

Full Year Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

These figures have not been audited.

1(a)(i) Income Statement for the year ended:

	Group		
	31/12/2008 \$000	31/12/2007 \$000	Change %
Revenue*	624,560	539,772	16
Cost of Sales	(479,929)	(435,408)	10
Gross Profit	144,631	104,364	39
<u>Other Items of Income</u>			
Interest Income	2,885	3,404	(15)
Surplus on Revaluation of Investment Properties	–	199,624	NM
Other Income	4,556	22,511	(80)
<u>Other Items of Expense</u>			
Distribution Costs	(10,346)	(7,345)	41
Administrative Expenses	(69,907)	(66,645)	5
Finance Costs	(11,536)	(16,697)	(31)
Other Expenses	(50,358)	(70,244)	(28)
Operating Profit	9,925	168,972	(94)
Share of Profit from Equity-Accounted Associates and Joint Ventures	2,808	10,141	(72)
Profit Before Tax	12,733	179,113	(93)
Income Tax Expense	(7,348)	(6,183)	19
Profit Net of Tax	5,385	172,930	(97)
Profit Attributable to Equity Holders of Parent, Net of Tax	5,989	176,188	(97)
Loss Attributable to Minority Interest, Net of Tax	(604)	(3,258)	(81)
	5,385	172,930	(97)
Earnings per Stock Unit (cents)			
Earnings per Stock (Basic)	2.7¢	80.4¢	
Earnings per Stock (Diluted)	2.7¢	79.5¢	
<u>* Revenue comprises:</u>			
Sales of goods	35,656	34,068	5
Sales of residential apartments	75,430	4,156	1,715
Rendering of services	94,499	86,651	9
Revenue from construction contracts	346,874	359,896	(4)
Rental income	67,643	54,349	24
Dividend income	4,458	652	584
Total revenue	624,560	539,772	16

NM: Not meaningful

1(a)(ii) Other information:

	Group	
	31/12/2008	31/12/2007
	\$000	\$000
Allowance for doubtful trade receivables	(4,694)	(12,425)
Depreciation and amortisation	(8,168)	(7,894)
Foreign exchange loss	(6,070)	(3,724)
Foreign exchange translation reserve realised upon waiver of debts to a subsidiary	-	(18,773)
Gain on disposal of investment properties	388	5,248
(Loss)/Gain on held for trading investments	(7,204)	14,220
Impairment loss on intangible assets	(376)	(530)
Impairment loss on available-for-sale investments	(9,320)	-
Net project closure costs	(15,000)	(5,000)
Reversal of/(Impairment of) assets and disposal groups held for sale under FRS 105 **	2,213	(14,970)
(Deficit)/Surplus on revaluation of investment properties	(570)	199,624

** Net of minority interest's share

1(b)(i) Balance Sheets

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	\$000	\$000	\$000	\$000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	43,417	53,012	1,359	1,730
Investment Properties	685,524	687,027	636,000	636,000
Intangible Assets	16,072	2,465	-	-
Investments in Subsidiaries	-	-	349,045	367,818
Investments in Associates	38,120	47,962	315	315
Investments in Joint Ventures	37,418	7,592	-	-
Deferred Tax Assets	1,354	529	-	-
Other Investments	8,856	8,783	5,217	4,903
Development Properties	184,834	72,029	-	-
Total Non-Current Assets	1,015,595	879,399	991,936	1,010,766
Current Assets				
Assets and Disposal Groups Held for Sale under FRS 105	187,215	185,388	-	-
Inventories	10,012	9,459	-	-
Income Tax Receivables	5,126	15,468	-	-
Trade and Other Receivables	203,926	222,289	22,294	14,164
Gross Amount due from Customers for Contract Work	50,876	71,216	-	-
Other Investments	8,604	29,821	-	-
Properties Held for Sale	197,484	63,942	-	-
Cash and Cash Equivalents	178,270	187,498	8,248	14,279
Total Current Assets	841,513	785,081	30,542	28,443
Total Assets	1,857,108	1,664,480	1,022,478	1,039,209

1(b)(i) Balance Sheets (continued):

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	\$000	\$000	\$000	\$000
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share Capital	227,320	224,820	227,320	224,820
Retained Earnings	517,244	533,432	428,282	436,573
Other Reserves	21,197	24,697	8,603	6,761
Equity, Attributable to Equity Holders of the Parent	765,761	782,949	664,205	668,154
Minority Interest	71,146	74,121	-	-
Total Equity	836,907	857,070	664,205	668,154
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	10,097	6,035	-	-
Term Loans	442,624	345,950	220,000	220,000
Total Non-Current Liabilities	452,721	351,985	220,000	220,000
<u>Current Liabilities</u>				
Income Tax Payable	7,209	6,597	4,693	4,424
Trade and Other Payables	228,608	210,746	16,017	24,548
Bank Borrowings	19,303	12,717	-	-
Gross Amount due to Customers for Contract Work	16,689	18,520	-	-
Term Loans	295,671	206,845	117,563	122,083
Total Current Liabilities	567,480	455,425	138,273	151,055
Total Liabilities	1,020,201	807,410	358,273	371,055
Total Equity and Liabilities	1,857,108	1,664,480	1,022,478	1,039,209

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 31/12/2008		As at 31/12/2007	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
1,237	313,737	87	219,475

- (b) Amount repayable after one year

As at 31/12/2008		As at 31/12/2007	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
219,991	222,633	125,950	220,000

- (c) Details of any collaterals

Investment properties after revaluation amounting to \$5,313,000 at 31 December 2008 (31 December 2007: \$17,458,000) have been mortgaged to secure certain loan facilities to partially finance their developments. Property, plant and equipment and development properties with a total book value of \$2,923,000 (31 December 2007: \$2,715,000) and \$97,355,000 (31 December 2007: \$72,029,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$362,363,000 (31 December 2007: \$157,176,000) have also been mortgaged to secure term loan facilities of certain subsidiaries.

1(c) Consolidated Cash Flow Statement

	Year Ended	
	31/12/2008	31/12/2007
	\$000	\$000
<u>Cash Flows From Operating Activities</u>		
Profit before Tax	12,733	179,113
Adjustments		
Depreciation of Property, Plant and Equipment	7,766	7,427
Interest Income	(2,885)	(3,404)
Finance Costs	11,536	16,697
Amortisation of Intangible Assets	402	467
Currency Realignment	731	(6,570)
Dividend Income from Investment Securities	(4,458)	(652)
Equity Share Options Issued	1,331	1,118
Foreign Exchange Translation Reserve Realised Upon Waiver of Debts to a Subsidiary	-	18,773
Gain on Disposal of Property, Plant and Equipment	(224)	(970)
Gain on Disposal of Investment Properties	(388)	(5,248)
Loss/(Gain) on Held for Trading Investments	7,204	(14,220)
Reversal of Impairment of Property, Plant and Equipment	(76)	(43)
Impairment of Associate	130	-
Impairment of Available-for-Sale Investments	9,320	-
Impairment of Intangible Assets	376	530
(Reversal of)/Impairment of Assets and Disposal Groups Held for Sale under FRS 105	(1,827)	22,343
Inventories Written-Down	210	365
Reversal of Write-Down of Inventories	-	(3)
Share of Profit from Equity-Accounted Associates and Joint Ventures	(2,808)	(10,141)
Deficit/(Surplus) on Revaluation of Investment Properties	570	(199,624)
Unrealised Exchange Loss	5,072	3,096
Operating Cash Flows before Changes in Working Capital	<u>44,715</u>	<u>9,054</u>
Changes in Working Capital		
Properties Held for Sale		
- Development Expenditure	(204,985)	(35,904)
- Proceeds from Progress Billings	71,443	119,146
Increase in Trade and Other Payables	24,079	29,104
Decrease in Trade and Other Receivables	24,583	91,523
Decrease/(Increase) in Gross Amount due from Customers for Contract Work	20,112	(41,564)
Decrease in Gross Amount due to Customers for Contract Work	(1,830)	(3,923)
Increase in Inventories	(688)	(684)
Cash Flows (Used In)/From Operations	<u>(22,571)</u>	<u>166,752</u>
Income Taxes Paid	(4,156)	(5,232)
Finance Costs Paid	(18,481)	(27,256)
Interest Received	4,205	4,632
Net Cash Flows (Used In)/From Operating Activities	<u>(41,003)</u>	<u>138,896</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of Held For Trading Investments	-	(269)
Acquisition of Intangible Assets	(6,623)	(165)
Acquisition of Minority Interests	(1,499)	(1,451)
Capital and Development Expenditure	(129,120)	(24,283)
Increase in Amounts Due from Associates and Joint Ventures	(732)	(924)
Increase in Loan to Joint Ventures	(25,243)	(4,810)
Investment in Associates	(1,641)	-

1(c) Consolidated Cash Flow Statement (continued)

	Year Ended	
	31/12/2008	31/12/2007
	\$000	\$000
<u>Cash Flows From Investing Activities (continued)</u>		
Investment in Joint Venture	(200)	(500)
Disposal of a Subsidiary, Net of Cash Disposed (Note (a))	-	-
Disposal of Intangible Assets	-	216
Dividends Received from Associates	220	829
Dividends Received from Investment Securities	4,458	652
Proceeds from Repayment of Loan Receivable from Investee Company	4,530	6,000
Proceeds from Disposal of Property, Plant and Equipment	3,444	4,736
Proceeds from Disposal of Held For Trading Investments	98	12,938
Proceeds from Disposal of Investment Properties	10,268	131,224
Net Cash Flows (Used In)/From Investing Activities	<u>(142,040)</u>	<u>124,193</u>
<u>Cash Flows From Financing Activities</u>		
Dividends Paid	(22,177)	(17,761)
Dividends Paid to Minority Interests of Subsidiaries	(908)	(1,382)
Increase/(Decrease) in Secured Bank Borrowings	401	(1,260)
Increase in Short-Term Loans	90,273	8,534
Contribution from/(Payment to) Minority Interests	325	(4,013)
Proceeds from Long-Term Loans	117,641	-
Repayment of Long-Term Loans	(20,425)	(91,089)
Issuance of Shares Upon Exercise of Share Options	2,500	4,943
Net Cash Flows From/(Used In) Financing Activities	<u>167,630</u>	<u>(102,028)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(15,413)	161,061
Cash and Cash Equivalents, Beginning Balance	<u>176,189</u>	<u>15,128</u>
Cash and Cash Equivalents, Ending Balance	<u>160,776</u>	<u>176,189</u>

Notes:

- (a) On 29 May 2007, the Group disposed of its 60% stake in Dalian Xinwei Metalform Products Co Limited.

The effect on the individual assets and liabilities arising from the disposal is set out below:

	Year Ended	
	31/12/2008	31/12/2007
	\$000	\$000
Property, plant and equipment	-	1,200
Trade and other payables	-	(1,200)
Net assets of subsidiary disposed of	-	-
Less: Cash of subsidiary disposed of	-	-
Cash flow on disposal, net of cash disposed	<u>-</u>	<u>-</u>

(b) Cash and Cash Equivalents

Cash and Cash Equivalents comprise:

Bank Balances and Deposits		
- Continuing Operations	178,270	187,498
- Assets and Disposal Groups Held for Sale under FRS 105	1,408	1,408
	<u>179,678</u>	<u>188,906</u>
Unsecured Bank Borrowings	(18,902)	(12,717)
Cash and Cash Equivalents	<u>160,776</u>	<u>176,189</u>

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

The Group	Attributable to Equity Holders of the Parent							
	Total Equity \$000	Equity, Attributable to Equity Holders of the Parent, Total \$000	Share Capital \$000	Retained Earnings \$000	AFS Reserve \$000	Share Option Reserve \$000	Translation Reserve \$000	Minority Interest \$000
Opening Balance at 01/01/2008	857,070	782,949	224,820	533,432	31,408	2,441	(9,152)	74,121
Foreign Currency Translation Adjustments:								
- Subsidiaries and Associates Reserves	4,455	4,742	-	-	-	-	4,742	(287)
- Inter-Company Balances of a Long-Term Nature	161	161	-	-	-	-	161	-
Available-for-Sale (AFS) Investments:								
- Valuation Loss taken to Equity	(9,734)	(9,734)	-	-	(9,734)	-	-	-
Net Income and Expenses Recognised Directly in Equity	(5,118)	(4,831)	-	-	(9,734)	-	4,903	(287)
Profit for the Year	5,385	5,989	-	5,989	-	-	-	(604)
Total Recognised Income and Expenses for the Year	267	1,158	-	5,989	(9,734)	-	4,903	(891)
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	2,500	2,500	2,500	-	-	-	-	-
Equity Share Options Issued	1,331	1,331	-	-	-	1,331	-	-
Movement in Minority Interests Arising from Increase in Shareholding of a Subsidiary	(1,176)	-	-	-	-	-	-	(1,176)
Dividends Paid	(23,085)	(22,177)	-	(22,177)	-	-	-	(908)
Closing Balance at 31/12/2008	836,907	765,761	227,320	517,244	21,674	3,772	(4,249)	71,146

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

The Group	Attributable to Equity Holders of the Parent							
	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Translation Reserve	Minority Interest
Opening Balance at 01/01/2007	718,126	635,061	219,877	375,005	63,373	1,323	(24,517)	83,065
Foreign Currency Translation Adjustments:								
- Subsidiaries and Associates Reserves	(1,891)	(1,839)	-	-	-	-	(1,839)	(52)
- Inter-Company Balances of a Long-Term Nature	17,204	17,204	-	-	-	-	17,204	-
Available-for-Sale (AFS) Investments:								
- Valuation Loss taken to Equity	(31,965)	(31,965)	-	-	(31,965)	-	-	-
Net Income and Expenses Recognised Directly in Equity	(16,652)	(16,600)	-	-	(31,965)	-	15,365	(52)
Profit for the Year	172,930	176,188	-	176,188	-	-	-	(3,258)
Total Recognised Income and Expenses for the Year	156,278	159,588	-	176,188	(31,965)	-	15,365	(3,310)
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	4,943	4,943	4,943	-	-	-	-	-
Equity Share Options Issued	1,118	1,118	-	-	-	1,118	-	-
Movement in Minority Interests Arising from Capital Reduction in a Subsidiary	(4,494)	-	-	-	-	-	-	(4,494)
Movement in Minority Interests Arising from Increase in Shareholding of a Subsidiary	242	-	-	-	-	-	-	242
Dividends Paid	(19,143)	(17,761)	-	(17,761)	-	-	-	(1,382)
Closing Balance at 31/12/2007	857,070	782,949	224,820	533,432	31,408	2,441	(9,152)	74,121

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

The Company

	Total Equity	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve
	\$000	\$000	\$000	\$000	\$000
Opening Balance at 01/01/2008	668,154	224,820	436,573	4,320	2,441
Available-for-Sale (AFS) Investments:					
- Valuation Gain taken to Equity	511	-	-	511	-
Net Income Recognised Directly in Equity	511	-	-	511	-
Profit for the Year	13,886	-	13,886	-	-
Total Recognised Income for the Year	14,397	-	13,886	511	-
Ordinary Shares Issued on Exercise of Share					
Options Converted into Ordinary Stocks	2,500	2,500	-	-	-
Equity Share Options Issued	1,331	-	-	-	1,331
Dividends Paid	(22,177)	-	(22,177)	-	-
Closing Balance at 31/12/2008	664,205	227,320	428,282	4,831	3,772
Opening Balance at 01/01/2007	477,246	219,877	251,726	4,320	1,323
Profit for the Year	202,608	-	202,608	-	-
Total Recognised Income for the Year	202,608	-	202,608	-	-
Ordinary Shares Issued on Exercise of Share					
Options Converted into Ordinary Stocks	4,943	4,943	-	-	-
Equity Share Options Issued	1,118	-	-	-	1,118
Dividends Paid	(17,761)	-	(17,761)	-	-
Closing Balance at 31/12/2007	668,154	224,820	436,573	4,320	2,441

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

During the year, the Company issued 1,376,900 ordinary shares upon the exercise of options granted under the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 31 December 2008, there were 5,806,550 (31 December 2007: 7,443,800) unexercised options for ordinary shares under Scheme 2000.

- 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 new Interpretations of Financial Reporting Standards (INT 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 2007.

- 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 new INT FRS

INT FRS 112 – Service Concession Arrangements (effective for annual financial periods beginning on or after 1 January 2008)

INT FRS 112 requires the recognition of construction revenue and the corresponding financial receivable and/or intangible asset for public-to-private service concession arrangement if:

- the party that grants the service arrangement (the “grantor”) controls or regulates what services the entity (the “operator”) must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure asset at the end of the term of arrangement.

The interpretation has no material impact on the financial position of the Group.

- 6 Earnings per stock unit (cents)

	Year Ended	
	31/12/2008	31/12/2007
(a) Basic*:	2.7¢	80.4¢
(b) Diluted**:	2.7¢	79.5¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	221,299,666	219,108,728
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>222,872,761</u>	<u>221,587,954</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	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net asset per ordinary stock unit based on the total number of issued shares (excluding treasury shares) of 221,624,333 (2007: 220,247,433)	<u>\$3.46</u>	<u>\$3.55</u>	<u>\$3.00</u>	<u>\$3.03</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.

For the year ended 31 December 2008, Revenue increased by \$84.8 million (16%) to \$624.6 million from \$539.8 million in 2007 mainly due to the progressive recognition of revenue from the sale of residential projects, *The Rochester at one-north* and *Park Central @ AMK* at Ang Mo Kio. Arising from the increased revenue, Gross Profit rose by \$40.3 million (39%) to \$144.6 million in 2008. Gross Profit percentage improved to 23.2% compared with 19.3% for 2007.

In 2008, the Group recognised a deficit of \$570,000 on revaluation of investment properties, compared with a surplus of \$199.6 million in 2007.

Other Income decreased by \$18.0 million (80%) from \$22.5 million in 2007 to \$4.6 million mainly due to the absence of fair value gains and gains from partial divestment of the Group's short-term investments and investment properties recognised in 2007.

Other Expenses decreased by \$19.9 million (28%) from \$70.2 million in 2007 to \$50.4 million mainly due to the following charges recognised in 2007: (1) a fair value charge of \$22.3 million arising from the Group's then proposed disposal of its shareholding interest in Anhui Hefei United Power Generation Company Limited (AHUP) and (2) realisation of a foreign exchange translation reserve of \$18.8 million upon waiver of debts to an Indonesian subsidiary. Against these reductions, in 2008 the Group recognised a \$9.3 million impairment charge on available-for-sale investments and \$6.9 million fair value losses on short-term investments arising from the sharp drop in share prices.

Finance Costs decreased from \$16.7 million in 2007 to \$11.5 million due to lower interest rates in 2008.

Income tax expense was higher mainly due to provision for taxation for development profit from residential projects.

The Share of Profit from Equity-Accounted Associates and Joint Ventures decreased by \$7.3 million (72%) to \$2.8 million due to the cessation of contribution from AHUP.

Attributable Profit

The Group's **attributable profit** was \$6.0 million in 2008 compared with \$176.2 million in 2007. Excluding the revaluation of investment properties, the attributable profit was \$6.6 million in 2008 compared with a loss of \$23.4 million in 2007.

Earnings per ordinary stock unit (EPS) was 2.7 cents compared with 80.4 cents in 2007.

Net asset per ordinary stock unit stood at \$3.46 as at 31 December 2008 compared with \$3.55 as at the end of 2007.

Segment Review

In the **Engineering & Construction (E&C) Division**, yearly comparison of results is not meaningful as progress billings of job completion vary from project to project. Revenue increased by \$10.6 million (3%) to \$418.2 million mainly due to the completion of numerous projects in the E&C Division. Arising from the increased revenue, gross margin increased by \$8.8 million (22%) to \$48.7 million. The E&C Division recorded a fair value loss on short-term investments of \$6.9 million, resulting in an operating loss of \$22.0 million in 2008, compared with an operating profit of \$7.4 million in 2007 (which included fair value gains and gains from partial divestment of short-term investments and investment properties amounting to \$19.8 million).

The **Integrated Facility Management (IFM) Division** (including property development) increased its revenue by \$84.1 million (62%) to \$220.6 million in 2008. This was mainly due to the progressive recognition of revenue from the sale of *The Rochester* at *one-north* and *Park Central @ AMK* at Ang Mo Kio as well as higher rental rates for office space and serviced apartments at *UE Square*. The IFM Division's profit before interest and tax decreased by \$172.5 million (77%) to \$52.4 million in 2008 mainly due to the revaluation surplus of \$186.0 million for *UE Square* in 2007.

Cash Flow and Balance Sheet Review

In 2008, the Group obtained financing of \$187 million and incurred development expenditure of \$314 million for the *one-north* mixed development project, *Park Central @ AMK* at Ang Mo Kio and *UE Business Hub* at Changi Business Park. The Group also extended a shareholder's loan of \$24 million to a joint venture and received sale proceeds of \$10 million from divestment of investment properties. Apart from the above, the Group's components of cash flow and balance sheet and changes in these components from 2007 to 2008 were the results of the Group's normal ongoing operations.

Fusionopolis Industrial Accident

As reported previously, there was a contingent liability for potential claims due to delays arising from an industrial accident at the Fusionopolis. Greatearth-United Engineers Joint Venture and Jurong Town Corporation completed a final settlement agreement on 5 December 2008. All costs have been taken up in the accounts in 2008.

- 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.

With an order book of \$791 million, the Group will continue to execute several large-scale building and infrastructure projects over the next 12 months. While these projects will keep the Group busy, the Group will face stiffer competition in replenishing its order books due to the challenging environment brought about by the economic slowdown in Singapore and the countries it operates in. Maintaining current gross margins will be a challenge although lower building material and energy costs are anticipated. Interest expense is expected to increase due to higher loan spreads charged by banks as a result of the global credit crisis. The effect is expected to be mitigated by the renounceable underwritten rights issue of \$132,974,599 in aggregate principal amount due 2014, as previously announced on 30 December 2008.

11 Dividend

- (a) Current Financial Period Reported on
Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	Ordinary Dividend (First and Final)		Preference Dividend (First and Final)
	Normal	Special	
Dividend Type	Cash	Cash	Cash
Dividend Rate	5 cents per ordinary stock (one-tier tax)	3 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

- (b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Ordinary Dividend (First and Final)		Preference Dividend (First and Final)
	Normal	Special	
Dividend Type	Cash	Cash	Cash
Dividend Rate	5 cents per ordinary stock (one-tier tax)	5 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

- (c) Date Payable

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 15 May 2009.

- (d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members will be closed from 5 May 2009 to 7 May 2009 (both dates inclusive) for the purposes of ascertaining dividend entitlements. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 p.m. on 4 May 2009 will be registered to determine such dividend entitlements.

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

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PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q4 or Half Year Results)

- 13 Segmented revenue and results for business or geographical segments of (the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	Engineering and Construction \$000	Integrated Facility Management \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
Year ended 31 December 2008					
Segment Revenue					
Sales to external customers	402,931	219,381	2,248	-	624,560
Inter-segment sales	15,238	1,200	6,348	(22,786)	-
Total revenue	418,169	220,581	8,596	(22,786)	624,560
Segment result	(22,532)	52,439	(11,331)*	-	18,576
Finance costs					(11,536)
Interest income					2,885
Share of profit from equity-accounted associates and Joint Ventures	(1,020)	3,828	-	-	2,808
Profit before tax					12,733
Income tax expense					(7,348)
Profit net of tax					5,385
Segment assets	332,713	1,216,766	38,396	-	1,587,875
Investment in associates	30,646	7,213	261	-	38,120
Investment in joint ventures	-	37,418	-	-	37,418
Assets and disposal groups held for sale under FRS 105	187,215	-	-	-	187,215
Unallocated assets					6,480
Total assets					1,857,108
Segment liabilities	192,541	49,312	3,444	-	245,297
Unallocated liabilities					774,904
Total liabilities					1,020,201
Other segment information:					
Allowance for doubtful trade receivables	4,400	88	206	-	4,694
Capital expenditure	10,318	1,174	449	-	11,941
Depreciation and amortisation	4,631	2,320	1,217	-	8,168
Loss on held for trading investments	7,060	-	144	-	7,204
Gain on disposal of investment properties	-	388	-	-	388
Reversal of impairment loss on assets and disposal groups held for sale under FRS 105	-	-	1,827	-	1,827
Impairment loss on available-for-sale investments	-	-	9,320	-	9,320
Impairment loss on intangible assets	376	-	-	-	376
Deficit on revaluation of investment properties	570	-	-	-	570

* Net of corporate expenses of \$8,434,000.

13 Business segments (continued)

	Engineering and Construction \$000	Integrated Facility Management \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
Year ended 31 December 2007[#]					
Segment Revenue					
Sales to external customers	400,023	135,232	4,517	-	539,772
Inter-segment sales	7,508	1,261	5,754	(14,523)	-
Total revenue	407,531	136,493	10,271	(14,523)	539,772
Segment result	7,358	224,946	(50,039)*	-	182,265
Finance costs					(16,697)
Interest income					3,404
Share of profit from equity-accounted associates and Joint Ventures	9,365	776	-	-	10,141
Profit before tax					179,113
Income tax expense					(6,183)
Profit net of tax					172,930
Segment assets	347,503	1,004,768	55,270	-	1,407,541
Investment in associates	40,884	6,903	175	-	47,962
Investment in joint ventures	-	7,592	-	-	7,592
Assets and disposal groups held for sale under FRS 105	185,388	-	-	-	185,388
Unallocated assets					15,997
Total assets					1,664,480
Segment liabilities	173,293	49,419	6,554	-	229,266
Unallocated liabilities					578,144
Total liabilities					807,410
Other segment information:					
Allowance for doubtful trade receivables	11,379	90	956	-	12,425
Capital expenditure	19,906	2,631	453	-	22,990
Depreciation and amortisation	3,595	3,327	972	-	7,894
Gain/(loss) on held for trading investments	14,270	-	(50)	-	14,220
Gain on disposal of investment properties	-	5,248	-	-	5,248
Impairment loss on assets and disposal groups held for sale under FRS 105	-	-	22,343	-	22,343
Impairment loss on intangible assets	530	-	-	-	530
Surplus on revaluation of investment properties	5,579	194,045	-	-	199,624

[#] Certain figures have been represented to better reflect the nature of the Group's operations.

* Net of corporate expenses of \$13,452,000.

13 Geographical segments

	Singapore \$000	Other Asean Countries \$000	Other Asian Countries \$000	Others \$000	Elimination \$000	Group \$000
Year ended 31 December 2008						
Segment Revenue						
Sales to external customers	415,101	134,116	70,830	4,513	-	624,560
Inter-segment sales	22,726	60	-	-	(22,786)	-
Total revenue	437,827	134,176	70,830	4,513	(22,786)	624,560
Other geographical information						
Segment assets	1,372,144	140,621	74,411	699	-	1,587,875
Capital expenditure	7,857	1,053	3,031	-	-	11,941
Year ended 31 December 2007						
Segment Revenue						
Sales to external customers	280,345	194,729	60,035	4,663	-	539,772
Inter-segment sales	14,507	-	16	-	(14,523)	-
Total revenue	294,852	194,729	60,051	4,663	(14,523)	539,772
Other geographical information						
Segment assets	1,161,063	191,772	54,706	-	-	1,407,541
Capital expenditure	9,286	5,472	8,232	-	-	22,990

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to item 8.

15 A breakdown of sales as follows:

	31/12/2008 \$000	31/12/2007 \$000	% Increase/ (decrease)
(a) Sales reported for first half year	273,789	268,467	2.0
(b) Operating profit after tax before deducting minority interests reported for first half year	5,165	30,066	(82.8)
(c) Sales reported for second half year	350,771	271,305	29.3
(d) Operating profit after tax before deducting minority interests reported for second half year	220	142,864	(99.8)

16 A breakdown of the total dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Dividend, paid

	2008	2007
	\$000	\$000
Ordinary	22,111	17,707
Preference	<u>66</u>	<u>54</u>
Total	<u>22,177</u>	<u>17,761</u>

BY ORDER OF THE BOARD

Jeslyn Heng Fook Pyng

Secretary

27 February 2009