2,549)	(2,837)	(10,081)	(11,124)
Interest Received	111	767	1,689	1,750
Net Cash Flows (Used In)/From Operating Activities	(105,164)	2,725	(93,561)	141,730

1(c) Statement of Cash Flows (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	\$000	\$000	\$000	\$000
<u>Cash Flows From Investing Activities</u>				
Acquisition of Intangible Assets	(391)	(1,032)	(3,146)	(9,214)
Acquisition of Investment Properties	-	-	(25,964)	-
Capital and Development Expenditure	(28,991)	(11,244)	(66,090)	(31,638)
Increase in Amounts due from Associates and Joint Ventures	(660)	(655)	(1,901)	(1,840)
Increase in Loans to Joint Ventures	-	-	(6,400)	(6,070)
Dividends Received from Associates	345	123	345	123
Dividends Received from Investment Securities	-	86	1,913	362
Proceeds from Disposal of Intangible Assets	1,521	-	1,521	-
Proceeds from Disposal of Property, Plant and Equipment	933	81	5,063	366
Proceeds from Disposal of Investment Properties	-	1,809	3,500	2,162
Net Cash Flows Used In Investing Activities	<u>(27,243)</u>	<u>(10,832)</u>	<u>(91,159)</u>	<u>(45,749)</u>
<u>Cash Flows From Financing Activities</u>				
Issuance of Shares Upon Exercise of Share Options	159	-	429	-
Increase/(Decrease) in Trust Receipts and Bills Payable	54	(999)	(1,751)	284
Contribution from Minority Shareholder	350	-	350	-
Dividends Paid	-	-	(23,345)	(17,816)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	(3,300)	-
Increase/(Decrease) in Short-Term Loans	4,858	(23,791)	12,214	(55,536)
Net Proceeds from Convertible Bonds	-	-	-	128,229
Proceeds from Long-Term Loans	142,766	7,861	196,363	17,500
Repayment of Long-Term Loans	<u>(38,549)</u>	<u>(7,178)</u>	<u>(54,991)</u>	<u>(27,605)</u>
Net Cash Flows From/(Used In) Financing Activities	<u>109,638</u>	<u>(24,107)</u>	<u>125,969</u>	<u>45,056</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents	(22,769)	(32,214)	(58,751)	141,037
Cash and Cash Equivalents, Beginning Balance	<u>271,903</u>	<u>337,827</u>	<u>307,885</u>	<u>164,576</u>
Cash and Cash Equivalents, Ending Balance	<u>249,134</u>	<u>305,613</u>	<u>249,134</u>	<u>305,613</u>

Note:

Cash and Cash Equivalents comprise:

Cash and Bank Balances	266,462	312,723	266,462	312,723
Bank Overdrafts	(17,328)	(7,110)	(17,328)	(7,110)
Cash and Cash Equivalents	<u>249,134</u>	<u>305,613</u>	<u>249,134</u>	<u>305,613</u>

1(d) Statement of Comprehensive Income for the third quarter ended:

	Group			
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	\$000	\$000	\$000	\$000
<b>Profit Net of Tax for the Period</b>	<b>33,627</b>	13,717	<b>97,905</b>	34,191
<b>Other Comprehensive Income</b>				
Gains/(Losses) on Exchange Differences on Translation, Net of Tax	108	(916)	206	(2,815)
Gains/(Losses) on Remeasuring Available-for-Sale Investments, Net of Tax	94	-	(682)	400
Share of Other Comprehensive Income from Equity-Accounted Associates, Net of Tax	(7,368)	12,776	(13,117)	29,745
Gains/(Losses) on Cash Flow Hedges, Net of Tax	4	-	63	(749)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(7,162)</b>	11,860	<b>(13,530)</b>	26,582
<b>Total Comprehensive Income for the Period</b>	<b>26,465</b>	25,577	<b>84,375</b>	60,773
Total Comprehensive Income Attributable to Owners of the Parent	27,060	24,759	83,330	59,179
Total Comprehensive Income Attributable to Non-Controlling Interests	(595)	818	1,045	1,594
	<b>26,465</b>	25,577	<b>84,375</b>	60,773

1(e)(i) Statements of Changes in Equity

The Group

Attributable to Owners of the Parent

	Attributable to Owners of the Parent								
	Total Equity \$000	Equity Attributable to Owners of the Parent \$000	Share Capital \$000	Retained Earnings \$000	AFS Reserve \$000	Share Option Reserve \$000	Translation Reserve \$000	Other Reserves \$000	Non- Controlling Interests \$000
<b>2010</b>									
Opening Balance at 1/1/2010	883,464	877,925	266,466	551,601	51,537	3,956	(8,830)	13,195	5,539
Profit for the Period	64,278	62,441	-	62,441	-	-	-	-	1,837
Other Comprehensive Income for the Period	(6,368)	(6,171)	-	-	(6,525)	-	295	59	(197)
<b>Total Comprehensive Income for the Period</b>	<b>57,910</b>	<b>56,270</b>	<b>-</b>	<b>62,441</b>	<b>(6,525)</b>	<b>-</b>	<b>295</b>	<b>59</b>	<b>1,640</b>
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	270	270	270	-	-	-	-	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	4,154	4,154	4,154	-	-	-	-	-	-
Equity Share Options Issued	125	125	-	-	-	125	-	-	-
Movement in Non- Controlling Interests Arising from Increase in Shareholding of a Subsidiary	274	-	-	-	-	-	-	-	274
Dividends Paid	(26,645)	(23,345)	-	(23,345)	-	-	-	-	(3,300)
<b>Closing Balance at 30/6/2010</b>	<b>919,552</b>	<b>915,399</b>	<b>270,890</b>	<b>590,697</b>	<b>45,012</b>	<b>4,081</b>	<b>(8,535)</b>	<b>13,254</b>	<b>4,153</b>
Profit for the Period	33,627	34,454	-	34,454	-	-	-	-	(827)
Other Comprehensive Income for the Period	(7,162)	(7,394)	-	-	(7,462)	-	64	4	232
<b>Total Comprehensive Income for the Period</b>	<b>26,465</b>	<b>27,060</b>	<b>-</b>	<b>34,454</b>	<b>(7,462)</b>	<b>-</b>	<b>64</b>	<b>4</b>	<b>(595)</b>
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	159	159	159	-	-	-	-	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	2,337	2,337	2,337	-	-	-	-	-	-
Contribution from Minority Shareholder	350	-	-	-	-	-	-	-	350
<b>Closing Balance at 30/9/2010</b>	<b>948,863</b>	<b>944,955</b>	<b>273,386</b>	<b>625,151</b>	<b>37,550</b>	<b>4,081</b>	<b>(8,471)</b>	<b>13,258</b>	<b>3,908</b>

1(e)(i) Statements of Changes in Equity (continued)

The Group

Attributable to Owners of the Parent

	Attributable to Owners of the Parent								Non-Controlling Interests
	Total Equity	Equity Attributable to Owners of the Parent	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Translation Reserve	Other Reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2009</b>									
Opening Balance at 1/1/2009	836,907	765,761	227,320	517,244	21,674	3,772	(4,249)	-	71,146
Profit for the Period	20,474	19,704	-	19,704	-	-	-	-	770
Other Comprehensive Income for the Period	14,722	14,716	-	-	17,370	-	(1,905)	(749)	6
Total Comprehensive Income for the Period	35,196	34,420	-	19,704	17,370	-	(1,905)	(749)	776
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	8,532	8,532	8,532	-	-	-	-	-	-
Equity Portion of Convertible Bonds	13,046	13,046	-	-	-	-	-	13,046	-
Equity Share Options Issued	21	21	-	-	-	21	-	-	-
Disposal of a Subsidiary	(61,981)	-	-	-	-	-	-	-	(61,981)
Dividends Paid	(17,816)	(17,816)	-	(17,816)	-	-	-	-	-
Closing Balance at 30/6/2009	813,905	803,964	235,852	519,132	39,044	3,793	(6,154)	12,297	9,941
Profit for the Period	13,717	12,720	-	12,720	-	-	-	-	997
Other Comprehensive Income for the Period	11,860	12,039	-	-	12,777	-	(738)	-	(179)
Total Comprehensive Income for the Period	25,577	24,759	-	12,720	12,777	-	(738)	-	818
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	22,642	22,642	22,642	-	-	-	-	-	-
Movement in Non-Controlling Interests Arising from Increase in Shareholding of a Subsidiary	(184)	-	-	-	-	-	-	-	(184)
Equity Share Options Issued	62	62	-	-	-	62	-	-	-
Closing Balance at 30/9/2009	862,002	851,427	258,494	531,852	51,821	3,855	(6,892)	12,297	10,575



**1(e)(i) Statements of Changes in Equity (continued)**

**The Company**

	Total Equity	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Other Reserves
	\$000	\$000	\$000	\$000	\$000	\$000
Opening Balance at 1/1/2010	704,146	266,466	414,326	5,279	3,956	14,119
Profit for the Period	34,675	-	34,675	-	-	-
Total Comprehensive Income for the Period	34,675	-	34,675	-	-	-
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	270	270	-	-	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	4,154	4,154	-	-	-	-
Equity Share Options Issued	125	-	-	-	125	-
Dividends Paid	(23,345)	-	(23,345)	-	-	-
Closing Balance at 30/6/2010	720,025	270,890	425,656	5,279	4,081	14,119
Profit for the Period	4,695	-	4,695	-	-	-
Total Comprehensive Income for the Period	4,695	-	4,695	-	-	-
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	159	159	-	-	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	2,337	2,337	-	-	-	-
Closing Balance at 30/9/2010	727,216	273,386	430,351	5,279	4,081	14,119
Opening Balance at 1/1/2009	664,205	227,320	428,282	4,831	3,772	-
Profit for the Period	9,034	-	9,034	-	-	-
Other Comprehensive Income for the Period	374	-	-	374	-	-
Total Comprehensive Income for the Period	9,408	-	9,034	374	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	8,532	8,532	-	-	-	-
Equity Portion of Convertible Bonds	13,046	-	-	-	-	13,046
Equity Share Options Issued	21	-	-	-	21	-
Dividends Paid	(17,816)	-	(17,816)	-	-	-
Closing Balance at 30/6/2009	677,396	235,852	419,500	5,205	3,793	13,046
Profit for the Period	46,076	-	46,076	-	-	-
Other Comprehensive Income for the Period	(68)	-	-	(68)	-	-
Total Comprehensive Income for the Period	46,008	-	46,076	(68)	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds Converted into Ordinary Stocks	22,642	22,642	-	-	-	-
Equity Share Options Issued	62	-	-	-	62	-
Closing Balance at 30/9/2009	746,108	258,494	465,576	5,137	3,855	13,046

**1(e)(ii) Details of any changes in the company's issued share capital**

During Q3 2010, the Company issued 1,744,333 ordinary shares on conversion of \$2,337,406 convertible bonds and 94,400 options were exercised under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the nine months, the Company issued 5,099,752 ordinary shares on conversion of \$6,833,668 convertible bonds and 278,400 options were exercised under the Scheme 2000.

As at 30 September 2010, there were 6,101,250 (30 September 2009: 6,530,400) unexercised options for ordinary shares under Scheme 2000 and \$80,284,324 (30 September 2009: \$96,387,478) convertible bonds which are convertible into 59,913,675 (30 September 2009: 71,930,954) shares at the conversion price of \$1.34 per share.

- 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 not been audited or reviewed by the Group's auditors.

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

NA

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

Other than as mentioned in Paragraph 5 regarding the adoption of improvements to Financial Reporting Standards (FRS) issued in 2009, there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2009.

- 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 effect of, the change.

Adoption of improvements to FRS issued in 2009 (effective for annual financial periods beginning on or after 1 January 2010)

- Amendments to FRS 1 Presentation of Financial Statements	1 January 2010
- Amendments to FRS 7 Statement of Cash Flows	1 January 2010
- Amendments to FRS 18 Revenue	1 January 2010
- Amendments to FRS 36 Impairment of Assets	1 January 2010
- FRS 39 Financial Instruments: Recognition and Measurement	1 January 2010

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

- 6 Earnings per stock unit (cents)

	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
(a) Basic*:	13.2¢	5.2¢	37.4¢	14.1¢
(b) Diluted**:	10.9¢	4.4¢	31.0¢	11.6¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	260,374,744	243,012,527	258,616,936	229,816,582
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>321,424,141</u>	<u>315,408,444</u>	<u>319,589,121</u>	<u>302,127,934</u>

\* Earnings per ordinary stock unit on existing issued share capital, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units in issue during the period.

\*\* Earnings per ordinary stock unit on a fully diluted basis, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units during the period adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Net asset per ordinary stock unit based on the total number of issued shares (excluding treasury shares) of 261,223,781 (2009: 255,845,651)	<u>\$3.62</u>	<u>\$3.43</u>	<u>\$2.78</u>	<u>\$2.75</u>

- 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 period reported on.

**Overview**

The Group's core businesses comprise Engineering & Construction (E&C) and Integrated Facility Management (IFM) which includes property development activities.

**Q3 2010 compared with Q3 2009 Performance**

Revenue increased 40% to \$237.0 million mainly due to progressive recognition of revenue from property sales at *The Rochester* and *Park Central @ AMK*. Arising from the increased revenue, Gross Profit rose 68% to \$68.9 million. Gross Profit Percentage improved to 29.1% compared with 24.2% in Q3 2009.

Other Income decreased 69% to \$0.8 million mainly due to the lower fair value gains from short-term investments in Q3 2010.

Other Expenses increased by \$2.5 million (49%) to \$7.5 million mainly due to fair value adjustment for property held for sale and foreign exchange loss in Q3 2010.

Finance Costs decreased 56% to \$0.6 million mainly due to lower interest rates in Q3 2010.

Income Tax Expense increased 104% to \$10.0 million mainly due to higher operating profit.

**9 months 2010 compared with 9 months 2009 Performance**

Revenue increased 35% to \$655.8 million mainly due to progressive recognition of revenue from property sales at *The Rochester* and *Park Central @ AMK*. Arising from the increased revenue, Gross Profit rose 73% to \$197.9 million. Gross Profit Percentage improved to 30.2% compared with 23.6% for the 9 months ended 30 September 2009.

Other Income decreased 77% to \$2.0 million mainly due to the absence of fair value gains from short-term investments, mitigated by foreign exchange gain.

Other Expenses decreased 29% to \$12.3 million mainly due to the absence of impairment allowance for projects and foreign exchange loss.

Finance Costs decreased to \$3.6 million mainly due to lower interest rates.

Income Tax Expense increased 221% to \$27.5 million mainly due to higher operating profit and under provision for prior years' income tax.

### Attributable Profit

The Group's attributable profit increased to \$34.5 million compared with \$12.7 million in Q3 2009. For the 9 months ended 30 September 2010 attributable profit was \$96.9 million compared with \$32.4 million for the corresponding period in 2009.

Earnings per ordinary stock unit (EPS) increased to 13.2 cents compared with 5.2 cents in Q3 2009. EPS for the 9 months ended 30 September 2010 and 30 September 2009 were 37.4 cents and 14.1 cents respectively.

Net asset per ordinary stock unit stood at \$3.62 as at 30 September 2010 compared with \$3.43 as at 31 December 2009.

### Segment Review

In the **Engineering & Construction (E&C) Division**, revenue increased 1% to \$101.6 million in Q3 2010 and decreased 4% to \$284.6 million for the 9 months ended 30 September 2010 due to continued stringent job selection. Despite the lower revenue, gross margin increased 19% to \$13.8 million in Q3 2010 and 29% to \$43.9 million for the 9 months ended 30 September 2010. Overall operating profit was \$0.7 million compared with \$1.1 million in Q3 2009 and \$8.9 million compared with \$6.3 million for the 9 months ended 30 September 2009.

In the **Integrated Facility Management (IFM) Division** (including property development), revenue increased 113% to \$175.0 million in Q3 2010 and 116% to \$469.7 million for the 9 months ended 30 September 2010. This was mainly due to progressive recognition of revenue from property sales at *The Rochester* and *Park Central @ AMK*. Gross margin increased 89% to \$54.3 million in Q3 2010 and 91% to \$150.4 million for the 9 months ended 30 September 2010. Operating profit increased by 110% to \$44.1 million in Q3 2010 and 117% to \$120.2 million for the 9 months ended 30 September 2010. Both gross margin and operating profit increased mainly due to the higher revenue.

### Cash Flow and Financial Position Review

As at 30 September 2010, the Group had a cash position of \$266 million. As of September 2010, the Group incurred development expenditure of \$470 million for the mixed development (including *The Rochester*) in one-north, *Park Central @ AMK* in Ang Mo Kio, *UE BizHub EAST* in Changi Business Park and the Sengkang East Avenue/Buangkok Drive executive condominium project. Apart from the above, the Group's components of cash flow and financial position and changes in these components from 31 December 2009 to 30 June 2010 and 30 September 2010 were due to the Group's other ongoing operations.

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

NA

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

The Group will continue to execute and bid for building and infrastructure projects over the next 12 months. The Group's outlook for Singapore, where the bulk of its businesses are based, is of a faster economic recovery, although its pace will depend on global economic conditions.

11 Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date Payable

NA

(d) Books closure date

NA

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

The Directors do not recommend the payment of an interim dividend on either the Cumulative Preference Shares or the Ordinary Stock. However, as in past years, the Directors will consider the payment of a year-end final dividend for both the Cumulative Preference Shares and Ordinary Stock.

BY ORDER OF THE BOARD

Heng Fook Pyng

Secretary

10 November 2010

**Confirmation by the Board**

We, Tan Ngiap Joo and Jackson Chevalier Yap Kit Siong, being two directors of United Engineers Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Q3 2010 and period ended 30 September 2010 financial results to be false or misleading.

On behalf of the Board,



TAN NGIAP JOO  
Chairman



JACKSON CHEVALIER YAP KIT SIONG  
Group Managing Director and  
Chief Executive Officer