



Q3 2015 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement

	Group					
	3 months ended			9 months ended		
	30/9/2015	30/9/2014⁽¹⁾	Change	30/9/2015	30/9/2014⁽¹⁾	Change
	\$000	\$000	(%)	\$000	\$000	(%)
<u>Continuing operations</u>						
Revenue	445,041	702,700	(37)	1,428,476	2,527,246	(43)
Cost of sales	(361,116)	(596,018)	(39)	(1,183,242)	(2,222,515)	(47)
Gross profit	83,925	106,682	(21)	245,234	304,731	(20)
Other items of income						
Interest income	1,049	1,010	4	3,412	2,391	43
Other income	11,874	1,986	498	25,486	31,012	(18)
Other items of expense						
Distribution costs	(11,731)	(26,747)	(56)	(34,562)	(81,029)	(57)
Administrative expenses	(36,183)	(42,335)	(15)	(105,350)	(128,889)	(18)
Finance costs	(8,792)	(9,491)	(7)	(27,590)	(32,120)	(14)
Other expenses	(4,171)	(6,401)	(35)	(13,102)	(23,086)	(43)
Operating profit	35,971	24,704	46	93,528	73,010	28
Share of (loss)/profit from equity-accounted associates and joint ventures	(1,720)	(105)	NM	4,091	357	NM
Profit before tax from continuing operations	34,251	24,599	39	97,619	73,367	33
Income tax expense	(7,007)	(7,290)	(4)	(10,521)	(43,396)	(76)
Profit from continuing operations, net of tax	27,244	17,309	57	87,098	29,971	191
<u>Discontinued operation</u>						
Profit from discontinued operation, net of tax	–	9,618	NM	–	29,891	NM
Profit net of tax	27,244	26,927	1	87,098	59,862	45
Profit/(loss) attributable to:						
Owners of the Company						
- Continuing operations, net of tax	18,582	12,051	54	61,117	44,190	38
- Discontinued operation, net of tax	–	6,433	NM	–	22,756	NM
	18,582	18,484	1	61,117	66,946	(9)
Non-controlling interests						
- Continuing operations, net of tax	8,662	5,258	65	25,981	(14,219)	NM
- Discontinued operation, net of tax	–	3,185	NM	–	7,135	NM
	8,662	8,443	3	25,981	(7,084)	NM

NM: Not meaningful

⁽¹⁾ The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations.

1(a)(ii) Continuing operations - Other information

	Group			
	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	\$000	\$000	\$000	\$000
Depreciation and amortisation	(22,283)	(26,875)	(63,565)	(82,433)
Foreign exchange gain/(loss)	1,932	(993)	4,186	(1,233)
Gain on disposal of a joint venture	-	7	-	727
Gain/(loss) on disposal of assets of disposal group classified as held for sale	912	(1,113)	8,427	(544)
Gain on disposal of available-for-sale financial assets	5,484	-	5,484	15
Gain/(loss) on disposal of property, plant and equipment	89	358	(713)	1,771
(Impairment loss)/reversal of impairment loss on property, plant and equipment	-	(1,812)	-	12,746
(Loss)/gain on remeasurement of a subsidiary reclassified as disposal group classified as held for sale	-	(6,939)	-	6,560
Net gain on disposal of subsidiaries	-	6,862	2,923	15,086
(Under)/over provision of prior years' tax	(21)	(251)	5,625	(106)
Realisation of translation reserve upon liquidation of subsidiaries	-	(500)	(477)	(4,401)
Reversal of inventories write-down/(inventories write-down)	5,162	(501)	13,754	(3,531)
Restructuring expenses	-	(1,256)	(277)	(20,396)
Write back of allowance/(allowance) for doubtful trade receivables	84	(191)	(1,311)	(244)

1(a)(iii) Statement of comprehensive income

	Group			
	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	\$000	\$000	\$000	\$000
Profit net of tax for the period	27,244	26,927	87,098	59,862
Other comprehensive income				
Items that will not be reclassified to income statement:				
Remeasurements of defined benefit pension plans	-	-	-	(2,737)
Items that may be reclassified subsequently to income statement:				
Gains/(losses) on exchange differences on translation, net of tax	17,272	11,151	28,308	(441)
(Losses)/gains on remeasuring available-for-sale financial assets, net of tax	(1,782)	297	(1,782)	743
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	-	(5,759)	-
Share of other comprehensive income from equity-accounted associates, net of tax	447	(1,977)	(648)	435
	10,178	9,471	20,119	737
Other comprehensive income for the period, net of tax	10,178	9,471	20,119	(2,000)
Total comprehensive income for the period	37,422	36,398	107,217	57,862
Attributable to:				
Owners of the Company	18,849	26,062	65,357	66,763
Non-controlling interests	18,573	10,336	41,860	(8,901)
	37,422	36,398	107,217	57,862

1(b)(i) Statements of financial position

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	\$000	\$000	\$000	\$000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	374,616	389,315	22,743	23,813
Investment properties	1,846,765	1,847,071	675,000	675,100
Intangible assets	30,559	30,965	–	–
Interests in subsidiaries	–	–	1,339,349	1,216,472
Interests in associates	111,233	115,706	315	315
Interests in joint ventures	62,539	93,224	–	–
Deferred tax assets	54,117	56,522	–	–
Other investments	24,714	32,220	1,084	6,808
Trade and other receivables	104	104	–	–
Total non-current assets	2,504,647	2,565,127	2,038,491	1,922,508
<u>Current assets</u>				
Inventories	141,889	122,122	–	–
Income tax receivables	576	2,037	–	–
Trade and other receivables	320,808	298,343	43,068	44,836
Gross amount due from customers for contract work	37,967	39,004	–	–
Prepayments	11,901	12,663	2,677	2,023
Properties held for sale	1,072,938	1,130,137	–	–
Bank balances and deposits	498,850	650,247	14,992	60,276
	2,084,929	2,254,553	60,737	107,135
Assets of disposal group classified as held for sale	13,503	80,734	–	–
Total current assets	2,098,432	2,335,287	60,737	107,135
Total assets	4,603,079	4,900,414	2,099,228	2,029,643
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share capital	807,356	807,270	807,356	807,270
Treasury shares ⁽¹⁾	(62,313)	(62,313)	–	–
Retained earnings	1,038,960	1,037,857	773,323	795,743
Other reserves	24,461	21,032	3,935	9,694
Equity attributable to owners of the Company	1,808,464	1,803,846	1,584,614	1,612,707
Non-controlling interests	564,684	576,348	–	–
Total equity	2,373,148	2,380,194	1,584,614	1,612,707
<u>Non-current liabilities</u>				
Provisions	88,894	102,834	–	–
Deferred tax liabilities	74,667	78,076	–	–
Trade and other payables	2,464	2,553	–	–
Borrowings	832,184	1,383,134	250,364	276,068
Total non-current liabilities	998,209	1,566,597	250,364	276,068
<u>Current liabilities</u>				
Provisions	20,071	14,861	–	–
Income tax payable	38,036	61,511	3,884	4,658
Trade and other payables	447,652	508,209	15,966	21,210
Borrowings	718,165	333,775	244,400	115,000
Gross amount due to customers for contract work	6,686	3,035	–	–
	1,230,610	921,391	264,250	140,868
Liabilities of disposal group classified as held for sale	1,112	32,232	–	–
Total current liabilities	1,231,722	953,623	264,250	140,868
Total liabilities	2,229,931	2,520,220	514,614	416,936
Total equity and liabilities	4,603,079	4,900,414	2,099,228	2,029,643

⁽¹⁾ Please refer to paragraph 1d(ii) for further details on the treasury shares.

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 30/9/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
418,744	299,421	153,540	180,235

- (b) Amount repayable after one year

As at 30/9/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
582,540	249,644	1,107,347	275,787

- (c) Details of any collaterals

The borrowings are secured by fixed and floating charges over certain assets of certain subsidiaries.

1(c) Statement of cash flows

	Group			
	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Profit before tax from continuing operations	34,251	24,599	97,619	73,367
Profit before tax from discontinued operation	–	12,778	–	37,458
Profit before tax	34,251	37,377	97,619	110,825
Amortisation of intangible assets	629	1,036	1,753	3,062
Depreciation of property, plant and equipment	21,654	28,755	61,812	87,687
Dividend income from other investments	(641)	(442)	(1,786)	(1,839)
Finance costs	8,792	9,821	27,590	33,099
(Gain)/loss on disposal of assets of disposal group classified as held for sale	(912)	1,113	(8,427)	544
Gain on disposal of available-for-sale financial assets	(5,484)	–	(5,484)	(15)
Gain on disposal of a joint venture	–	(7)	–	(727)
(Gain)/loss on disposal of property, plant and equipment	(89)	(358)	713	(2,083)
Loss/(gain) on remeasurement of a subsidiary reclassified as disposal group held for sale	–	6,939	–	(6,560)
Loss/(gain) on fair value adjustment on held for trading investments	–	27	–	(13)
Impairment loss on intangible assets	–	–	846	–
Impairment loss/(reversal of impairment loss) on property, plant and equipment	–	1,812	–	(12,746)
Interest income	(1,049)	(1,389)	(3,412)	(4,953)
Net gain on disposal of subsidiaries	–	(6,362)	(2,446)	(10,685)
Property, plant and equipment written-off	2	12	107	594
(Reversal of inventories write-down)/ inventories write-down	(5,162)	2,659	(13,754)	6,190
Share-based compensation expenses	1,740	479	4,477	3,926
Share of loss/(profit) from equity-accounted associates and joint ventures	1,720	994	(4,091)	1,853
Unrealised foreign exchange loss/(gain)	16,568	1,737	24,661	(2,160)
Operating cash flows before changes in working capital	72,019	84,203	180,178	205,999
Properties held for sale				
- Development expenditure	(37,028)	(61,998)	(143,967)	(142,142)
- Proceeds from progress billings	106,303	26,209	198,192	297,105
Increase/(decrease) in trade and other payables and provisions	50,484	51,424	(30,576)	(24,158)
(Increase)/decrease in trade and other receivables	(25,437)	(30,532)	(19,666)	(19,697)
Decrease/(increase) in gross amount due from customers for contract work	708	(4,484)	1,064	(8,916)
(Decrease)/increase in gross amount due to customers for contract work	(4,357)	(6,855)	3,651	(3,199)
(Increase)/decrease in inventories	(26,541)	(41,925)	(6,051)	25,724
Cash flows from operations	136,151	16,042	182,825	330,716
Shared-based payments	–	–	–	(149)
Income taxes paid	(5,762)	(39,673)	(32,271)	(73,527)
Interest paid	(12,884)	(17,260)	(36,190)	(43,048)
Interest received	–	1,470	2,163	4,622
Net cash flows from/(used in) operating activities	117,505	(39,421)	116,527	218,614

1(c) Statement of cash flows (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	\$000	\$000	\$000	\$000
Cash flows from investing activities				
Acquisition of intangible assets	(342)	(112)	(1,225)	(376)
Acquisition of non-controlling interests	(742)	(1,093)	(1,293)	(132,450)
Change in restricted deposits	(40)	–	42,345	–
Disposal/liquidation of subsidiaries and joint venture, net of cash disposed of (Note A)	–	34,759	(8,716)	55,891
Dividends received from associates	8,543	–	8,543	–
Dividends received from joint ventures	10,240	188	22,877	9,039
Dividends received from other investments	641	442	1,786	1,839
Decrease/(increase) in amounts due from associates and joint ventures	10,367	13,264	8,121	2,613
Decrease/(increase) in loans to associates	–	3,485	(4,976)	6,977
Investment in associates	–	–	(20)	–
Investment in joint ventures	–	–	–	(3,132)
Proceeds from disposal of assets of disposal group classified as held for sale	591	10,766	12,046	16,091
Proceeds from disposal of available-for-sale financial assets	4,471	–	4,471	132
Proceeds from disposal of intangible assets	–	–	–	68
Proceeds from disposal of property, plant and equipment	108	1,205	300	8,956
Proceeds from repayment of loans	–	353,326	–	353,326
Purchase of property, plant and equipment	(13,534)	(29,113)	(27,229)	(62,417)
Properties development expenditure	–	(4,233)	–	(126,394)
Net cash flows from investing activities	20,303	382,884	57,030	130,163
Cash flows from financing activities				
Contribution from non-controlling interests	–	44	–	984
Increase/(decrease) in trust receipts and bills payable	(913)	(229)	5,978	900
Dividends paid	–	–	(61,603)	(43,110)
Dividends paid to non-controlling interests of subsidiaries	(271)	(301)	(53,463)	(12,207)
Decrease in short-term loans	(51,992)	(100,245)	(24,277)	(38,571)
Issuance of shares upon exercise of share options	33	–	86	806
Proceeds from long-term loans	90,900	74,757	214,998	148,147
Repayment of long-term loans	(191,068)	(328,354)	(366,677)	(591,584)
Net cash flows used in financing activities	(153,311)	(354,328)	(284,958)	(534,635)
Net decrease in cash and cash equivalents	(15,503)	(10,865)	(111,401)	(185,858)
Cash and cash equivalents, beginning balance	441,920	713,953	537,818	888,946
Cash and cash equivalents, ending balance	426,417	703,088	426,417	703,088
Cash and cash equivalents comprise:				
Bank balances and deposits	498,850	649,810	498,850	649,810
Bank balances and deposits within disposal group classified as held for sale	–	76,427	–	76,427
Restricted deposits ⁽¹⁾	(63,781)	–	(63,781)	–
Bank overdrafts	(8,652)	(23,149)	(8,652)	(23,149)
Cash and cash equivalents	426,417	703,088	426,417	703,088

⁽¹⁾: This represents cash placed in an escrow account by a listed subsidiary in compliance with SGX-ST's Rule.

1(c) Statement of cash flows (continued)

Note A: The net assets and liabilities arising from the disposal/liquidation of subsidiaries and joint venture and the cash flow effects of the disposal/liquidation are as follows:-

	Group			
	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	3,593	396
Properties development costs	-	441,448	-	441,448
Intangible assets	-	-	1,469	-
Investments in joint ventures	-	(52)	-	1,212
Deferred tax assets	-	-	390	1,638
Inventories	-	-	356	450
Trade and other receivables	-	18,647	25,700	21,672
Gross amount due from customers for contract work	-	-	-	43
Properties held for sale	-	-	-	149,927
Bank balances and deposits	-	7,929	25,683	27,489
Deferred tax liabilities	-	-	-	(2,157)
Income tax payables	-	-	(570)	-
Trade and other payables	-	(459,899)	(29,438)	(506,327)
Borrowings	-	-	(2,519)	(23,831)
Net assets disposed	-	8,073	24,664	111,960
Foreign currency translation reserve realised	-	420	376	2,603
Deemed disposal of subsidiary retained as associate	-	-	-	(369)
Less: Carrying value transferred to assets of disposal group classified as held for sale	-	27,925	-	(23,122)
Less: Non-controlling interests	-	(99)	(10,089)	(19,104)
Net gain on disposal/liquidation	-	6,369	2,446	11,412
Total consideration	-	42,688	17,397	83,380
Amount contra with inter-company balances	-	-	(430)	-
Cash and cash equivalents in subsidiaries and joint venture disposed/liquidated	-	(7,929)	(25,683)	(27,489)
Cash flow arising from disposal/liquidation of subsidiaries and joint venture	-	34,759	(8,716)	55,891

1(d)(i) Statements of changes in equity

GROUP

	Attributable to owners of the Company						
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2015	2,380,194	1,803,846	807,270	(62,313)	1,037,857	21,032	576,348
Profit for the period	59,855	42,536	–	–	42,536	–	17,319
Gains on exchange differences on translation, net of tax	11,036	5,068	–	–	–	5,068	5,968
Share of other comprehensive income from equity-accounted associates, net of tax	(1,095)	(1,095)	–	–	–	(1,095)	–
Other comprehensive income for the period	9,941	3,973	–	–	–	3,973	5,968
Total comprehensive income for the period	69,796	46,509	–	–	42,536	3,973	23,287
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	53	53	53	–	–	–	–
Dividends paid	(61,603)	(61,603)	–	–	(61,603)	–	–
Dividends paid to non-controlling interests	(45,572)	–	–	–	–	–	(45,572)
Total contributions by and distributions to owners	(107,122)	(61,550)	53	–	(61,603)	–	(45,572)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(551)	229	–	–	–	229	(780)
Dilution of interests in subsidiaries	(3)	(1,139)	–	–	–	(1,139)	1,136
Disposal of interests in subsidiaries	(10,089)	–	–	–	–	–	(10,089)
Employee share option scheme/share appreciation rights:							
- value of employee services	2,747	1,542	–	–	–	1,542	1,205
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	1,588	(1,588)	–
Total changes in ownership interests in subsidiaries	(7,896)	632	–	–	1,588	(956)	(8,528)
Total transactions with owners in their capacity as owners	(115,018)	(60,918)	53	–	(60,015)	(956)	(54,100)
Closing balance at 30/6/2015	2,334,972	1,789,437	807,323	(62,313)	1,020,378	24,049	545,535

[#] Please refer to paragraph 1d(ii) for further details on the treasury shares.

1(d)(i) Statements of changes in equity (continued)

GROUP

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Profit for the period	27,244	18,582	–	–	18,582	–	8,662
Gains on exchange differences on translation, net of tax	17,272	7,361	–	–	–	7,361	9,911
Losses on remeasuring available-for-sale financial assets, net of tax	(1,782)	(1,782)	–	–	–	(1,782)	–
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	(5,759)	–	–	–	(5,759)	–
Share of other comprehensive income from equity-accounted associates, net of tax	447	447	–	–	–	447	–
Other comprehensive income for the period	10,178	267	–	–	–	267	9,911
Total comprehensive income for the period	37,422	18,849	–	–	18,582	267	18,573
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	33	33	33	–	–	–	–
Dividend paid to non-controlling interests	(271)	–	–	–	–	–	(271)
Total contributions by and distributions to owners	(238)	33	33	–	–	–	(271)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(742)	403	–	–	–	403	(1,145)
Dilution of interests in subsidiaries	12	(1,211)	–	–	–	(1,211)	1,223
Employee share option scheme/share appreciation rights: - value of employee services	1,722	953	–	–	–	953	769
Total changes in ownership interests in subsidiaries	992	145	–	–	–	145	847
Total transactions with owners in their capacity as owners	754	178	33	–	–	145	576
Closing balance at 30/9/2015	2,373,148	1,808,464	807,356	(62,313)	1,038,960	24,461	564,684

1(d)(i) Statements of changes in equity (continued)

GROUP

	Attributable to owners of the Company						
	Total equity \$000	Equity attributable to owners of the Company \$000	Share capital \$000	Treasury shares [#] \$000	Retained earnings \$000	Other reserves \$000	Non-controlling interests \$000
Opening balance at 1/1/2014	2,521,356	1,711,660	793,811	(62,313)	943,447	36,715	809,696
Profit/(loss) for the period	32,935	48,462	–	–	48,462	–	(15,527)
Remeasurements of defined benefit pension plans	(2,737)	(1,847)	–	–	(1,847)	–	(890)
Losses on exchange differences on translation, net of tax	(11,592)	(8,772)	–	–	–	(8,772)	(2,820)
Gains on remeasuring available-for-sale financial assets, net of tax	446	446	–	–	–	446	–
Share of other comprehensive income from equity-accounted associates, net of tax	2,412	2,412	–	–	–	2,412	–
Other comprehensive income for the period	(11,471)	(7,761)	–	–	(1,847)	(5,914)	(3,710)
Total comprehensive income for the period	21,464	40,701	–	–	46,615	(5,914)	(19,237)
Contributions by and distributions to owners							
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	12,044	12,044	12,044	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	806	806	806	–	–	–	–
Equity portion of convertible bonds	(677)	(677)	–	–	–	(677)	–
Transfer of equity component of convertible bonds to retained earnings upon lapse of the conversion option	–	–	–	–	14,658	(14,658)	–
Dividend paid	(43,110)	(43,110)	–	–	(43,110)	–	–
Dividend paid to non-controlling interests	(11,906)	–	–	–	–	–	(11,906)
Total contributions by and distributions to owners	(42,843)	(30,937)	12,850	–	(28,452)	(15,335)	(11,906)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(131,357)	(9,038)	–	–	–	(9,038)	(122,319)
Contribution from non-controlling interests	940	–	–	–	–	–	940
Disposal of interests in subsidiaries	(19,005)	–	–	–	–	–	(19,005)
Dilution of interests in subsidiaries	(257)	(257)	–	–	–	(257)	–
Employee share option scheme/share appreciation rights:							
- value of employee services	2,658	1,493	–	–	–	1,493	1,165
Income tax benefit arising from share-based compensation	1,125	1,125	–	–	–	1,125	–
Total changes in ownership interests in subsidiaries	(145,896)	(6,677)	–	–	–	(6,677)	(139,219)
Total transactions with owners in their capacity as owners	(188,739)	(37,614)	12,850	–	(28,452)	(22,012)	(151,125)
Closing balance at 30/6/2014	2,354,081	1,714,747	806,661	(62,313)	961,610	8,789	639,334

[#] Please refer to paragraph 1d(ii) for further details on the treasury shares.

1(d)(i) Statements of changes in equity (continued)

GROUP

	<u>Attributable to owners of the Company</u>						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares[#]	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Profit for the period	26,927	18,484	–	–	18,484	–	8,443
Gains on exchange differences on translation, net of tax	11,151	9,258	–	–	–	9,258	1,893
Gains on remeasuring available-for-sale financial assets, net of tax	297	297	–	–	–	297	–
Share of other comprehensive income from equity-accounted associates, net of tax	(1,977)	(1,977)	–	–	–	(1,977)	–
Other comprehensive income for the period	9,471	7,578	–	–	–	7,578	1,893
Total comprehensive income for the period	36,398	26,062	–	–	18,484	7,578	10,336
Contributions by and distributions to owners							
Dividend paid to non-controlling interests	(301)	–	–	–	–	–	(301)
Total contributions by and distributions to owners	(301)	–	–	–	–	–	(301)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(1,093)	544	–	–	–	544	(1,637)
Contribution from non-controlling interests	44	–	–	–	–	–	44
Disposal of interests in subsidiaries	(99)	–	–	–	–	–	(99)
Dilution of interests in subsidiaries	96	(1,551)	–	–	–	(1,551)	1,647
Employee share option scheme/share appreciation rights:							
- value of employee services	866	436	–	–	–	436	430
Income tax benefit arising from share-based compensation	2,665	1,013	–	–	–	1,013	1,652
Total changes in ownership interests in subsidiaries	2,479	442	–	–	–	442	2,037
Total transactions with owners in their capacity as owners	2,178	442	–	–	–	442	1,736
Closing balance at 30/9/2014	2,392,657	1,741,251	806,661	(62,313)	980,094	16,809	651,406

[#] Please refer to paragraph 1d(ii) for further details on the treasury shares.

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

COMPANY

	Total equity \$000	Share capital \$000	Retained earnings \$000	Other reserves \$000
Opening balance at 1/1/2015	1,612,707	807,270	795,743	9,694
Profit for the period	13,068	–	13,068	–
Total comprehensive income for the period	13,068	–	13,068	–
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	53	53	–	–
Dividends paid	(63,774)	–	(63,774)	–
Total transactions with owners in their capacity as owners	(63,721)	53	(63,774)	–
Closing balance at 30/6/2015	1,562,054	807,323	745,037	9,694
Profit for the period	28,286	–	28,286	–
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	–	–	(5,759)
Other comprehensive income for the period	(5,759)	–	–	(5,759)
Total comprehensive income for the period	22,527	–	28,286	(5,759)
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	33	33	–	–
Total transactions with owners in their capacity as owners	33	33	–	–
Closing balance at 30/9/2015	1,584,614	807,356	773,323	3,935
Opening balance at 1/1/2014	1,476,194	793,811	657,678	24,705
Profit for the period	20,257	–	20,257	–
Total comprehensive income for the period	20,257	–	20,257	–
Contributions by and distributions to owners				
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	12,044	12,044	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	806	806	–	–
Equity portion of convertible bonds	6	–	–	6
Transfer of equity component of convertible bonds to retained earnings upon lapse of the conversion option	–	–	14,658	(14,658)
Dividends paid	(44,630)	–	(44,630)	–
Total transactions with owners in their capacity as owners	(31,774)	12,850	(29,972)	(14,652)
Closing balance at 30/6/2014	1,464,677	806,661	647,963	10,053
Profit for the period	6,322	–	6,322	–
Total comprehensive income for the period	6,322	–	6,322	–
Closing balance at 30/9/2014	1,470,999	806,661	654,285	10,053

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

During Q3 2015, the Company issued 20,047 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During 9 months 2015, the Company issued 59,026 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 30 September 2015, there were 809,622 (30 September 2014: 2,332,078) unexercised options for ordinary shares under Scheme 2000.

Deemed treasury shares arising from acquisition of WBL

WBL has a shareholding of 21,712,000 ordinary stock units in the capital of United Engineers Limited (UEL). WBL became a subsidiary of UEL on 29 May 2013, as such the stock units are deemed and provisionally classified as treasury shares under the consolidated group.

With effect from July 2015 and under the Singapore Companies (Amendment) Act 2014, WBL is permitted to maintain its shareholding in UEL, subject to the restrictions in Section 21.

1(d)(iii) 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.

As at 30 September 2015, the Company's issued and paid-up ordinary share capital including treasury shares (include 21,712,000 ordinary stock units held by WBL) was 637,128,367 ordinary stock units (31 December 2014: 637,069,341).

As at 30 September 2015, the Group's issued and paid-up ordinary share capital excluding treasury shares was 615,416,367 ordinary stock units (31 December 2014: 615,357,341).

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on (except as disclosed in section 1d(ii) above in relation to the 21,712,000 ordinary stock units of the Company held by WBL).

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)

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

Other than as mentioned in Paragraph 5 regarding the adoption of amendments to Financial Reporting Standards (FRS), 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 2014.

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.

The Group adopted the amendments to the FRS that are effective for annual financial periods beginning on or after 1 January 2015.

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
Improvements to FRSs

Amendment to FRS 16 Property, Plant and Equipment
Amendment to FRS 24 Related Party Disclosures
Amendment to FRS 38 Intangible Assets
Amendment to FRS 40 Investment Property
Amendment to FRS 102 Share-based Payment
Amendments to FRS 103 Business Combinations
Amendments to FRS 108 Operating Segments
Amendment to FRS 113 Fair Value Measurement

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	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
(a) Basic*:	2.9	2.9	9.6	10.5
(b) Diluted**:	2.9	2.9	9.6	10.5
<u>Continuing operations</u>				
(a) Basic*:	2.9	1.9	9.6	6.9
(b) Diluted**:	2.9	1.9	9.6	6.9
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,121,685	636,699,899	637,098,049	635,242,352
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	637,196,682	637,092,724	637,245,985	635,523,547

* 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	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Net asset per ordinary stock unit based on the total number of issued shares	\$2.94 ⁽¹⁾	\$2.93 ⁽¹⁾	\$2.49	\$2.53

⁽¹⁾ Based on total number of issued stock units excluding the number of stock units held by WBL.

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

With effect from 2015, the Group's main reporting segments are Property Rental & Services, Property Development, Engineering & Distribution, Technology & Manufacturing and Corporate Services & Others.

(Note: Q3 2014 and 9M 2014 included the results of Automotive and MFS Technology (S) Pte Ltd (MFSS) businesses. Q3 2015 and 9M 2015 did not have the results of Automotive and MFSS businesses as these businesses were divested towards the end of 2014.)

Q3 2015 compared with Q3 2014

Revenue decreased 37% to \$445.0 million in Q3 2015 from \$702.7 million in Q3 2014, mainly due to the absence of contributions from the divested Automotive and MFSS businesses. As a result, gross profit decreased 21% to \$83.9 million in Q3 2015. However, gross profit margin increased to 18.9% in Q3 2015 as compared with 15.2% in Q3 2014, mainly due to improved contribution from the Group's NASDAQ-listed subsidiary Multi-Fineline Electronix, Inc. (MFLEX).

Other income increased 498% to \$11.9 million in Q3 2015 from \$2.0 million in Q3 2014 mainly due to a gain of \$5.4 million from the disposal of available-for-sale assets in Malaysia and foreign exchange gains of \$1.9 million.

Distribution costs decreased 56% to \$11.7 million in Q3 2015 from \$26.7 million in Q3 2014 and administrative expenses decreased 15% to \$36.2 million in Q3 2015 from \$42.3 million in Q3 2014 mainly due to the absence of the divested Automotive and MFSS businesses.

Other expenses decreased 35% to \$4.2 million in Q3 2015 from \$6.4 million in Q3 2014 mainly due to the absence of impairment charge of \$3.0 million made by the Group against its carrying value of an environmental engineering plant in China recorded in Q3 2014.

In Q3 2015, the Group recorded the share of loss from equity-accounted associates and joint ventures of \$1.7 million mainly due to the losses incurred by a joint venture in China.

9 months 2015 (9M 2015) compared with 9 months 2014 (9M 2014)

Revenue decreased 43% to \$1.43 billion in 9M 2015 from \$2.53 billion in 9M 2014 mainly due to the absence of revenue contribution from *Austville Residences* which was recorded in 2014 based on the completion of construction method, and the absence of contributions from divested Automotive and MFSS businesses. The decrease was partially offset by higher revenue contribution from MFLEX.

As a result of the lower revenue, gross profit decreased 20% to \$245.2 million in 9M 2015. The decrease was partially offset by positive contribution from MFLEX, which has turned around from a gross loss position in 9M 2014. Gross profit margin increased to 17.2% in 9M 2015 as compared with 12.1% in 9M 2014, mainly due to the positive contribution from MFLEX.

Other income decreased 18% to \$25.5 million in 9M 2015 from \$31.0 million in 9M 2014 mainly due to:-

- Absence of a divestment and remeasurement gain of approximately \$21.6 million from the disposal of a subsidiary in China, recorded in 9M 2014;
- This was partially offset by the following disposal gains which were recorded in 9M 2015
 - a gain of \$6.6 million from the disposal of a manufacturing facility in China;
 - a net disposal gain of \$3.0 million from the sale of subsidiaries; and
 - a gain of \$5.4 million from the disposal of available-for-sale assets in Malaysia.

Distribution costs decreased 57% to \$34.6 million in 9M 2015 from \$81.0 million in 9M 2014 and administrative expenses decreased 18% to \$105.4 million in 9M 2015 from \$128.9 million in 9M 2014 mainly due to the absence of Automotive and MFSS businesses which were divested towards the end of 2014.

Finance costs decreased 14% to \$27.6 million in 9M 2015 from \$32.1 million in 9M 2014 mainly due to lower borrowings.

Other expenses decreased 43% to \$13.1 million in 9M 2015 from \$23.1 million in 9M 2014 mainly due to the absence of the following which were recorded in 9M 2014:-

- restructuring expenses by certain overseas subsidiary; and
- impairment charge of \$3.0 million made by the Group against its carrying value of an environmental engineering plant in China.

Share of profit from equity-accounted associates and joint ventures was \$4.1 million in 9M 2015 compared to \$0.4 million in 9M 2014 mainly due to higher contribution from a joint venture in Malaysia arising from the sale of a property in 9M 2015.

Income tax expense decreased 76% to \$10.5 million in 9M 2015 from \$43.4 million in 9M 2014. The lower income tax expense in 9M 2015 was mainly due to the write-back of over provision of prior years' income tax by certain overseas subsidiaries. In contrast, the higher income tax expense in 9M 2014 was mainly attributable to higher taxable operating profit, non-availability for group relief of losses incurred by certain overseas subsidiaries and a tax charge from the reversal of the deferred tax assets recorded by certain overseas subsidiaries.

The Group's attributable profit on continuing operations increased 54% to \$18.6 million in Q3 2015 from \$12.1 million in Q3 2014. For 9M 2015, attributable profit on continuing operations increased 38% to \$61.1 million in 9M 2015 from \$44.2 million in 9M 2014.

Financial position review

- Interests in joint ventures decreased by \$31 million mainly due to the dividend received from the Group's joint venture companies.
- Inventories increased by \$20 million mainly due to higher inventories held by the Group's Technology business.
- The decrease in assets and liabilities of disposal group classified as held for sale is mainly due to the completion of the disposals of UE Managed Solutions Pte. Ltd. (UEMS), UE ServiceCorp (Taiwan) Limited and Tangshan UE Shengxing Renewable Resources Co., Ltd in 2015.
- Current trade and other payables declined by \$61 million mainly due to settlement of trade payables as well as lower accruals for project costs and operating expenses.

Cash flow review

As at 30 September 2015, the Group had cash and cash equivalents of \$426 million. In 9M 2015, the Group incurred total development expenditure of \$144 million mainly for *Eight Riversuites* and the Group's China property development projects. In addition, the Group also utilised \$115 million for dividends payments. Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2014 to 30 September 2015 were mainly the result of the Group's other ongoing operations.

Segment review

\$'million	Revenue				Operating profit/(loss) before interest			
	Q3 2015	Q3 2014	9M 2015	9M 2014	Q3 2015	Q3 2014	9M 2015	9M 2014
Property Rental and Services	36.1	36.4	104.6	108.9	17.6	17.7	51.4	59.1
Property Development	79.0	75.2	371.8	732.2	2.5	1.5	12.3	48.2
Engineering & Distribution	71.0	69.2	195.8	193.1	2.6	1.9	5.2	7.2
Technology & Manufacturing	251.5	235.5	708.8	584.9	20.8	9.9	50.2	(41.6)
Corporate Services & Others ⁽¹⁾	7.4	286.4	47.5	908.1	0.2	2.8	(5.6)	13.8
Operating profit before interest	-	-	-	-	43.7	33.8	113.5	86.7
Exceptional Items ⁽²⁾	-	-	-	-	-	(0.6)	4.3	16.0
Total	445.0	702.7	1,428.5	2,527.2	43.7	33.2	117.8	102.7

⁽¹⁾: Includes results of divested businesses comprising mainly Automotive, MFSS and UEMS.

⁽²⁾: Relates to net gain/(loss) arising from dissolution/divestment of subsidiaries, associate and joint venture.

Property Rental & Services

Revenue decreased marginally to \$36.1 million in Q3 2015 from \$36.4 million in Q3 2014 and 4% to \$104.6 million in 9M 2015 from \$108.9 million in 9M 2014. Operating profit before interest decreased marginally to \$17.6 million in Q3 2015 from \$17.7 million in Q3 2014 and decreased 13% to \$51.4 million in 9M 2015 from \$59.1 million in 9M 2014 mainly due to the absence of project management fees.

Property Development

Revenue increased 5% to \$79.0 million in Q3 2015 from \$75.2 million in Q3 2014 mainly due to higher progressive revenue recognition from the property sale at *Eight Riversuites*. Revenue decreased 49% to \$371.8 million in 9M 2015 from \$732.2 million in 9M 2014 mainly due to the absence of revenue contribution from *Austville Residences* which was recorded in 2014 based on the completion-of-construction method. Operating profit before interest increased 67% to \$2.5 million in Q3 2015 from \$1.5 million in Q3 2014 mainly due to higher contribution from *Eight Riversuites*. Operating profit before interest decreased 74% to \$12.3 million in 9M 2015 from \$48.2 million in 9M 2014 mainly due to the absence of contribution from *Austville Residences*.

Engineering & Distribution

Revenue increased 3% to \$71.0 million in Q3 2015 from \$69.2 million in Q3 2014. Revenue increased marginally to \$195.8 million in 9M 2015 from \$193.1 million in 9M 2014 mainly due to higher contribution from the Group's environmental engineering projects. The increase was partially offset by lower revenue contribution from the liquefied petroleum gas distribution business. Operating profit before interest increased 37% to \$2.6 million in Q3 2015 from \$1.9 million in Q3 2014. Operating profit before interest decreased 28% to \$5.2 million in 9M 2015 from \$7.2 million in 9M 2014 mainly due to reduced margins recorded for certain ongoing environmental engineering projects.

Technology & Manufacturing

Revenue increased 7% to \$251.5 million in Q3 2015 from \$235.5 million in Q3 2014 and 21% to \$708.8 million in 9M 2015 from \$584.9 million in 9M 2014 mainly due to higher contribution from MFLEX. Operating profit before interest increased 110% to \$20.8 million in Q3 2015 from \$9.9 million in Q3 2014 and operating profit before interest was \$50.2 million in 9M 2015 compared with an operating loss of \$41.6 million in 9M 2014 mainly due to the turnaround and positive contribution by MFLEX.

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

The Company did not make any forecast statement previously. The Group's Q3 2015 results are in line with the statement made in paragraph 10 of the Company's Q2 2015 results announcement on 14 August 2015.

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 persisting impact of the property cooling measures implemented by the Singapore Government and the slowdown of the global economy continue to weigh on the sentiment of the property markets in Singapore. The Group's China Property division is likely to continue to face challenging operating conditions amidst slower economic growth and weak demand in the property market in China. The accounting treatment on revenue recognition for certain projects using the completion-of-construction method will result in volatility in the recognition of revenues and profits. Nevertheless, the revenue generated from the Group's portfolio of investment properties will help to reduce this volatility.

MFLEX has achieved five consecutive profitable quarters under its new operating model. With the strong results year-to-date, it demonstrates that MFLEX is back on track with the new operating model.

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

Not applicable.

- (d) Books closure date

Not applicable.

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.

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 obtained a general mandate from shareholders for interested person transactions (IPTs) at the Annual General Meeting held on 24 April 2015. There was no IPT with amount exceeding \$100,000 each for the period ended 30 September 2015.

BY ORDER OF THE BOARD

Tan Swee Hong
Secretary

13 November 2015

Confirmation by the Board

We, Tan Ngiap Joo and Norman Ip Ka Cheung, 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 2015 and 9M 2015 financial results to be false or misleading in any material aspect.

On behalf of the Board,

.....
TAN NGIAP JOO
Chairman

.....
NORMAN IP KA CHEUNG
Non-Executive Director