

Q3 2011 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 AND PERIOD ENDED 30 SEPTEMBER 2011 RESULTS

These figures have not been audited.

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

	Group					
	3 months ended			9 months ended		
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	Change	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	Change
	\$000	\$000	%	\$000	\$000	%
<b>Revenue*</b>	<b>739,818</b>	142,165	420	<b>1,066,125</b>	412,472	158
Cost of sales	(513,126)	(99,356)	416	(724,184)	(279,014)	160
<b>Gross profit</b>	<b>226,692</b>	42,809	430	<b>341,941</b>	133,458	156
<b>Other items of income</b>						
Interest income	886	784	13	1,835	2,351	(22)
Other income	691	763	(9)	4,497	1,961	129
<b>Other items of expense</b>						
Distribution costs	(3,595)	(2,795)	29	(9,991)	(8,125)	23
Administrative expenses	(18,287)	(16,710)	9	(51,273)	(55,244)	(7)
Finance costs	(2,871)	(649)	342	(7,294)	(3,640)	100
Other expenses	(6,578)	(7,542)	(13)	(17,494)	(12,270)	43
<b>Operating profit</b>	<b>196,938</b>	16,660	1,082	<b>262,221</b>	58,491	348
Share of profit from equity-accounted associates and joint ventures	2,595	932	178	4,883	4,414	11
<b>Profit before tax</b>	<b>199,533</b>	17,592	1,034	<b>267,104</b>	62,905	325
Income tax expense	(33,970)	(6,736)	404	(45,411)	(18,748)	142
<b>Profit net of tax</b>	<b>165,563</b>	10,856	1,425	<b>221,693</b>	44,157	402
Attributable to:						
Owners of the company	159,845	11,921	1,241	210,934	43,760	382
Non-controlling interests	5,718	(1,065)	NM	10,759	397	2,610
	<b>165,563</b>	10,856	1,425	<b>221,693</b>	44,157	402
Earnings per stock (basic)	57.1¢	4.6¢		76.8¢	16.9¢	
Earnings per stock (diluted)	49.9¢	3.9¢		67.1¢	14.3¢	

<sup>1</sup> The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 - *Agreements for the Construction of Real Estate* as detailed in section 5 of this announcement.

NM: Not meaningful

1(a)(i) Note to income statement:

	Group					
	3 months ended			9 months ended		
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	Change	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	Change
	\$000	\$000	%	\$000	\$000	%
* Revenue comprises:						
Sales of goods	6,484	5,753	13	18,497	15,617	18
Sales of properties held for sale	646,745	42,763	1,412	764,152	113,672	572
Rendering of services	21,354	24,674	(14)	65,671	69,502	(6)
Revenue from construction contracts	46,590	48,328	(4)	162,513	150,622	8
Rental income	18,645	20,593	(9)	54,866	61,092	(10)
Dividend income	-	54	NM	426	1,967	(78)
<b>Total revenue</b>	<b>739,818</b>	<b>142,165</b>	<b>420</b>	<b>1,066,125</b>	<b>412,472</b>	<b>158</b>

1(a)(ii) Other information:

	Group			
	3 months ended		9 months ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	\$000	\$000	\$000	\$000
Depreciation and amortisation	(2,695)	(2,079)	(7,665)	(6,437)
Foreign exchange (loss)/gain	(479)	(2,330)	(4,406)	767
Gain on disposal of investment properties	-	-	2,500	-
(Loss)/gain on held for trading investments	(1,076)	452	(2,179)	(583)
Over/(under) provision of prior years tax	-	-	2,800	(2,800)

1(a)(iii) Statement of comprehensive income for the third quarter ended:

	Group			
	3 months ended		9 months ended	
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	30/9/2011	30/9/2010 (Restated) <sup>1</sup>
	\$000	\$000	\$000	\$000
<b>Profit net of tax for the period</b>	<b>165,563</b>	<b>10,856</b>	<b>221,693</b>	<b>44,157</b>
<b>Other comprehensive income</b>				
Gains on exchange differences on translation, net of tax	1,598	108	2,349	206
(Losses)/gains on remeasuring available-for-sale investments, net of tax	(932)	94	(3,107)	(682)
Share of other comprehensive income from equity-accounted associates, net of tax	(4,570)	(7,368)	(13,336)	(13,117)
Gains on cash flow hedges, net of tax	4	4	382	63
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,900)</b>	<b>(7,162)</b>	<b>(13,712)</b>	<b>(13,530)</b>
<b>Total comprehensive income for the period</b>	<b>161,663</b>	<b>3,694</b>	<b>207,981</b>	<b>30,627</b>
Attributable to:				
Owners of the company	155,944	4,527	197,246	30,195
Non-controlling interests	5,719	(833)	10,735	432
<b>Total comprehensive income for the period</b>	<b>161,663</b>	<b>3,694</b>	<b>207,981</b>	<b>30,627</b>

1(b)(i) Statements of financial position

	Group			Company	
	30/9/2011	31/12/2010 (Restated) <sup>1</sup>	01/01/2010 (Restated) <sup>1</sup>	30/9/2011	31/12/2010
	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	76,168	72,434	42,350	28,194	28,809
Investment properties	1,192,602	1,057,395	912,978	667,459	665,000
Intangible assets	25,709	26,270	25,867	-	-
Investments in subsidiaries	-	-	-	517,866	356,830
Investments in associates	43,574	55,640	63,725	315	315
Investments in joint ventures	39,246	36,573	41,520	-	-
Deferred tax assets	687	687	2,328	-	-
Trade and other receivables	21,036	20,213	30,030	-	-
Other investments	6,857	6,786	6,667	6,757	6,686
<b>Total non-current assets</b>	<b>1,405,879</b>	<b>1,275,998</b>	<b>1,125,465</b>	<b>1,220,591</b>	<b>1,057,640</b>
<b>Current assets</b>					
Inventories	8,728	7,053	7,999	-	-
Income tax receivables	142	1,855	4,248	-	-
Trade and other receivables	507,096	149,915	162,154	43,483	34,321
Other investments	9,621	14,906	16,721	-	-
Gross amount due from customers for contract work	12,903	33,763	36,202	-	-
Prepayments	2,461	2,806	3,203	22	67
Properties held for sale	763,432	514,591	212,243	-	-
Bank balances and deposits	465,302	266,625	318,192	15,883	59,072
<b>Total current assets</b>	<b>1,769,685</b>	<b>991,514</b>	<b>760,962</b>	<b>59,388</b>	<b>93,460</b>
<b>Total assets</b>	<b>3,175,564</b>	<b>2,267,512</b>	<b>1,886,427</b>	<b>1,279,979</b>	<b>1,151,100</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	296,710	273,902	266,466	296,710	273,902
Retained earnings	776,230	592,944	508,085	491,241	453,580
Other reserves	45,585	55,217	59,858	23,890	23,397
<b>Equity attributable to owners of the company</b>	<b>1,118,525</b>	<b>922,063</b>	<b>834,409</b>	<b>811,841</b>	<b>750,879</b>
Non-controlling interests	37,767	(1,090)	5,047	-	-
<b>Total equity</b>	<b>1,156,292</b>	<b>920,973</b>	<b>839,456</b>	<b>811,841</b>	<b>750,879</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	3,917	25,072	14,761	788	1,442
Trade and other payables	18,961	13,607	24,434	-	-
Borrowings	743,906	472,294	423,625	64,593	74,222
<b>Total non-current liabilities</b>	<b>766,784</b>	<b>510,973</b>	<b>462,820</b>	<b>65,381</b>	<b>75,664</b>
<b>Current liabilities</b>					
Provisions	3,118	3,110	3,852	-	-
Income tax payable	75,447	26,149	14,871	7,567	12,310
Trade and other payables	381,413	311,633	217,217	13,145	19,434
Borrowings	758,816	468,090	340,017	382,045	292,813
Gross amount due to customers for contract work	33,694	26,584	8,194	-	-
<b>Total current liabilities</b>	<b>1,252,488</b>	<b>835,566</b>	<b>584,151</b>	<b>402,757</b>	<b>324,557</b>
<b>Total liabilities</b>	<b>2,019,272</b>	<b>1,346,539</b>	<b>1,046,971</b>	<b>468,138</b>	<b>400,221</b>
<b>Total equity and liabilities</b>	<b>3,175,564</b>	<b>2,267,512</b>	<b>1,886,427</b>	<b>1,279,979</b>	<b>1,151,100</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 30/9/2011		As at 31/12/2010	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
298,005	460,811	110,112	357,978

(b) Amount repayable after one year

As at 30/9/2011		As at 31/12/2010	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
687,689	56,217	396,184	76,110

(c) Details of any collaterals

Property, plant & equipment and investment properties under construction with book value of \$1,997,000 (31 December 2010: \$2,301,000) and \$489,645,000 (31 December 2010: \$342,772,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$1,754,743,000 (31 December 2010: \$859,040,000, restated<sup>1</sup>) have also been mortgaged to secure term loan facilities of certain subsidiaries. A term loan facility of the Company was secured by a first fixed charge of 100% shareholding in a wholly owned subsidiary, UE Orchard Pte Ltd as well as assignments of the shareholder's loans, insurances, development documents, project documents and bank accounts.

1(c) Statement of cash flows

	Group			
	3 months ended		9 months ended	
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	30/9/2011	30/9/2010 (Restated) <sup>1</sup>
	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
Profit before tax	199,533	17,592	267,104	62,905
Depreciation of property, plant and equipment	2,558	1,821	7,089	5,698
Interest income	(886)	(784)	(1,835)	(2,351)
Finance costs	2,871	649	7,294	3,640
Amortisation of intangible assets	137	258	576	739
Currency realignment	(273)	(2,705)	(5,290)	50
Dividend income from other investments	-	-	(426)	(1,913)
Equity share options issued	-	-	-	125
Gain on disposal of investment properties	-	-	(2,500)	-
Gain on disposal of property, plant and equipment	(64)	-	(499)	(212)
(Reversal of impairment)/impairment loss on intangible assets	-	(73)	-	227
Loss/(gain) on held for trading investments	1,076	(452)	2,179	583
Impairment/(reversal of impairment) loss on property, plant and equipment	740	41	740	(906)
(Reversal of impairment)/impairment loss on properties held for sale	(216)	-	916	-
Inventories written-down	909	-	950	10
Share of profit from equity-accounted associates and joint ventures	(2,595)	(932)	(4,883)	(4,414)
Unrealised exchange (gain)/loss	(364)	2,360	3,339	(12)
<b>Operating cash flows before changes in working capital</b>	<b>203,426</b>	<b>17,775</b>	<b>274,754</b>	<b>64,169</b>
Changes in working capital				
Properties held for sale				
- Development expenditure	(646,805)	(240,846)	(888,716)	(346,957)
- Proceeds from progress billings	556,333	48,673	649,201	107,126
Increase in trade and other payables and provisions	67,850	48,540	61,926	63,922
(Increase)/decrease in trade and other receivables	(359,629)	27,581	(351,565)	4,609
Decrease/(increase) in gross amount due from customers for contract work	783	(1,717)	21,753	10,759
Increase/(decrease) in gross amount due to customers for contract work	2,323	(227)	7,110	19,744
(Increase)/decrease in inventories	(750)	729	(2,755)	(343)
<b>Cash flows used in operations</b>	<b>(176,469)</b>	<b>(99,492)</b>	<b>(228,292)</b>	<b>(76,971)</b>
Income taxes paid	(4,463)	(3,234)	(15,754)	(8,198)
Interest paid	(1,027)	(2,549)	(5,724)	(10,081)
Interest received	545	111	1,518	1,689
<b>Net cash flows used in operating activities</b>	<b>(181,414)</b>	<b>(105,164)</b>	<b>(248,252)</b>	<b>(93,561)</b>

1(c) Statement of cash flows (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	30/9/2011	30/9/2010 (Restated) <sup>1</sup>
	\$000	\$000	\$000	\$000
<b>Cash flows from investing activities</b>				
Acquisition of intangible assets	(1,668)	(391)	(2,657)	(3,146)
Capital and development expenditure	(87,873)	(28,991)	(156,882)	(92,054)
Increase in amounts due from associates and joint ventures	(344)	(660)	(258)	(1,901)
Increase in loans to joint ventures	-	-	-	(6,400)
Dividends received from associates	326	345	326	345
Dividends received from other investments	-	-	426	1,913
Proceeds from disposal of intangible assets	-	1,521	-	1,521
Proceeds from disposal of property, plant and equipment	154	933	2,713	5,063
Proceeds from disposal of investment properties	-	-	12,470	3,500
<b>Net cash flows used in investing activities</b>	<b>(89,405)</b>	<b>(27,243)</b>	<b>(143,862)</b>	<b>(91,159)</b>
<b>Cash flows from financing activities</b>				
Contribution from minority shareholder	-	350	-	350
Increase/(decrease) in trust receipts and bills payable	281	54	174	(1,751)
Dividends paid	-	-	(27,648)	(23,345)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	(3,300)
Increase in short-term loans	14,733	4,858	157,715	12,214
Issuance of shares upon exercise of share options	-	159	558	429
Net proceeds from dilution of interests in subsidiaries	-	-	31,937	-
Proceeds from long-term loans	415,077	142,766	492,110	196,363
Repayment of long-term loans	(4,924)	(38,549)	(66,279)	(54,991)
<b>Net cash flows from financing activities</b>	<b>425,167</b>	<b>109,638</b>	<b>588,567</b>	<b>125,969</b>
Net increase/(decrease) in cash and cash equivalents	154,348	(22,769)	196,453	(58,751)
Cash and cash equivalents, beginning balance	295,094	271,903	252,989	307,885
<b>Cash and cash equivalents, ending balance</b>	<b>449,442</b>	<b>249,134</b>	<b>449,442</b>	<b>249,134</b>
Cash and cash equivalents comprise:				
Bank balances and deposits	465,302	266,462	465,302	266,462
Bank overdrafts	(15,860)	(17,328)	(15,860)	(17,328)
Cash and cash equivalents	<u>449,442</u>	<u>249,134</u>	<u>449,442</u>	<u>249,134</u>

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

The Group	Attributable to owners of the company								
	Total equity	Equity attributable to owners of the company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2011, as previously reported	1,043,929	1,043,526	273,902	714,407	42,354	4,081	(8,317)	17,099	403
Effect of adopting INT FRS 115	(122,956)	(121,463)	-	(121,463)	-	-	-	-	(1,493)
Opening balance at 1/1/2011, restated	920,973	922,063	273,902	592,944	42,354	4,081	(8,317)	17,099	(1,090)
Profit for the period, restated	56,130	51,089	-	51,089	-	-	-	-	5,041
Other comprehensive income for the period	(9,812)	(9,787)	-	-	(10,939)	-	776	376	(25)
Total comprehensive income for the period	46,318	41,302	-	51,089	(10,939)	-	776	376	5,016
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	18,551	18,551	18,551	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	558	558	558	-	-	-	-	-	-
Equity portion of convertible bonds	201	201	-	-	-	-	-	201	-
Dividends paid	(27,648)	(27,648)	-	(27,648)	-	-	-	-	-
Total contributions by and distributions to owners in their capacity as owners	(8,338)	(8,338)	19,109	(27,648)	-	-	-	201	-
Changes in ownership interests in subsidiaries									
Dilution of interests in subsidiaries	31,937	3,815	-	-	-	-	-	3,815	28,122
Total changes in ownership interests in subsidiaries	31,937	3,815	-	-	-	-	-	3,815	28,122
Total transactions with owners in their capacity as owners	23,599	(4,523)	19,109	(27,648)	-	-	-	4,016	28,122
Closing balance at 30/6/2011, restated	990,890	958,842	293,011	616,385	31,415	4,081	(7,541)	21,491	32,048
Profit for the period	165,563	159,845	-	159,845	-	-	-	-	5,718
Other comprehensive income for the period	(3,900)	(3,901)	-	-	(5,502)	-	1,598	3	1
Total comprehensive income for the period	161,663	155,944	-	159,845	(5,502)	-	1,598	3	5,719

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

The Group

Attributable to owners of the company

	Total equity	Equity attributable to owners of the company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Contributions by and distributions to owners</b>									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,699	3,699	3,699	-	-	-	-	-	-
Equity portion of convertible bonds	40	40	-	-	-	-	-	40	-
<b>Total transactions with owners in their capacity as owners</b>	<b>3,739</b>	<b>3,739</b>	<b>3,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>-</b>
<b>Closing balance at 30/9/2011</b>	<b>1,156,292</b>	<b>1,118,525</b>	<b>296,710</b>	<b>776,230</b>	<b>25,913</b>	<b>4,081</b>	<b>(5,943)</b>	<b>21,534</b>	<b>37,767</b>
<b>Opening balance at 1/1/2010, as previously reported</b>	<b>883,464</b>	<b>877,925</b>	<b>266,466</b>	<b>551,601</b>	<b>51,537</b>	<b>3,956</b>	<b>(8,830)</b>	<b>13,195</b>	<b>5,539</b>
<b>Effect of adopting INT FRS 115</b>	<b>(44,008)</b>	<b>(43,516)</b>	<b>-</b>	<b>(43,516)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(492)</b>
<b>Opening balance at 1/1/2010, restated</b>	<b>839,456</b>	<b>834,409</b>	<b>266,466</b>	<b>508,085</b>	<b>51,537</b>	<b>3,956</b>	<b>(8,830)</b>	<b>13,195</b>	<b>5,047</b>
<b>Profit for the period, restated</b>	<b>33,301</b>	<b>31,839</b>	<b>-</b>	<b>31,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,462</b>
<b>Other comprehensive income for the period</b>	<b>(6,368)</b>	<b>(6,171)</b>	<b>-</b>	<b>-</b>	<b>(6,525)</b>	<b>-</b>	<b>295</b>	<b>59</b>	<b>(197)</b>
<b>Total comprehensive income for the period</b>	<b>26,933</b>	<b>25,668</b>	<b>-</b>	<b>31,839</b>	<b>(6,525)</b>	<b>-</b>	<b>295</b>	<b>59</b>	<b>1,265</b>
<b>Contributions by and distributions to owners</b>									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	4,154	4,154	4,154	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	270	270	270	-	-	-	-	-	-
Equity share options issued	125	125	-	-	-	125	-	-	-
Dividends paid	(26,645)	(23,345)	-	(23,345)	-	-	-	-	(3,300)
<b>Total contributions by and distributions to owners in their capacity as owners</b>	<b>(22,096)</b>	<b>(18,796)</b>	<b>4,424</b>	<b>(23,345)</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>(3,300)</b>



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

The Group	Attributable to owners of the company								
	Total equity	Equity attributable to owners of the company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Changes in ownership interests in subsidiaries</b>									
Movement in non-controlling interests arising from increase in shareholding of a subsidiary	274	-	-	-	-	-	-	-	274
<b>Total changes in ownership interests in subsidiaries</b>	<b>274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(21,822)</b>	<b>(18,796)</b>	<b>4,424</b>	<b>(23,345)</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>(3,026)</b>
<b>Closing balance at 30/6/2010, restated</b>	<b>844,567</b>	<b>841,281</b>	<b>270,890</b>	<b>516,579</b>	<b>45,012</b>	<b>4,081</b>	<b>(8,535)</b>	<b>13,254</b>	<b>3,286</b>
<b>Profit for the period, restated</b>	<b>10,856</b>	<b>11,921</b>	<b>-</b>	<b>11,921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,065)</b>
<b>Other comprehensive income for the period</b>	<b>(7,162)</b>	<b>(7,394)</b>	<b>-</b>	<b>-</b>	<b>(7,462)</b>	<b>-</b>	<b>64</b>	<b>4</b>	<b>232</b>
<b>Total comprehensive income for the period</b>	<b>3,694</b>	<b>4,527</b>	<b>-</b>	<b>11,921</b>	<b>(7,462)</b>	<b>-</b>	<b>64</b>	<b>4</b>	<b>(833)</b>
<b>Contributions by and distributions to owners</b>									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	2,337	2,337	2,337	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	159	159	159	-	-	-	-	-	-
<b>Total contributions by and distributions to owners in their capacity as owners</b>	<b>2,496</b>	<b>2,496</b>	<b>2,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in ownership interests in subsidiaries</b>									
Contribution from minority shareholder	350	-	-	-	-	-	-	-	350
<b>Total changes in ownership interests in subsidiaries</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>2,846</b>	<b>2,496</b>	<b>2,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>
<b>Closing balance at 30/9/2010, restated</b>	<b>851,107</b>	<b>848,304</b>	<b>273,386</b>	<b>528,500</b>	<b>37,550</b>	<b>4,081</b>	<b>(8,471)</b>	<b>13,258</b>	<b>2,803</b>

1(d)(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
<b>Opening balance at 1/1/2011</b>	750,879	273,902	453,580	5,091	4,081	14,225
<b>Profit for the period</b>	59,084	-	59,084	-	-	-
<b>Other comprehensive income for the period</b>	351	-	-	351	-	-
<b>Total comprehensive income for the period</b>	59,435	-	59,084	351	-	-
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	18,551	18,551	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	558	558	-	-	-	-
Equity portion of convertible bonds	201	-	-	-	-	201
Dividends paid	(27,648)	-	(27,648)	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	(8,338)	19,109	(27,648)	-	-	201
<b>Closing balance at 30/6/2011</b>	801,976	293,011	485,016	5,442	4,081	14,426
<b>Profit for the period</b>	6,225	-	6,225	-	-	-
<b>Other comprehensive income for the period</b>	(99)	-	-	(99)	-	-
<b>Total comprehensive income for the period</b>	6,126	-	6,225	(99)	-	-
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,699	3,699	-	-	-	-
Equity portion of convertible bonds	40	-	-	-	-	40
<b>Total transactions with owners in their capacity as owners</b>	3,684	3,699	-	-	-	40
<b>Closing balance at 30/9/2011</b>	811,841	296,710	491,241	5,343	4,081	14,466
<b>Opening balance at 1/1/2010</b>	704,146	266,466	414,326	5,279	3,956	14,119
<b>Profit for the period</b>	34,675	-	34,675	-	-	-
<b>Total comprehensive income for the period</b>	34,675	-	34,675	-	-	-
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	4,154	4,154	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	270	270	-	-	-	-
Equity share options issued	125	-	-	-	125	-
Dividends paid	(23,345)	-	(23,345)	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	(18,796)	4,424	(23,345)	-	125	-
<b>Closing balance at 30/6/2010</b>	720,025	270,890	425,656	5,279	4,081	14,119
<b>Profit for the period</b>	4,695	-	4,695	-	-	-
<b>Total comprehensive income for the period</b>	4,695	-	4,695	-	-	-
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	2,337	2,337	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	159	159	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	2,496	2,496	-	-	-	-
<b>Closing balance at 30/9/2010</b>	727,216	273,386	430,351	5,279	4,081	14,119

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

During Q3 2011, the Company issued 3,011,969 ordinary shares on conversion of \$4,036,047 convertible bonds and no ordinary share was issued from the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the nine months, the Company issued 18,338,078 ordinary shares on conversion of \$24,573,066 convertible bonds and 396,700 ordinary shares arising from the exercising of the options under the Scheme 2000.

As at 30 September 2011, there were 5,384,900 (30 September 2010: 6,101,250) unexercised options for ordinary shares under Scheme 2000 and \$54,719,465 (30 September 2010: \$80,284,324) convertible bonds which are convertible into 40,835,422 (30 September 2010: 59,913,675) shares at the conversion price of \$1.34 per share.

**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 2011, the Company's issued and paid-up ordinary share capital excluding treasury shares was 280,783,303 ordinary stock units (31 December 2010: 262,048,525).

**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.

**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 section 5 regarding the adoption of new and revised 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 2010.

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

The Group adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual financial periods beginning on or after 1 January 2011.

The following are the new or amended FRS/INT FRS that are relevant to the Group:

Revised FRS 24 Related Party Disclosures  
INT FRS 115 Agreements for the Construction of Real Estate  
Improvements to the FRSs issued in 2010

The adoption of these new/revised FRS and INT FRS did not result in any significant impact on the financial statements of the Group, except for INT FRS 115 - Agreements for the Construction of Real Estate.

## INT FRS 115 Agreements for the Construction of Real Estate

On 26 August 2010, the Accounting Standards Council ("ASC") issued INT FRS 115 with an accompanying note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that such contracts which are not classified as construction contracts in accordance with FRS 11 Construction Contracts can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

Following the implementation of INT FRS 115 and its accompanying note with effect from 1 January 2011, the Group has adopted the completion of construction ("COC") method to account for its overseas property development projects after taking into consideration the legal framework and industry practices in those countries in which the Group operates. The Group continues to adopt the POC method of revenue recognition for property sales that in its judgment meet the criteria prescribed by INT FRS 115 and the accompanying note.

The ASC, after noting the divergence in practice among the real estate companies in Singapore with regard to the accounting for sales of residential properties in Singapore made under deferred payment scheme ("DPS"), has issued a clarification note on 7 June 2011 to highlight that the accompanying note does not address the accounting treatment for sales under DPS. Accordingly, the Group has changed its method of recognition of revenue for property units sold under DPS from the POC method to the COC method in Second Quarter 2011, retrospectively. The Institute of Certified Public Accountants of Singapore has, on 19 October 2011, further clarified that revenue from sales of Singapore public residential development projects, principally Design, Build and Sell Scheme ("DBSS") and Executive Condominium ("EC") should be recognised using the COC method. The Group has similarly adopted the COC method for DBSS and EC in Third Quarter 2011, retrospectively. Construction is deemed completed upon obtaining Temporary Occupation Permit ("TOP").

### Impact on the Comparatives for the Third Quarter 2011 Financial Statement:

The Third Quarter 2011 Financial Statement have been prepared to take into account the effects of implementation of INT FRS 115 as described in the preceding paragraphs. This change in accounting policy has been applied retrospectively. Accordingly, the 2010 comparatives have been restated.

The effects on the comparatives arising from the adoption of INT FRS 115, subject to year-end audit are as follows:

#### Income statement

Group	3 months ended 30/9/2010 \$000	9 months ended 30/9/2010 \$000
Decrease in revenue	(94,837)	(243,307)
Decrease in cost of sales	68,764	178,902
Increase in share of profit from equity- accounted associates and joint ventures	–	1,890
Decrease in income tax expense	3,302	8,767
Decrease in profit for the period	(22,771)	(53,748)
Decrease in earnings per stock (basic)	(8.6¢)	(20.5¢)
Decrease in earnings per stock (diluted)	(7.0¢)	(16.7¢)

#### Statement of financial position

Group	31/12/2010 \$000	31/12/2009 \$000
Decrease in joint ventures	–	(1,890)
Decrease in properties held for sale	(142,485)	(48,567)
Decrease in retained earnings	(121,463)	(43,516)
Decrease in non-controlling interests	(1,493)	(492)
Decrease in deferred tax liabilities	(19,529)	(6,449)

**Summary of Impact on the First and Second Quarters 2011 Financial Statements:**

With the change in the accounting treatment for residential properties sold under DPS, and public housing under DBSS and EC in Singapore, a summary of impact on the First and Second Quarters 2011 Financial Statements showing the key differences are as follows:

**Income statement**

Group	3 months ended			3 months ended		
	31/3/2011 (Restated)	31/3/2011 (Previously reported) <sup>2</sup>	Change	31/3/2010 (Restated)	31/3/2010 (Previously reported) <sup>2</sup>	Change
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue	189,123	229,632	(40,509)	126,943	195,938	(68,995)
Cost of sales	(132,966)	(161,089)	28,123	(85,722)	(138,727)	53,005
Share of profit from equity-accounted associates and joint ventures	972	972	-	247	778	(531)
Income tax expense	(6,600)	(8,442)	1,842	(6,577)	(8,939)	2,362
Profit after taxation	21,863	32,407	(10,544)	15,426	29,586	(14,160)
Profit attributable to owners of the parent, net of tax	19,570	29,888	(10,318)	14,175	28,152	(13,977)
Earnings per stock (basic)	7.3¢	11.2¢	(3.9¢)	5.5¢	11.0¢	(5.5¢)
Earnings per stock (diluted)	6.3¢	9.5¢	(3.2¢)	4.4¢	9.0¢	(4.6¢)

Group	3 months ended			3 months ended		
	30/6/2011 (Restated)	30/6/2011 (Previously reported) <sup>3</sup>	Change	30/6/2010 (Restated)	30/6/2010 (Previously reported) <sup>2</sup>	Change
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue	137,184	160,034	(22,850)	143,365	222,839	(79,474)
Cost of sales	(78,092)	(98,470)	20,378	(93,935)	(151,069)	57,134
Share of profit from equity-accounted associates and joint ventures	1,316	1,316	-	3,235	814	2,421
Income tax expense	(4,841)	(5,169)	328	(5,435)	(8,538)	3,103
Profit after taxation	34,267	36,411	(2,144)	17,875	34,692	(16,817)
Profit attributable to owners of the company, net of tax	31,519	33,382	(1,863)	17,664	34,289	(16,625)
Earnings per stock (basic)	11.4¢	12.1¢	(0.7¢)	6.8¢	13.2¢	(6.4¢)
Earnings per stock (diluted)	10.0¢	10.6¢	(0.6¢)	5.7¢	10.9¢	(5.2¢)

<sup>2</sup> As previously reported in the Financial Statement Announcement of the respective periods.

<sup>3</sup> As previously reported in Second Quarter Financial Statement Announcement which has applied the COC method to account for the sales of private residential properties in Singapore under DPS.

## Statement of financial position

Group	30/6/2011	30/6/2011	Change	31/12/2010	31/12/2010	Change
	(Restated)	(Previously reported) <sup>3</sup>		(Restated)	(Previously reported) <sup>2</sup>	
	\$000	\$000	\$000	\$000	\$000	\$000
Properties held for sale	667,425	725,315	(57,890)	514,591	657,076	(142,485)
Retained earnings	616,385	667,592	(51,207)	592,944	714,407	(121,463)
Non-controlling interests	32,048	34,048	(2,000)	(1,090)	403	(1,493)
Deferred tax liabilities	31,218	35,900	(4,682)	25,072	44,601	(19,529)

## 6 Earnings per stock unit (cents)

	3 months ended		9 months ended	
	30/9/2011	30/9/2010 (Restated) <sup>1</sup>	30/9/2011	30/9/2010 (Restated) <sup>1</sup>
(a) Basic*:	57.1¢	4.6¢	76.8¢	16.9¢
(b) Diluted**:	49.9¢	3.9¢	67.1¢	14.3¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	279,820,658	260,374,744	274,682,670	258,616,936
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>321,262,076</u>	<u>321,424,141</u>	<u>316,487,591</u>	<u>319,589,121</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	
	30/9/2011	31/12/2010 (Restated) <sup>1</sup>	30/9/2011	31/12/2010
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$3.98</u>	<u>\$3.52</u>	<u>\$2.89</u>	<u>\$2.87</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 Property Development, Property Rental & Services and Engineering & Construction.

### Q3 2011 compared with Q3 2010 performance

Following the adoption of INT FRS 115, the Group recognises revenue and profit for its private residential properties sold under deferred payment scheme ("DPS") only upon full completion based on the completion of construction ("COC") method. Public housing development under Design, Build and Sell Scheme ("DBSS") and Executive Condominium ("EC") are also accounted for using the COC method. Construction is deemed completed upon obtaining Temporary Occupation Permit ("TOP"). As such, Revenue increased 420% to \$739.8 million from \$142.2 million mainly due to the full revenue recognition from *Park Central @ AMK* (DBSS) and *The Rochester* sold under DPS, which obtained TOP in July 2011. Arising from the increased revenue, Gross profit rose 430% to \$227.0 million from \$42.8 million. Gross profit percentage improved marginally to 30.6 % compared with 30.1% in Q3 2010.

Distribution costs increased 29% to \$3.6 million from \$2.8 million mainly due to higher operating costs which was in line with increased revenue.

Finance costs increased 342% to \$2.9 million from \$0.6 million mainly due to the accounting treatment to cease the capitalisation of interest expenses for projects obtaining TOP in Q3 2011 and higher borrowings used to finance working capital.

Other expenses decreased 13% to \$6.6 million from \$7.5 million mainly due to lower foreign exchange loss in Q3 2011.

Income tax expense increased 404% to \$34.0 million from \$6.7 million mainly due to higher operating profit.

### 9 months 2011 compared with 9 months 2010 performance

Revenue increased 158% to \$1.07 billion from \$412.5 million mainly due to the full revenue recognition from *Park Central @ AMK* (DBSS) and *The Rochester* sold under DPS, which obtained TOP in July 2011. In addition, the sale of the remaining 58 units in *UE Print Media Hub* also contributed to the increase in revenue. Arising from the increased revenue, Gross profit rose 156% to \$341.9 million from \$133.4 million. Gross profit percentage of 32.1% was comparable to 32.4% for the 9 months ended 2010.

Other income increased 129% to \$4.5 million from \$2.0 million mainly due to the gain on disposal of investment properties at Tanjong Pagar.

Distribution costs increased 23% to \$10.0 million from \$8.1 million mainly due to higher operating costs which was in line with increased revenue.

Finance costs increased 100% to \$7.3 million from \$3.6 million mainly to the accounting treatment to cease the capitalisation of interest expenses for projects obtaining TOP and higher borrowing used to finance working capital.

Other expenses increased 43% to \$17.5 million from \$12.3 million mainly due to higher fair value losses from short-term investments and foreign exchange losses.

Income tax expense increased 142% to \$45.4 million from \$18.7 million mainly due to higher operating profit.

### **Attributable profit**

The Group's **attributable profit** increased to \$159.8 million in Q3 2011 compared with \$11.9 million in Q3 2010. For the 9 months ended 30 September 2011 attributable profit was \$210.9 million compared with \$43.8 million for the corresponding period in 2010.

**Earnings per ordinary stock unit (EPS)** increased to 57.1 cents compared with 4.6 cents in Q3 2010. EPS for the 9 months ended 30 September 2011 and 30 September 2010 were 76.8 cents and 16.9 cents respectively.

**Net asset per ordinary stock unit** stood at \$3.98 as at 30 September 2011 compared with \$3.52 as at 31 December 2010.

## Segment review

In the **Property Development Segment**, revenue increased 1414% to \$647.4 million in Q3 2011 mainly due to the full revenue recognition from *Park Central @ AMK* (DBSS) and *The Rochester* sold under DPS which obtained TOP in July 2011. Revenue increased 558% to \$765.7 million for the 9 months ended 30 September 2011 from \$116.3 million mainly due to the sale of the remaining 58 units in *UE Print Media Hub* and the full recognition of property sales at *Park Central @ AMK* (DBSS) and *The Rochester* under DPS. Operating profit before interest increased 2137% to \$175.5 million in Q3 2011 and 511% to \$224.6 million for the 9 months ended 30 September 2011.

In the **Property Rental & Services Segment**, revenue decreased 7% to \$34.6 million in Q3 2011 and 3% to \$106.8 million for the 9 months ended 30 September 2011 mainly due to lower rental contribution arising from the sale of the remaining 58 units in *UE Print Media Hub*, which was partially offset by new rental contribution from *UE BizHub CENTRAL*. Operating profit before interest decreased 54% to \$2.7 million in Q3 2011 and 13% to \$18.7 million for the 9 months ended 30 September 2011.

In the **Engineering & Construction Segment**, revenue increased 41% to \$106.5 million in Q3 2011 and 18% to \$304.0 million for the 9 months ended 30 September 2011 mainly due to the completion of projects. Operating profit before interest was \$3.4 million in Q3 2011 compared with a loss of \$3.0 million in the corresponding period in 2010 and \$15.9 million for the 9 months ended 30 September 2011 compared with a loss of \$1.4 million in the corresponding period in 2010.

## Cash flow and financial position review

As at 30 September 2011, the Group had cash and cash equivalents of \$449 million, an increase of \$196.5 million from 31 December 2010. The increase was mainly due to the net cash proceeds received from the listing of UE E&C Ltd., the progress billings received from *The Rochester*, *Park Central @ AMK* and *Austville Residences* projects, and the term loan received to finance the development of the Bendemeer Road/Whampoa East condominium project. Apart from the above, the Group's components of cash flow and financial position and changes in these components from 31 December 2010 to 30 September 2011 were the result of 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.

Not applicable.

- 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 performance may be affected by the current global economic uncertainties. The Group's will adopt a cautious approach in bidding for building, engineering and infrastructure projects over the next 12 months.

- 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.

BY ORDER OF THE BOARD

Heng Fook Pyng

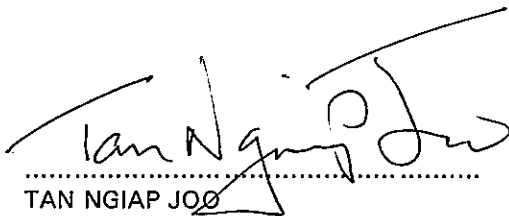
Secretary

10 November 2011

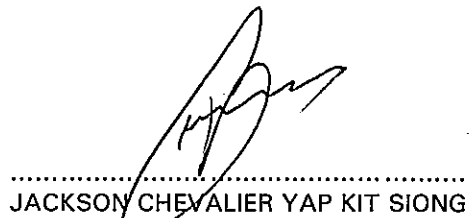
**Confirmation by the Board**

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 2011 and period ended 30 September 2011 financial results to be false or misleading in any material respect.

On behalf of the Board,



.....  
TAN NGIAP JOO  
Chairman



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