



**Q2 2015 Financial Statement Announcement**

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 AND HALF YEAR RESULTS

These figures have not been audited.

**1(a)(i) Income statement**

	<b>Group</b>					
	<b>3 months ended</b>			<b>6 months ended</b>		
	<b>30/6/2015</b>	<b>30/6/2014<sup>(1)</sup></b>	<b>Change</b>	<b>30/6/2015</b>	<b>30/6/2014<sup>(1)</sup></b>	<b>Change</b>
	<b>\$000</b>	<b>\$000</b>	<b>(%)</b>	<b>\$000</b>	<b>\$000</b>	<b>(%)</b>
<b><u>Continuing operations</u></b>						
<b>Revenue</b>	<b>468,174</b>	1,145,629	(59)	<b>983,435</b>	1,824,546	(46)
Cost of sales	<b>(392,591)</b>	(1,018,690)	(61)	<b>(822,126)</b>	(1,626,497)	(49)
<b>Gross profit</b>	<b>75,583</b>	126,939	(40)	<b>161,309</b>	198,049	(19)
<b>Other items of income</b>						
Interest income	<b>1,147</b>	767	50	<b>2,363</b>	1,381	71
Other income	<b>2,414</b>	4,688	(49)	<b>13,612</b>	29,026	(53)
<b>Other items of expense</b>						
Distribution costs	<b>(11,433)</b>	(26,685)	(57)	<b>(22,831)</b>	(54,282)	(58)
Administrative expenses	<b>(30,972)</b>	(43,529)	(29)	<b>(69,167)</b>	(86,554)	(20)
Finance costs	<b>(8,010)</b>	(11,536)	(31)	<b>(18,798)</b>	(22,629)	(17)
Other expenses	<b>(6,600)</b>	(11,437)	(42)	<b>(8,930)</b>	(16,685)	(46)
<b>Operating profit</b>	<b>22,129</b>	39,207	(44)	<b>57,558</b>	48,306	19
Share of profit/(loss) from equity-accounted associates and joint ventures	<b>6,458</b>	(303)	NM	<b>5,811</b>	462	NM
<b>Profit before tax from continuing operations</b>	<b>28,587</b>	38,904	(27)	<b>63,369</b>	48,768	30
Income tax expense	<b>(1,836)</b>	(16,640)	(89)	<b>(3,514)</b>	(36,106)	(90)
<b>Profit from continuing operations, net of tax</b>	<b>26,751</b>	22,264	20	<b>59,855</b>	12,662	373
<b><u>Discontinued operation</u></b>						
<b>Profit from discontinued operation, net of tax</b>	<b>–</b>	20,080	NM	<b>–</b>	20,273	NM
<b>Profit net of tax</b>	<b>26,751</b>	42,344	(37)	<b>59,855</b>	32,935	82
<b>Profit/(loss) attributable to:</b>						
<b>Owners of the Company</b>						
- Continuing operations, net of tax	<b>17,551</b>	24,201	(27)	<b>42,536</b>	32,139	32
- Discontinued operation, net of tax	<b>–</b>	16,593	NM	<b>–</b>	16,323	NM
	<b>17,551</b>	40,794	(57)	<b>42,536</b>	48,462	(12)
<b>Non-controlling interests</b>						
- Continuing operations, net of tax	<b>9,200</b>	(1,937)	NM	<b>17,319</b>	(19,477)	NM
- Discontinued operation, net of tax	<b>–</b>	3,487	NM	<b>–</b>	3,950	NM
	<b>9,200</b>	1,550	494	<b>17,319</b>	(15,527)	NM

NM: Not meaningful

<sup>(1)</sup> 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**

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2015</b>	30/6/2014	<b>30/6/2015</b>	30/6/2014
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
Depreciation and amortisation	<b>(20,617)</b>	(26,419)	<b>(41,282)</b>	(55,558)
Foreign exchange gain/(loss)	<b>1,014</b>	514	<b>2,254</b>	(240)
Gain on disposal of a joint venture	-	720	-	720
Gain on disposal of assets of disposal group classified as held for sale	-	869	<b>7,515</b>	569
(Impairment loss)/reversal of impairment loss on property, plant and equipment	-	(2,154)	-	14,558
(Loss)/gain on disposal of property, plant and equipment	<b>(831)</b>	407	<b>(802)</b>	1,413
(Loss)/gain on remeasurement of a subsidiary reclassified as disposal group classified as held for sale	-	(111)	-	13,499
(Loss)/gain on disposal of subsidiaries	<b>(52)</b>	(69)	<b>2,923</b>	8,224
Over provision of prior years' tax	<b>3,895</b>	84	<b>5,646</b>	145
Realisation of translation reserve upon liquidation of subsidiaries	<b>(203)</b>	(3,355)	<b>(477)</b>	(3,901)
Reversal of inventories write-down/(inventories write-down)	<b>9,638</b>	(501)	<b>8,592</b>	(3,531)
Restructuring expenses	-	(1,760)	<b>(277)</b>	(19,140)
Write back of allowance/(allowance) for doubtful trade receivables	<b>73</b>	(191)	<b>(1,395)</b>	(244)

**1(a)(iii) Statement of comprehensive income**

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2015</b>	30/6/2014	<b>30/6/2015</b>	30/6/2014
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
<b>Profit net of tax for the period</b>	<b>26,751</b>	42,344	<b>59,855</b>	32,935
<b>Other comprehensive income</b>				
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:				
(Losses)/gains on exchange differences on translation, net of tax	<b>(18,797)</b>	(4,279)	<b>11,036</b>	(11,592)
(Losses)/gains on remeasuring available-for-sale financial assets, net of tax	<b>(297)</b>	743	-	446
Share of other comprehensive income from equity-accounted associates, net of tax	<b>(737)</b>	1,170	<b>(1,095)</b>	2,412
	<b>(19,831)</b>	(2,366)	<b>9,941</b>	(8,734)
<b>Other comprehensive income for the period, net of tax</b>	<b>(19,831)</b>	(2,366)	<b>9,941</b>	(11,471)
<b>Total comprehensive income for the period</b>	<b>6,920</b>	39,978	<b>69,796</b>	21,464
<b>Attributable to:</b>				
Owners of the Company	<b>6,018</b>	38,995	<b>46,509</b>	40,701
Non-controlling interests	<b>902</b>	983	<b>23,287</b>	(19,237)
	<b>6,920</b>	39,978	<b>69,796</b>	21,464

1(b)(i) Statements of financial position

	Group		Company	
	30/6/2015 \$000	31/12/2014 \$000	30/6/2015 \$000	31/12/2014 \$000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	369,604	389,315	22,987	23,813
Investment properties	1,846,859	1,847,071	675,063	675,100
Intangible assets	30,264	30,965	–	–
Interests in subsidiaries	–	–	1,339,675	1,216,472
Interests in associates	121,109	115,706	315	315
Interests in joint ventures	86,637	93,224	–	–
Deferred tax assets	52,609	56,522	–	–
Other investments	32,220	32,220	6,808	6,808
Trade and other receivables	102	104	–	–
<b>Total non-current assets</b>	<b>2,539,404</b>	<b>2,565,127</b>	<b>2,044,848</b>	<b>1,922,508</b>
<b><u>Current assets</u></b>				
Inventories	110,196	122,122	–	–
Income tax receivables	799	2,037	–	–
Trade and other receivables	296,656	298,343	41,831	44,836
Gross amount due from customers for contract work	38,669	39,004	–	–
Prepayments	9,368	12,663	1,055	2,023
Properties held for sale	1,144,058	1,130,137	–	–
Bank balances and deposits	509,955	650,247	16,003	60,276
	2,109,701	2,254,553	58,889	107,135
Assets of disposal group classified as held for sale	21,990	80,734	–	–
<b>Total current assets</b>	<b>2,131,691</b>	<b>2,335,287</b>	<b>58,889</b>	<b>107,135</b>
<b>Total assets</b>	<b>4,671,095</b>	<b>4,900,414</b>	<b>2,103,737</b>	<b>2,029,643</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity</u></b>				
Share capital	807,323	807,270	807,323	807,270
Treasury shares <sup>(1)</sup>	(62,313)	(62,313)	–	–
Retained earnings	1,020,378	1,037,857	745,037	795,743
Other reserves	24,049	21,032	9,694	9,694
<b>Equity attributable to owners of the Company</b>	<b>1,789,437</b>	<b>1,803,846</b>	<b>1,562,054</b>	<b>1,612,707</b>
Non-controlling interests	545,535	576,348	–	–
<b>Total equity</b>	<b>2,334,972</b>	<b>2,380,194</b>	<b>1,562,054</b>	<b>1,612,707</b>
<b><u>Non-current liabilities</u></b>				
Provisions	93,539	102,834	–	–
Deferred tax liabilities	73,932	78,076	–	–
Trade and other payables	2,793	2,553	–	–
Borrowings	1,014,491	1,383,134	274,432	276,068
<b>Total non-current liabilities</b>	<b>1,184,755</b>	<b>1,566,597</b>	<b>274,432</b>	<b>276,068</b>
<b><u>Current liabilities</u></b>				
Provisions	17,857	14,861	–	–
Income tax payable	38,219	61,511	4,397	4,658
Trade and other payables	398,564	508,209	18,854	21,210
Borrowings	684,573	333,775	244,000	115,000
Gross amount due to customers for contract work	11,043	3,035	–	–
	1,150,256	921,391	267,251	140,868
Liabilities of disposal group classified as held for sale	1,112	32,232	–	–
<b>Total current liabilities</b>	<b>1,151,368</b>	<b>953,623</b>	<b>267,251</b>	<b>140,868</b>
<b>Total liabilities</b>	<b>2,336,123</b>	<b>2,520,220</b>	<b>541,683</b>	<b>416,936</b>
<b>Total equity and liabilities</b>	<b>4,671,095</b>	<b>4,900,414</b>	<b>2,103,737</b>	<b>2,029,643</b>

<sup>(1)</sup> 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 30/6/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
374,012	310,561	153,540	180,235

- (b) Amount repayable after one year

As at 30/6/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
740,834	273,657	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

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2015</b>	30/6/2014	<b>30/6/2015</b>	30/6/2014
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
<b>Cash flows from operating activities</b>				
Profit before tax from continuing operations	<b>28,587</b>	38,904	<b>63,369</b>	48,768
Profit before tax from discontinued operation	–	23,138	–	24,680
Profit before tax	<b>28,587</b>	62,042	<b>63,369</b>	73,448
Amortisation of intangible assets	<b>564</b>	1,012	<b>1,124</b>	2,026
Depreciation of property, plant and equipment	<b>20,053</b>	28,267	<b>40,158</b>	58,932
Dividend income from other investments	<b>(713)</b>	(449)	<b>(1,145)</b>	(1,397)
Finance costs	<b>8,010</b>	11,853	<b>18,798</b>	23,278
Gain on disposal of assets of disposal group classified as held for sale	–	(869)	<b>(7,515)</b>	(569)
Gain on disposal of available-for-sale financial assets	–	–	–	(15)
Gain on disposal of a joint venture	–	(720)	–	(720)
Gain on fair value adjustment on held for trading investments	–	(4)	–	(40)
Loss/(gain) on disposal of property, plant and equipment	<b>831</b>	(423)	<b>802</b>	(1,725)
Loss/(gain) on remeasurement of a subsidiary reclassified as disposal group held for sale	–	111	–	(13,499)
Loss/(gain) on disposal of subsidiaries	<b>255</b>	3,424	<b>(2,446)</b>	(4,323)
Impairment loss on intangible assets	<b>770</b>	–	<b>846</b>	–
Impairment loss/(reversal of impairment loss) on property, plant and equipment	–	2,154	–	(14,558)
Interest income	<b>(1,147)</b>	(1,882)	<b>(2,363)</b>	(3,564)
Property, plant and equipment written-off	<b>33</b>	582	<b>105</b>	582
(Reversal of inventories write-down)/ Inventories write-down	<b>(9,638)</b>	501	<b>(8,592)</b>	3,531
Share-based compensation expenses	<b>1,082</b>	1,642	<b>2,737</b>	3,447
Share of (profit)/loss from equity-accounted associates and joint ventures	<b>(6,458)</b>	1,400	<b>(5,811)</b>	859
Unrealised foreign exchange (gain)/loss	<b>(7,060)</b>	(513)	<b>8,092</b>	(3,776)
<b>Operating cash flows before changes in working capital</b>	<b>35,169</b>	108,128	<b>108,159</b>	121,917
Properties held for sale				
- Development expenditure	<b>(35,757)</b>	(41,871)	<b>(106,939)</b>	(80,144)
- Proceeds from progress billings	<b>39,038</b>	178,343	<b>91,889</b>	270,896
(Decrease)/increase in trade and other payables and provisions	<b>(10,066)</b>	74,084	<b>(81,060)</b>	(75,582)
(Increase)/decrease in trade and other receivables	<b>(51,561)</b>	(109,944)	<b>5,771</b>	10,835
Decrease/(increase) in gross amount due from customers for contract work	<b>331</b>	(8,887)	<b>356</b>	(4,432)
(Decrease)/increase in gross amount due to customers for contract work	<b>(426)</b>	(9,440)	<b>8,008</b>	3,656
Decrease in inventories	<b>7,304</b>	33,834	<b>20,490</b>	67,649
<b>Cash flows (used in)/from operations</b>	<b>(15,968)</b>	224,247	<b>46,674</b>	314,795
Shared-based payments	–	(62)	–	(226)
Income taxes paid	<b>(6,951)</b>	(28,544)	<b>(26,509)</b>	(33,854)
Interest paid	<b>(7,842)</b>	(9,478)	<b>(23,306)</b>	(25,788)
Interest received	<b>891</b>	1,449	<b>2,163</b>	3,152
<b>Net cash flows (used in)/from operating activities</b>	<b>(29,870)</b>	187,612	<b>(978)</b>	258,079

1(c) Statement of cash flows (continued)

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2015</b>	30/6/2014	<b>30/6/2015</b>	30/6/2014
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
<b>Cash flows from investing activities</b>				
Acquisition of intangible assets	<b>(543)</b>	(69)	<b>(883)</b>	(264)
Acquisition of non-controlling interests	<b>(445)</b>	(1,079)	<b>(551)</b>	(131,401)
Change in restricted deposits	<b>(41)</b>	–	<b>42,385</b>	–
(Increase)/decrease in loans to associates	<b>(4,976)</b>	742	<b>(4,976)</b>	3,492
Disposal/liquidation of subsidiaries and joint venture, net of cash disposed of (Note A)	<b>(18)</b>	1,170	<b>(8,716)</b>	21,132
Dividends received from joint ventures	–	3,384	<b>12,637</b>	8,851
Dividends received from other investments	<b>713</b>	449	<b>1,145</b>	1,397
Decrease/(increase) in amounts due from associates and joint ventures	<b>555</b>	(9,452)	<b>(2,246)</b>	(10,651)
Investment in associates	–	–	<b>(20)</b>	–
Investment in joint ventures	–	–	–	(3,132)
Proceeds from disposal of assets of disposal group classified as held for sale	–	1,777	<b>11,455</b>	5,325
Proceeds from disposal of intangible assets	–	68	–	68
Proceeds from disposal of other investments	–	–	–	132
Proceeds from disposal of property, plant and equipment	<b>60</b>	4,895	<b>192</b>	7,751
Purchase of property, plant and equipment	<b>(10,594)</b>	(16,038)	<b>(13,695)</b>	(33,304)
Properties development expenditure	–	(93,013)	–	(122,161)
<b>Net cash flows (used in)/from investing activities</b>	<b>(15,289)</b>	(107,166)	<b>36,727</b>	(252,765)
<b>Cash flows from financing activities</b>				
Contribution from non-controlling interests	–	903	–	940
Increase/(decrease) in trust receipts and bills payable	<b>6,891</b>	(1,027)	<b>6,891</b>	1,129
Dividends paid	<b>(61,603)</b>	(43,110)	<b>(61,603)</b>	(43,110)
Dividends paid to non-controlling interests of subsidiaries	<b>(45,572)</b>	(11,751)	<b>(53,192)</b>	(11,906)
Increase in short-term loans	<b>21,854</b>	76,362	<b>27,715</b>	61,674
Issuance of shares upon exercise of share options	<b>44</b>	551	<b>53</b>	806
Proceeds from long-term loans	<b>115,959</b>	44,258	<b>124,098</b>	73,390
Repayment of long-term loans	<b>(157,007)</b>	(219,515)	<b>(175,609)</b>	(263,230)
<b>Net cash flows used in financing activities</b>	<b>(119,434)</b>	(153,329)	<b>(131,647)</b>	(180,307)
Net decrease in cash and cash equivalents	<b>(164,593)</b>	(72,883)	<b>(95,898)</b>	(174,993)
Cash and cash equivalents, beginning balance	<b>606,513</b>	786,836	<b>537,818</b>	888,946
<b>Cash and cash equivalents, ending balance</b>	<b>441,920</b>	713,953	<b>441,920</b>	713,953
Cash and cash equivalents comprise:				
Bank balances and deposits	<b>509,955</b>	744,217	<b>509,955</b>	744,217
Restricted deposits <sup>(1)</sup>	<b>(63,741)</b>	–	<b>(63,741)</b>	–
Bank overdrafts	<b>(4,294)</b>	(30,264)	<b>(4,294)</b>	(30,264)
Cash and cash equivalents	<b>441,920</b>	713,953	<b>441,920</b>	713,953

<sup>(1)</sup>: 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:-

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2015</b>	30/6/2014	<b>30/6/2015</b>	30/6/2014
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
Property, plant and equipment	<b>28</b>	7	<b>3,593</b>	396
Intangible assets	–	–	<b>1,469</b>	–
Investments in joint ventures	–	1,264	–	1,264
Deferred tax assets	–	51	<b>390</b>	1,638
Inventories	<b>1</b>	282	<b>356</b>	450
Trade and other receivables	<b>1,436</b>	1,158	<b>25,700</b>	3,025
Gross amount due from customers for contract work	–	–	–	43
Properties held for sale	–	–	–	149,927
Bank balances and deposits	<b>18</b>	190	<b>25,683</b>	19,560
Deferred tax liabilities	–	–	–	(2,157)
Income tax payables	<b>(4)</b>	–	<b>(570)</b>	–
Trade and other payables	<b>(996)</b>	(1,130)	<b>(29,438)</b>	(46,428)
Borrowings	–	–	<b>(2,519)</b>	(23,831)
Net assets disposed	<b>483</b>	1,822	<b>24,664</b>	103,887
Foreign currency translation reserve realised	<b>202</b>	(10)	<b>376</b>	2,183
Deemed disposal of subsidiary retained as associate	–	(369)	–	(369)
Less: Carrying value transferred to assets of disposal group classified as held for sale	–	348	–	(51,047)
Less: Non-controlling interests	–	2,273	<b>(10,089)</b>	(19,005)
Net (loss)/gain on disposal/liquidation	<b>(255)</b>	(2,704)	<b>2,446</b>	5,043
Total consideration	<b>430</b>	1,360	<b>17,397</b>	40,692
Amount contra with inter-company balances	<b>(430)</b>	–	<b>(430)</b>	–
Cash and cash equivalents in subsidiaries and joint venture disposed/liquidated	<b>(18)</b>	(190)	<b>(25,683)</b>	(19,560)
Cash flow arising from disposal/liquidation of subsidiaries and joint venture	<b>(18)</b>	1,170	<b>(8,716)</b>	21,132

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

GROUP

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares <sup>#</sup>	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Opening balance at 1/1/2015</b>	2,380,194	1,803,846	807,270	(62,313)	1,037,857	21,032	576,348
<b>Profit for the period</b>	33,104	24,985	–	–	24,985	–	8,119
Gains on exchange differences on translation, net of tax	29,833	15,567	–	–	–	15,567	14,266
Gains on remeasuring available-for-sale financial assets, net of tax	297	297	–	–	–	297	–
Share of other comprehensive income from equity-accounted associate, net of tax	(358)	(358)	–	–	–	(358)	–
<b>Other comprehensive income for the period</b>	29,772	15,506	–	–	–	15,506	14,266
<b>Total comprehensive income for the period</b>	62,876	40,491	–	–	24,985	15,506	22,385
<b>Contributions by and distributions to owners</b>							
Ordinary shares issued on exercise of share options converted into ordinary stocks	9	9	9	–	–	–	–
Total contributions by and distributions to owners	9	9	9	–	–	–	–
<b>Changes in ownership interests in subsidiaries</b>							
Additional interests in subsidiaries	(106)	46	–	–	–	46	(152)
Dilution of interests in subsidiaries	3	(565)	–	–	–	(565)	568
Disposal of interests in subsidiaries	(10,089)	–	–	–	–	–	(10,089)
Employee share option scheme/share appreciation rights:							
- value of employee services	1,641	913	–	–	–	913	728
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	1,588	(1,588)	–
<b>Total changes in ownership interests in subsidiaries</b>	(8,551)	394	–	–	1,588	(1,194)	(8,945)
<b>Total transactions with owners in their capacity as owners</b>	(8,542)	403	9	–	1,588	(1,194)	(8,945)
<b>Closing balance at 31/3/2015</b>	2,434,528	1,844,740	807,279	(62,313)	1,064,430	35,344	589,788

<sup>#</sup> 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 <sup>#</sup>	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Profit for the period</b>	26,751	17,551	–	–	17,551	–	9,200
Losses on exchange differences on translation, net of tax	(18,797)	(10,499)	–	–	–	(10,499)	(8,298)
Losses on remeasuring available-for-sale financial assets, net of tax	(297)	(297)	–	–	–	(297)	–
Share of other comprehensive income from equity-accounted associate, net of tax	(737)	(737)	–	–	–	(737)	–
<b>Other comprehensive income for the period</b>	(19,831)	(11,533)	–	–	–	(11,533)	(8,298)
<b>Total comprehensive income for the period</b>	6,920	6,018	–	–	17,551	(11,533)	902
<b>Contributions by and distributions to owners</b>							
Ordinary shares issued on exercise of share options converted into ordinary stocks	44	44	44	–	–	–	–
Dividends paid	(61,603)	(61,603)	–	–	(61,603)	–	–
Dividend paid to non-controlling interests	(45,572)	–	–	–	–	–	(45,572)
<b>Total contributions by and distributions to owners</b>	(107,131)	(61,559)	44	–	(61,603)	–	(45,572)
<b>Changes in ownership interests in subsidiaries</b>							
Additional interests in subsidiaries	(445)	183	–	–	–	183	(628)
Dilution of interests in subsidiaries	(6)	(574)	–	–	–	(574)	568
Employee share option scheme/share appreciation rights: - value of employee services	1,106	629	–	–	–	629	477
<b>Total changes in ownership interests in subsidiaries</b>	655	238	–	–	–	238	417
<b>Total transactions with owners in their capacity as owners</b>	(106,476)	(61,321)	44	–	(61,603)	238	(45,155)
<b>Closing balance at 30/6/2015</b>	<b>2,334,972</b>	<b>1,789,437</b>	<b>807,323</b>	<b>(62,313)</b>	<b>1,020,378</b>	<b>24,049</b>	<b>545,535</b>

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 <sup>#</sup> \$000	Retained earnings \$000	Other reserves \$000	Non-controlling interests \$000
<b>Opening balance at 1/1/2014</b>	2,521,356	1,711,660	793,811	(62,313)	943,447	36,715	809,696
<b>Profit/(loss) for the period</b>	(9,409)	7,668	–	–	7,668	–	(17,077)
Remeasurements of defined benefit pension plans	(2,737)	(1,847)	–	–	(1,847)	–	(890)
Losses on exchange differences on translation, net of tax	(7,313)	(5,060)	–	–	–	(5,060)	(2,253)
Losses on remeasuring available-for-sale financial assets, net of tax	(297)	(297)	–	–	–	(297)	–
Share of other comprehensive income from equity-accounted associate, net of tax	1,242	1,242	–	–	–	1,242	–
<b>Other comprehensive income for the period</b>	(9,105)	(5,962)	–	–	(1,847)	(4,115)	(3,143)
<b>Total comprehensive income for the period</b>	(18,514)	1,706	–	–	5,821	(4,115)	(20,220)
<b>Contributions by and distributions to owners</b>							
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	255	255	255	–	–	–	–
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 to non-controlling interests	(155)	–	–	–	–	–	(155)
<b>Total contributions by and distributions to owners</b>	11,467	11,622	12,299	–	14,658	(15,335)	(155)
<b>Changes in ownership interests in subsidiaries</b>							
Additional interests in subsidiaries	(130,322)	(9,038)	–	–	–	(9,038)	(121,284)
Contribution from non-controlling interests	37	–	–	–	–	–	37
Disposal of interests in subsidiaries	(21,278)	–	–	–	–	–	(21,278)
Employee share option scheme/share appreciation rights: - value of employee services	1,743	1,026	–	–	–	1,026	717
<b>Total changes in ownership interests in subsidiaries</b>	(149,820)	(8,012)	–	–	–	(8,012)	(141,808)
<b>Total transactions with owners in their capacity as owners</b>	(138,353)	3,610	12,299	–	14,658	(23,347)	(141,963)
<b>Closing balance at 31/3/2014</b>	<b>2,364,489</b>	<b>1,716,976</b>	<b>806,110</b>	<b>(62,313)</b>	<b>963,926</b>	<b>9,253</b>	<b>647,513</b>

<sup>#</sup> 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>						<b>Non-controlling interests</b>
	<b>Total equity</b>	<b>Equity attributable to owners of the Company</b>	<b>Share capital</b>	<b>Treasury shares<sup>#</sup></b>	<b>Retained earnings</b>	<b>Other reserves</b>	
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Profit for the period</b>	42,344	40,794	–	–	40,794	–	1,550
Losses on exchange differences on translation, net of tax	(4,279)	(3,712)	–	–	–	(3,712)	(567)
Gains on remeasuring available-for-sale financial assets, net of tax	743	743	–	–	–	743	–
Share of other comprehensive income from equity-accounted associate, net of tax	1,170	1,170	–	–	–	1,170	–
<b>Other comprehensive income for the period</b>	(2,366)	(1,799)	–	–	–	(1,799)	(567)
<b>Total comprehensive income for the period</b>	39,978	38,995	–	–	40,794	(1,799)	983
<b>Contributions by and distributions to owners</b>							
Ordinary shares issued on exercise of share options converted into ordinary stocks	551	551	551	–	–	–	–
Dividends paid	(43,110)	(43,110)	–	–	(43,110)	–	–
Dividend paid to non-controlling interests	(11,751)	–	–	–	–	–	(11,751)
<b>Total contributions by and distributions to owners</b>	(54,310)	(42,559)	551	–	(43,110)	–	(11,751)
<b>Changes in ownership interests in subsidiaries</b>							
Additional interests in subsidiaries	(1,035)	–	–	–	–	–	(1,035)
Contribution from non-controlling interests	903	–	–	–	–	–	903
Disposal of interests in subsidiaries	2,273	–	–	–	–	–	2,273
Dilution of interests in subsidiaries	(257)	(257)	–	–	–	(257)	–
Employee share option scheme/share appreciation rights:							
- value of employee services	915	467	–	–	–	467	448
Income tax benefit arising from share-based compensation	1,125	1,125	–	–	–	1,125	–
<b>Total changes in ownership interests in subsidiaries</b>	3,924	1,335	–	–	–	1,335	2,589
<b>Total transactions with owners in their capacity as owners</b>	(50,386)	(41,224)	551	–	(43,110)	1,335	(9,162)
<b>Closing balance at 30/6/2014</b>	<b>2,354,081</b>	<b>1,714,747</b>	<b>806,661</b>	<b>(62,313)</b>	<b>961,610</b>	<b>8,789</b>	<b>639,334</b>

<sup>#</sup> 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
<b>Opening balance at 1/1/2015</b>	1,612,707	807,270	795,743	9,694
<b>Profit for the period</b>	10,738	–	10,738	–
<b>Total comprehensive income for the period</b>	10,738	–	10,738	–
<b>Contributions by and distributions to owners</b>				
Ordinary shares issued on exercise of share options converted into ordinary stocks	9	9	–	–
<b>Total transactions with owners in their capacity as owners</b>	9	9		
<b>Closing balance at 31/3/2015</b>	1,623,454	807,279	806,481	9,694
<b>Profit for the period</b>	2,330	–	2,330	–
<b>Total comprehensive income for the period</b>	2,330	–	2,330	–
<b>Contributions by and distributions to owners</b>				
Ordinary shares issued on exercise of share options converted into ordinary stocks	44	44	–	–
Dividends paid	(63,774)	–	(63,774)	–
<b>Total transactions with owners in their capacity as owners</b>	(63,730)	44	(63,774)	–
<b>Closing balance at 30/6/2015</b>	1,562,054	807,323	745,037	9,694
<b>Opening balance at 1/1/2014</b>	1,476,194	793,811	657,678	24,705
<b>Profit for the period</b>	3,841	–	3,841	–
<b>Total comprehensive income for the period</b>	3,841	–	3,841	–
<b>Contributions by and distributions to owners</b>				
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	255	255	–	–
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)
<b>Total transactions with owners in their capacity as owners</b>	12,305	12,299	14,658	(14,652)
<b>Closing balance at 31/3/2014</b>	1,492,340	806,110	676,177	10,053
<b>Profit for the period</b>	16,416	–	16,416	–
<b>Total comprehensive income for the period</b>	16,416	–	16,416	–
<b>Contributions by and distributions to owners</b>				
Ordinary shares issued on exercise of share options converted into ordinary stocks	551	551	–	–
Dividends paid	(44,630)	–	(44,630)	–
<b>Total transactions with owners in their capacity as owners</b>	(44,079)	551	(44,630)	–
<b>Closing balance at 30/6/2014</b>	1,464,677	806,661	647,963	10,053

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

During Q2 2015, the Company issued 32,297 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During 6 months 2015, the Company issued 38,979 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 30 June 2015, there were 1,076,272 (30 June 2014: 2,351,679) 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 June 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 637,108,320 ordinary stock units (31 December 2014: 637,069,341).

As at 30 June 2015, the Group's issued and paid-up ordinary share capital excluding treasury shares was 615,396,320 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		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
(a) Basic*:	2.8	6.4	6.7	7.6
(b) Diluted**:	2.8	6.4	6.7	7.6
<u>Continuing operations</u>				
(a) Basic*:	2.8	3.8	6.7	5.1
(b) Diluted**:	2.8	3.8	6.7	5.1
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,100,895	636,660,092	637,086,232	634,513,583
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>637,248,273</u>	<u>636,928,486</u>	<u>637,255,826</u>	<u>634,710,172</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	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$2.91<sup>(1)</sup></u>	<u>\$2.93<sup>(1)</sup></u>	<u>\$2.45</u>	<u>\$2.53</u>

<sup>(1)</sup> 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: Q2 2014 and 6M 2014 included the results of Automotive and MFS Technology (S) Pte Ltd (MFSS) businesses. Q2 2015 and 6M 2015 did not include the results of Automotive and MFSS businesses as these businesses were divested towards the end of 2014.)

### **Q2 2015 compared with Q2 2014**

Revenue decreased 59% to \$468.2 million in Q2 2015 from \$1.15 billion in Q2 2014, mainly due to the absence of revenue contribution from *Austville Residences* which was recorded in Q2 2014 based on the completion of construction method, and the absence of contributions from the divested Automotive and MFSS businesses.

As a result, gross profit decreased 40% to \$75.6 million in Q2 2015. However, gross profit margin increased to 16.1% in Q2 2015 as compared with 11.1% in Q2 2014, mainly due to positive contribution from Multi-Fineline Electronix, Inc. (MFLEX).

Distribution costs decreased 57% to \$11.4 million in Q2 2015 from \$26.7 million in Q2 2014 and administrative expenses decreased 29% to \$31.0 million in Q2 2015 from \$43.5 million in Q2 2014 mainly due to the absence of the divested Automotive and MFSS businesses.

Finance costs decreased 31% to \$8.0 million in Q2 2015 from \$11.5 million in Q2 2014 mainly due to lower borrowings.

Other expenses decreased 42% to \$6.6 million in Q2 2015 from \$11.4 million in Q2 2014 mainly due to lower translation losses realised upon liquidation of overseas subsidiaries in Q2 2015. The decrease is also due to the absence of restructuring expenses recorded by certain overseas subsidiary in Q2 2014.

In Q2 2015, the Group recorded share of profit from equity-accounted associates and joint ventures of \$6.5 million mainly due to higher contributions from a joint venture in Malaysia arising from the sale of a property. In Q2 2014, the Group recorded share of loss from equity-accounted associates and joint ventures of \$0.3 million.

Income tax expense decreased 89% to \$1.8 million in Q2 2015 from \$16.6 million in Q2 2014. The lower income tax expense in Q2 2015 was mainly due to the write-back of over provision of prior years' income tax by certain overseas subsidiaries. The higher income tax expense in Q2 2014 was mainly due to higher taxable operating profit and non-availability for group relief of losses incurred by certain overseas subsidiaries.

### **6 months 2015 (6M 2015) compared with 6 months 2014 (6M 2014)**

Revenue decreased 46% to \$983.4 million in 6M 2015 from \$1.82 billion in 6M 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 19% to \$161.3 million in 6M 2015. The decrease was partially offset by positive contribution from MFLEX, which has turned around from a gross loss position in 6M 2014. However, gross profit margin increased to 16.4% in 6M 2015 as compared with 10.9% in 6M 2014, mainly due to positive contribution from MFLEX.

Other income decreased 53% to \$13.6 million in 6M 2015 from \$29.0 million in 6M 2014. In 6M 2015, other income included mainly a gain of \$5.7 million from the disposal of a manufacturing facility in China and a net disposal gain of \$3.0 million from the sale of subsidiaries. In 6M 2014, other income comprised primarily a divestment and remeasurement gain of approximately \$21.8 million from the disposal of a subsidiary in China.

Distribution costs decreased 58% to \$22.8 million in 6M 2015 from \$54.3 million in 6M 2014 and administrative expenses decreased 20% to \$69.2 million in 6M 2015 from \$86.6 million in 6M 2014 mainly due to the absence of Automotive and MFSS businesses which were divested towards the end of 2014.

Finance costs decreased 17% to \$18.8 million in 6M 2015 from \$22.6 million in Q2 2014 mainly due to lower borrowings.

Other expenses decreased 46% to \$8.9 million in 6M 2015 from \$16.7 million in 6M 2014 mainly due to lower translation losses realised upon liquidation of subsidiaries in 6M 2015. The decrease is also due to the absence of restructuring expenses recorded by certain overseas subsidiary in 6M 2014.

Share of profit from equity-accounted associates and joint ventures was \$5.8 million in 6M 2015 compared to \$0.5 million in 6M 2014 mainly due to higher contribution from a joint venture in Malaysia arising from the sale of a property in 6M 2015.

Income tax expense decreased 90% to \$3.5 million in 6M 2015 from \$36.1 million in 6M 2014. The lower income tax expense in 6M 2015 was mainly due to the write-back of over provision of prior years' income tax by certain overseas subsidiaries. The higher income tax expense in 6M 2014 was mainly due 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 decreased 27% to \$17.6 million in Q2 2015 from \$24.2 million in Q2 2014. For 6M 2015, attributable profit on continuing operations increased 32% to \$42.5 million in 6M 2015 from \$32.1 million in 6M 2014.

### **Financial position review**

- Inventories decreased by \$12 million mainly due to planned seasonal scale-back of production to reduce inventories 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 \$110 million mainly due to the drop of trade payables in the Group's Technology business.

### **Cash flow review**

As at 30 June 2015, the Group had cash and cash equivalents of \$442 million. In 6M 2015, the Group incurred total development expenditure of \$107 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 June 2015 were mainly the result of the Group's other ongoing operations.



## Segment review

\$'million	Revenue				Operating profit/(loss) before interest			
	Q2 2015	Q2 2014	6M 2015	6M 2014	Q2 2015	Q2 2014	6M 2015	6M 2014
Property Rental and Services	34.7	38.6	68.6	72.5	19.2	22.6	33.8	41.4
Property Development	119.0	549.9	292.8	657.0	2.8	43.9	9.8	46.7
Engineering & Distribution	67.0	63.7	124.8	123.9	(1.3)	3.0	2.6	5.3
Technology & Manufacturing	230.0	182.0	457.3	349.4	12.7	(24.7)	29.4	(51.5)
Corporate Services & Others <sup>(1)</sup>	17.4	311.4	40.0	621.7	(4.1)	7.9	(5.8)	11.0
<b>Profit before interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.3</b>	<b>52.7</b>	<b>69.8</b>	<b>52.9</b>
Exceptional Items <sup>(2)</sup>	-	-	-	-	(0.3)	(2.8)	4.2	16.6
<b>Total</b>	<b>468.1</b>	<b>1,145.6</b>	<b>983.5</b>	<b>1,824.5</b>	<b>29.0</b>	<b>49.9</b>	<b>74.0</b>	<b>69.5</b>

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

<sup>(2)</sup>: Relates to net gain/(loss) arising from dissolution/divestment of subsidiaries and associates.

### Property Rental & Services

Revenue decreased 10% to \$34.7 million in Q2 2015 from \$38.6 million in Q2 2014 and 5% to \$68.6 million in 6M 2015 from \$72.5 million in 6M 2014. Operating profit before interest decreased 15% to \$19.2 million in Q2 2015 from \$22.6 million in Q2 2014 and 18% to \$33.8 million in 6M 2015 from \$41.4 million in 6M 2014 mainly due to the absence of project management fees.

### Property Development

Revenue decreased 78% to \$119.0 million in Q2 2015 from \$549.9 million in Q2 2014 and 55% to \$292.8 million in 6M 2015 from \$657.0 million in 6M 2014, mainly due to the absence of revenue contribution at *Austville Residences* which was recorded in Q2 2014 based on the completion-of-construction method. As a result, operating profit before interest decreased 94% to \$2.8 million in Q2 2015 from \$43.9 million in Q2 2014 and 79% to \$9.8 million in 6M 2015 from \$46.7 million in 6M 2014.

### Engineering & Distribution

Revenue increased 5% to \$67.0 million in Q2 2015 from \$63.7 million in Q2 2014 and marginally to \$124.8 million in 6M 2015 from \$123.9 million in 6M 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 loss before interest was \$1.3 million in Q2 2015 compared with operating profit of \$3.0 million in Q2 2014 mainly due to reduced margins recorded for certain ongoing environmental engineering projects. Operating profit before interest decreased 51% to \$2.6 million in 6M 2015 from \$5.3 million in 6M 2014.

### Technology & Manufacturing

Revenue increased 26% to \$230.0 million in Q2 2015 from \$182.0 million in Q2 2014 and 31% to \$457.3 million in 6M 2015 from \$349.4 million in 6M 2014 mainly due to higher contribution from MFLEX. Operating profit before interest was \$12.7 million in Q2 2015 compared with an operating loss of \$24.7 million in Q2 2014 and operating profit before interest was \$29.4 million in 6M 2015 compared with an operating loss of \$51.5 million in 6M 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 Q2 2015 results are in line with the statement made in paragraph 10 of the Company's Q1 2015 results announcement on 15 May 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 against the backdrop of a likely rise in interest rates and near-term global economic uncertainties coupled with the supply of new residential and commercial developments continues to weigh on the sentiment of the property market in Singapore. 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 progressive revenue recognition of *Eight Riversuites* using the percentage-of-completion method and the revenue generated from the Group's portfolio of investment properties will help to reduce this volatility.

MFLEX has achieved fourth consecutive profitable quarter under its new operating model. It expects new product ramps across its customer base going forward.

**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 June 2015.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn

Secretary

14 August 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 Q2 2015 and 6M 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