



Full Year Financial Statement Announcement

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

1(a)(i) Income statement for the year ended

	Group		
	31/12/2015	31/12/2014	Change
	\$000	\$000	%
Continuing operations			
Revenue	1,856,993	3,209,321	(42)
Cost of sales	(1,516,417)	(2,794,731)	(46)
Gross profit	340,576	414,590	(18)
Other items of income			
Interest income	4,460	3,183	40
Other income	43,680	19,380	125
Other items of expense			
Distribution costs	(46,187)	(98,610)	(53)
Administrative expenses	(141,480)	(172,618)	(18)
Finance costs	(37,139)	(41,965)	(12)
Other expenses	(31,692)	(47,921)	(34)
Operating profit	132,218	76,039	74
Share of profit/(loss) from equity-accounted associates and joint ventures	4,396	(285)	NM
Profit before tax from continuing operations	136,614	75,754	80
Income tax expense	(6,593)	(35,267)	(81)
Profit from continuing operations, net of tax	130,021	40,487	221
Discontinued operation			
Profit from discontinued operation, net of tax	–	90,055	NM
Profit net of tax	130,021	130,542	–
Profit/(loss) attributable to:			
Owners of the Company			
- Continuing operations, net of tax	102,210	46,036	122
- Discontinued operation, net of tax	–	77,547	NM
	102,210	123,583	(17)
Non-controlling interests			
- Continuing operations, net of tax	27,811	(5,549)	NM
- Discontinued operation, net of tax	–	12,508	NM
	27,811	6,959	300

NM: Not meaningful

1(a)(i) Note to income statement

	Group		
	31/12/2015	31/12/2014	Change
	\$000	\$000	%
<u>Revenue comprises:</u>			
Sales of goods	1,117,459	1,936,711	(42)
Sales of properties held for sale	401,408	879,870	(54)
Rendering of services	31,717	133,049	(76)
Revenue from construction contracts	172,779	131,312	32
Rental income	131,111	125,468	4
Dividend income	2,519	2,911	(13)
Total revenue	1,856,993	3,209,321	(42)

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

	Group	
	31/12/2015	31/12/2014
	\$000	\$000
Allowance for doubtful trade receivables	(6,462)	(1,742)
Depreciation and amortisation	(84,888)	(90,089)
Foreign exchange gains	4,475	44
Gain on disposal of available-for-sale financial assets	5,484	37
Gain on disposal of assets of disposal group classified as held for sale	8,469	1,365
Impairment loss on intangible assets	(846)	(6,330)
Inventories written-back/(written-down)	15,770	(17,623)
(Loss)/gain on disposal of property, plant and equipment	(513)	2,238
Net gain on disposal of subsidiaries, associates and joint ventures	16,488	11,636
Net reversal of impairment loss on property, plant and equipment	-	21,151
Over provision of prior years' tax	14,603	3,139
Properties held for sale written down	(12,489)	(15,858)
Surplus on revaluation of investment properties	2,179	-
Realisation of translation reserve upon liquidation of subsidiaries	(424)	(4,382)
Restructuring expenses	(316)	(20,042)

1(a)(iii) Statement of comprehensive income

	Group	
	31/12/2015	31/12/2014
	\$000	\$000
Profit for the year	130,021	130,542
Other comprehensive income		
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	123	(4,161)
Items that may be reclassified subsequently to income statement:		
Gains on exchange differences on translation	5,449	29,192
(Losses)/gains on remeasuring available-for-sale financial assets	(2,667)	87
Realisation of reserves on disposal of available-for-sale financial assets	(5,759)	–
Realisation of reserves on disposal of subsidiaries	–	(5,324)
Share of other comprehensive income from equity-accounted associates	2,279	(298)
	(698)	23,657
Other comprehensive income for the year	(575)	19,496
Total comprehensive income for the year	129,446	150,038
Attributable to:		
Owners of the Company	89,158	130,312
Non-controlling interests	40,288	19,726
	129,446	150,038

1(b)(i) Statement of financial position

	Group		Company	
	31/12/2015 \$000	31/12/2014 \$000	31/12/2015 \$000	31/12/2014 \$000
<u>ASSETS</u>				
<u>Non-current assets</u>				
Property, plant and equipment	359,385	389,315	23,424	23,813
Investment properties	1,857,542	1,847,071	676,572	675,100
Intangible assets	30,023	30,965	–	–
Interests in subsidiaries	–	–	1,343,594	1,216,472
Interests in associates	125,469	115,706	315	315
Interests in joint ventures	57,135	93,224	–	–
Deferred tax assets	61,981	56,522	–	–
Other investments	23,829	32,220	1,078	6,808
Trade and other receivables	–	104	–	–
Total non-current assets	2,515,364	2,565,127	2,044,983	1,922,508
<u>Current assets</u>				
Inventories	109,103	122,122	–	–
Income tax receivables	638	2,037	–	–
Trade and other receivables	231,796	298,343	44,962	44,836
Gross amount due from customers for contract work	42,448	39,004	–	–
Prepayments	10,094	12,663	2,355	2,023
Properties held for sale	1,023,838	1,130,137	–	–
Bank balances and deposits	544,127	650,247	14,188	60,276
	1,962,044	2,254,553	61,505	107,135
Assets of disposal group classified as held for sale	2,185	80,734	–	–
Total current assets	1,964,229	2,335,287	61,505	107,135
Total assets	4,479,593	4,900,414	2,106,488	2,029,643
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share capital	807,519	807,270	807,519	807,270
Treasury shares ⁽¹⁾	(62,313)	(62,313)	–	–
Retained earnings	1,078,829	1,037,857	785,094	795,743
Other reserves	6,568	21,032	3,929	9,694
Equity attributable to owners of the Company	1,830,603	1,803,846	1,596,542	1,612,707
Non-controlling interests	556,864	576,348	–	–
Total equity	2,387,467	2,380,194	1,596,542	1,612,707
<u>Non-current liabilities</u>				
Provisions	84,249	102,834	–	–
Deferred tax liabilities	80,388	78,076	–	–
Trade and other payables	3,166	2,553	–	–
Borrowings	829,458	1,383,134	250,295	276,068
Total non-current liabilities	997,261	1,566,597	250,295	276,068
<u>Current liabilities</u>				
Provisions	21,813	14,861	–	–
Income tax payable	34,976	61,511	3,206	4,658
Trade and other payables	420,843	508,209	21,545	21,210
Borrowings	614,303	333,775	234,900	115,000
Gross amount due to customers for contract work	2,364	3,035	–	–
	1,094,299	921,391	259,651	140,868
Liabilities of disposal group classified as held for sale	566	32,232	–	–
Total current liabilities	1,094,865	953,623	259,651	140,868
Total liabilities	2,092,126	2,520,220	509,946	416,936
Total equity and liabilities	4,479,593	4,900,414	2,106,488	2,029,643

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

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

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

As at 31/12/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
337,748	276,555	153,540	180,235

(b) Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
580,449	249,009	1,107,347	275,787

(c) Details of any collaterals

The borrowings are generally secured on certain investment properties and properties held for sale and/or by fixed and floating charges over certain assets of certain subsidiaries.

1(c) Statement of cash flows

	Group	
	31/12/2015	31/12/2014
	\$000	\$000
Cash flows from operating activities		
Profit before tax from continuing operations	136,614	75,754
Profit before tax from discontinued operation	–	100,301
Profit before tax	<u>136,614</u>	<u>176,055</u>
Amortisation of intangible assets	2,393	3,622
Depreciation of property, plant and equipment	82,495	97,229
Dividend income from other investments	(2,519)	(2,914)
Finance costs	37,139	43,264
Gain on disposal of available-for-sale financial assets	(5,484)	(37)
Gain on disposal of assets of disposal group classified as held for sale	(8,469)	(1,365)
Impairment loss on intangible assets	846	6,330
Interest income	(4,460)	(6,584)
Inventories (written-back)/written-down	(15,770)	17,623
Loss/(gain) on disposal of property, plant and equipment	513	(2,651)
Loss on fair value adjustment on held for trading investments	–	4
Net gain on disposal/liquidation of subsidiaries, associates and joint ventures	(16,064)	(50,780)
Properties held for sale written-down	12,489	15,858
Property, plant and equipment written-off	149	840
Reversal of impairment loss on property, plant and equipment	–	(21,151)
Share-based compensation expenses	6,066	5,526
Share of (profit)/loss from equity-accounted associates and joint ventures	(4,396)	2,845
Surplus on revaluation of investment properties	(2,179)	–
Unrealised translation loss/(gain)	7,949	(8,184)
Operating cash flows before changes in working capital	<u>227,312</u>	<u>275,530</u>
Properties held for sale		
- Development expenditure	(164,763)	(207,507)
- Proceeds from progress billings	255,567	347,934
(Decrease)/increase in trade and other payables and provisions	(59,206)	88,015
Decrease in gross amount due to customers for contract work	(310)	(17,023)
Decrease in inventories	27,380	18,716
Decrease/(increase) in trade and other receivables	68,987	(62,846)
Increase in gross amount due from customers for contract work	(3,992)	(32,721)
Cash flows from operations	<u>350,975</u>	<u>410,098</u>
Share-based payments	–	(149)
Income taxes paid	(37,137)	(77,081)
Interest paid	(44,529)	(51,890)
Interest received	3,501	6,572
Net cash flows from operating activities	<u>272,810</u>	<u>287,550</u>

1(c) Statement of cash flows (continued)

	Group	
	31/12/2015	31/12/2014
	\$000	\$000
Cash flows from investing activities		
Acquisition of intangible assets	(1,560)	(607)
Acquisition of non-controlling interests	(2,354)	(133,597)
Change in restricted deposits ⁽¹⁾	43,578	(106,126)
Decrease/(increase) in amounts due from associates and joint ventures	5	(5,846)
Decrease in loans to joint ventures	–	441
Disposal of subsidiaries, net of cash disposed of (Note A)	(2,548)	397,203
Dividends received from associates	10,747	584
Dividends received from joint ventures	24,751	14,116
Dividends received from other investments	2,519	2,914
Investments in associates	(479)	–
Investments in joint ventures	–	(3,132)
(Increase)/decrease in loans to associates	(5,463)	4,534
Proceeds from disposal of available-for-sale financial assets	4,471	157
Proceeds from disposal of assets of disposal group classified as held for sale	12,088	16,091
Proceeds from disposal of intangible assets	–	68
Proceeds from disposal of property, plant and equipment	1,883	12,163
Proceeds from settlement of loans extended to disposed subsidiaries	–	353,326
Purchase of property, plant and equipment	(33,955)	(77,865)
Properties development expenditure	(930)	(126,999)
Net cash flows from investing activities	52,753	347,425
Cash flows from financing activities		
Contribution from non-controlling interests	–	984
Distribution to shareholders from striking off of a joint venture	500	–
Dividends paid	(61,603)	(43,110)
Dividends paid to non-controlling interests of subsidiaries	(54,402)	(15,556)
Increase/(decrease) in short-term loans	21,142	(99,923)
Increase/(decrease) in trust receipts and bills payable	5,894	(1,146)
Issuance of shares upon exercise of share options	250	1,415
Proceeds from long-term loans	161,589	141,919
Repayment of long-term loans	(455,172)	(970,686)
Net cash flows used in financing activities	(381,802)	(986,103)
Net decrease in cash and cash equivalents	(56,239)	(351,128)
Cash and cash equivalents, beginning balance	537,818	888,946
Cash and cash equivalents, ending balance	481,579	537,818
Cash and cash equivalents comprise:		
Bank balances and deposits	544,127	650,247
Restricted deposits ⁽¹⁾	(62,548)	(106,126)
Bank overdrafts	–	(6,303)
Cash and cash equivalents	481,579	537,818

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

1(c) Statement of cash flows (continued)

Note A: The net assets and liabilities arising from the disposal of subsidiaries, associates and joint ventures and the cash flow effects of the disposal/liquidation were as follows:-

	Group	
	31/12/2015	31/12/2014
	\$000	\$000
Property, plant and equipment	4,523	356,745
Investment properties	–	5,014
Properties development costs	–	441,448
Intangible assets	1,469	45,740
Interests in associates	–	100,503
Interests in joint ventures	–	16,993
Deferred tax assets	390	5,340
Other investments	–	401
Inventories	697	144,492
Trade and other receivables	27,123	334,869
Gross amount due from customers for contract work	606	18,391
Properties held for sale	–	152,191
Bank balances and deposits	25,683	289,445
Deferred tax liabilities	–	(44,235)
Income tax payables	(570)	(10,456)
Trade and other payables	(31,084)	(895,011)
Borrowings	(4,407)	(210,001)
Net assets disposed/liquidated	24,430	751,869
Foreign currency translation reserve gain realised	(6,840)	3,871
Less: Deemed disposal of subsidiaries retained as associates and joint venture	–	(19,636)
Less: Non-controlling interests	(10,089)	(120,235)
Add: Provisions	–	20,000
Net gain on disposal/liquidation of subsidiaries, associates and joint ventures	16,064	50,780
Total consideration	23,565	686,649
Amount contra with inter-company balances	(430)	–
Cash and cash equivalents in subsidiaries disposed/liquidated	(25,683)	(289,446)
Net cash inflow arising from disposal/liquidation	(2,548)	397,203

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

GROUP

	Attributable to owners of the Company						
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2015	2,380,194	1,803,846	807,270	(62,313)	1,037,857	21,032	576,348
Profit for the year	130,021	102,210	–	–	102,210	–	27,811
Remeasurements of defined benefit pension plans	123	83	–	–	83	–	40
Gains/(losses) on exchange differences on translation, net of tax	5,449	(6,988)	–	–	–	(6,988)	12,437
Losses on remeasuring available-for-sale financial assets, net of tax	(2,667)	(2,667)	–	–	–	(2,667)	–
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	(5,759)	–	–	–	(5,759)	–
Share of other comprehensive income from equity-accounted associate, net of tax	2,279	2,279	–	–	–	2,279	–
Other comprehensive income for the year	(575)	(13,052)	–	–	83	(13,135)	12,477
Total comprehensive income for the year	129,446	89,158	–	–	102,293	(13,135)	40,288
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	249	249	249	–	–	–	–
Dividend paid	(61,603)	(61,603)	–	–	(61,603)	–	–
Dividend paid to non-controlling interests	(54,402)	–	–	–	–	–	(54,402)
Total contributions by and distributions to owners	(115,756)	(61,354)	249	–	(61,603)	–	(54,402)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(2,354)	1,043	–	–	–	1,043	(3,397)
Dilution of interests in subsidiaries	9	(4,124)	–	–	–	(4,124)	4,133
Disposal of interests in subsidiaries and associates	(10,097)	(8)	–	–	–	(8)	(10,089)
Employee share option scheme/ share appreciation rights:							
- value of employee services	6,025	3,348	–	–	–	3,348	2,677
Reallocation of losses assumed by owners of the Company	–	(1,306)	–	–	(1,306)	–	1,306
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	1,588	(1,588)	–
Total changes in ownership interests in subsidiaries	(6,417)	(1,047)	–	–	282	(1,329)	(5,370)
Total transactions with owners in their capacity as owners	(122,173)	(62,401)	249	–	(61,321)	(1,329)	(59,772)
Closing balance at 31/12/2015	2,387,467	1,830,603	807,519	(62,313)	1,078,829	6,568	556,864

[#] 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						
	Total equity	Equity attributable to owners of the Company				Other reserves	Non-controlling interests
		\$000	\$000	Share capital	Treasury shares [#]		
Opening balance at 1/1/2014	2,521,356	1,711,660	793,811	(62,313)	943,447	36,715	809,696
Profit for the year	130,542	123,583	–	–	123,583	–	6,959
Remeasurements of defined benefit pension plans	(4,161)	(2,813)	–	–	(2,813)	–	(1,348)
Gains on exchange differences on translation, net of tax	29,192	15,077	–	–	–	15,077	14,115
Gains on remeasuring available-for-sale financial assets, net of tax	87	87	–	–	–	87	–
Realisation of reserves to income statement on disposal of subsidiaries, net of tax	(5,324)	(5,324)	–	–	–	(5,324)	–
Share of other comprehensive income from equity-accounted associate, net of tax	(298)	(298)	–	–	–	(298)	–
Other comprehensive income for the year	19,496	6,729	–	–	(2,813)	9,542	12,767
Total comprehensive income for the year	150,038	130,312	–	–	120,770	9,542	19,726
Contributions by and distributions to owners							
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	12,044	12,044	12,044	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	1,415	1,415	1,415	–	–	–	–
Equity portion of convertible bonds	(9)	(9)	–	–	–	(9)	–
Transfer of equity component of convertible bonds to retained earnings upon lapse of the conversion option	–	–	–	–	14,658	(14,658)	–
Dividend paid	(43,110)	(43,110)	–	–	(43,110)	–	–
Dividend paid to non-controlling interests	(15,556)	–	–	–	–	–	(15,556)
Total contributions by and distributions to owners	(45,216)	(29,660)	13,459	–	(28,452)	(14,667)	(15,556)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(133,597)	(8,892)	–	–	–	(8,892)	(124,705)
Contribution from non-controlling interests	984	–	–	–	–	–	984
Dilution of interests in subsidiaries	(690)	(3,662)	–	–	–	(3,662)	2,972
Disposal of interests in subsidiaries	(120,235)	–	–	–	–	–	(120,235)
Employee share option scheme/ share appreciation rights:							
- value of employee services	5,360	2,977	–	–	–	2,977	2,383
Income tax benefit arising from share-based compensation	2,194	1,111	–	–	–	1,111	1,083
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	2,092	(2,092)	–
Total changes in ownership interests in subsidiaries	(245,984)	(8,466)	–	–	2,092	(10,558)	(237,518)
Total transactions with owners in their capacity as owners	(291,200)	(38,126)	13,459	–	(26,360)	(25,225)	(253,074)
Closing balance at 31/12/2014	2,380,194	1,803,846	807,270	(62,313)	1,037,857	21,032	576,348

[#] 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	Share capital	Retained earnings	Other reserves
	\$000	\$000	\$000	\$000
Opening balance at 1/1/2015	1,612,707	807,270	795,743	9,694
Profit for the year	53,125	–	53,125	–
Losses on remeasuring available-for-sale financial assets, net of tax	(6)	–	–	(6)
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	–	–	(5,759)
Other comprehensive income for the year	(5,765)	–	–	(5,765)
Total comprehensive income for the year	47,360	–	53,125	(5,765)
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	249	249	–	–
Dividends paid	(63,774)	–	(63,774)	–
Total transactions with owners in their capacity as owners	(63,525)	249	(63,774)	–
Closing balance at 31/12/2015	<u>1,596,542</u>	<u>807,519</u>	<u>785,094</u>	<u>3,929</u>
Opening balance at 1/1/2014	1,476,194	793,811	657,678	24,705
Profit for the year	168,037	–	168,037	–
Losses on remeasuring available-for-sale financial assets, net of tax	(359)	–	–	(359)
Other comprehensive income for the year	(359)	–	–	(359)
Total comprehensive income for the year	167,678	–	168,037	(359)
Contributions by and distributions to owners				
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	12,044	12,044	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	1,415	1,415	–	–
Dividends paid	(44,630)	–	(44,630)	–
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)
Total transactions with owners in their capacity as owners	(31,165)	13,459	(29,972)	(14,652)
Closing balance at 31/12/2014	<u>1,612,707</u>	<u>807,270</u>	<u>795,743</u>	<u>9,694</u>

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

During the year, the Company issued 159,262 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 31 December 2015, there were 709,386 (31 December 2014: 1,623,552) 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 31 December 2015, the Company's issued and paid-up ordinary share capital (including the 21,712,000 ordinary stock units held by WBL) was 637,228,603 ordinary stock units (31 December 2014: 637,069,341).

As at 31 December 2015, the Group's issued and paid-up ordinary share capital (excluding the 21,712,000 ordinary stock units held by WBL) was 615,516,603 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 auditing standard or practice

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 the 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)

	Group	
	31/12/2015	31/12/2014
(a) Basic*:	16.0	19.4
(b) Diluted**:	16.0	19.4
<u>Continuing operations</u>		
(a) Basic*:	16.0	7.2
(b) Diluted**:	16.0	7.2
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,122,335	635,688,860
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	637,223,541	635,840,056

* 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 year.

** 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 year adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset per ordinary stock unit based on the total number of issued shares	\$2.97⁽¹⁾	\$2.93 ⁽¹⁾	\$2.51	\$2.53

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

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial 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: FY2014 included the results of Automotive and MFS Technology (S) Pte Ltd (MFSS) businesses. FY2015 did not have the results of Automotive and MFSS businesses as these businesses were divested towards the end of 2014.)

FY2015 compared with FY2014

Revenue decreased 42% to \$1.9 billion in 2015 from \$3.2 billion in 2014 mainly due to the absence of revenue contribution from the completed *Austville Residences* project which was recorded in 2014 based on the completion of construction method, as well as the absence of contributions from the divested Automotive and MFSS businesses. The decrease was partially offset by higher revenue contribution from the Group's NASDAQ-listed subsidiary, Multi-Fineline Electronix, Inc. (MFLEX).

As a result of the lower revenue, gross profit decreased 18% to \$340.6 million in 2015. Gross profit margin increased to 18.3% in 2015 from 12.9% in 2014, mainly due to the positive contribution from MFLEX, which has turned around from a gross loss position in 2014.

Other income increased 125% to \$43.7 million in 2015 from \$19.4 million in 2014. This was mainly due to:

- \$6.6 million from the disposal of a manufacturing facility in China;
- \$5.4 million from the disposal of available-for-sale assets in Malaysia;
- higher net disposal gains of \$4.9 million from the sale of subsidiaries, associates and joint ventures; and
- higher foreign exchange gains of \$4.4 million.

Distribution costs decreased 53% to \$46.2 million in 2015 from \$98.6 million in 2014 and administrative expenses decreased 18% to \$141.5 million in 2015 from \$172.6 million in 2014 mainly due to the absence of expenses from Automotive and MFSS businesses which were divested towards the end of 2014.

Finance costs decreased 12% to \$37.1 million in 2015 from \$42.0 million in 2014 mainly due to lower borrowings.

Other expenses decreased 34% to \$31.7 million in 2015 from \$47.9 million in 2014. This was mainly due to:

- lower write down to net realisable value of \$3.4 million in relation to certain development projects;
- lower impairment charges on intangible assets of \$5.5 million; and
- absence of provision for foreseeable losses of \$8.9 million in relation to certain overseas development project.

Share of profit from equity-accounted associates and joint ventures was \$4.4 million in 2015 compared to loss of \$0.3 million in 2014 mainly due to the positive contribution from a joint venture in Malaysia arising from the sale of a property in 2015.

Income tax expense decreased 81% to \$6.6 million in 2015 from \$35.3 million in 2014. The lower income tax expense in 2015 was mainly due to the write-back of over provision of prior years' income and deferred tax. In contrast, the higher income tax expense in 2014 was mainly attributable to the non-availability for group relief of losses incurred by certain overseas subsidiaries and a tax charge from the reversal of the deferred tax assets recorded by certain overseas subsidiaries.

The Group's attributable profit on continuing operations increased 122% to \$102.2 million in 2015 from \$46.0 million in 2014.

Financial position review

- Interests in joint ventures decreased by \$36 million mainly due to the dividend received from the Group's joint venture companies.
- Current trade and other receivables decreased by \$67 million mainly driven by improved collections in 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 decreased by \$87 million mainly due to the decline of trade payables in the Group's Technology business as well as lower accruals for projects costs.
- Total borrowings decreased by \$273 million mainly due to repayment of external bank borrowings during the year.

Cash flow review

As at 31 December 2015, the Group had cash and cash equivalents of \$482 million compared with \$538 million in 2014.

During the financial year, the Group received progress billings of \$256 million mainly from *Eight Riversuites*. The Group incurred total development expenditure of \$165 million mainly for *Eight Riversuites* and the Group's China property development projects. In addition, the Group also utilised \$116 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 31 December 2015 were the result of the Group's other ongoing operations.

Segment review

Property Rental & Services

Revenue decreased 8% to \$139.0 million in 2015 from \$150.6 million in 2014 mainly due to the absence of project management fees. Operating profit before interest decreased 15% to \$68.8 million in 2015 from \$81.0 million in 2014 as a result of lower revenue.

Property Development

Revenue decreased 54% to \$402.0 million in 2015 from \$881.2 million in 2014 and operating profit before interest decreased 59% to \$18.4 million in 2015 from \$44.7 million in 2014. The declines were mainly due to the absence of revenue and profit contribution from the completed *Austville Residences* project which was recorded in 2014 based on the completion-of-construction method.

Engineering & Distribution

Revenue increased 8% to \$285.6 million in 2015 from \$265.0 million in 2014 mainly due to higher contribution from the Group's environmental engineering projects. The increase was partially offset by lower revenue contribution from the liquefied petroleum gas distribution business. Operating profit before interest increased to \$8.1 million in 2015 from \$2.2 million in 2014 mainly due to improved margins recorded for certain ongoing environmental engineering projects.

Technology & Manufacturing

Revenue increased 10% to \$971.1 million in 2015 from \$879.6 million in 2014 mainly due to higher contribution from MFLEX. Operating profit before interest was \$63.9 million in 2015 compared with an operating loss of \$12.5 million in 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 Q4 2015 results are in line with the statement made in paragraph 10 of the Company's Q3 2015 results announcement on 13 November 2015.

10 A commentary at the date of this announcement of the significant trends and 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 sustained impact of the property cooling measures, the global economic slowdown, as well as increased volatilities in the financial and commodities markets continue to weigh on the sentiment of the property markets in Singapore. The Group's China Property division is likely to continue to face challenging operating conditions amidst slower economic growth and weak demand in the property market in China. The accounting treatment on revenue recognition for certain projects using the completion-of-construction method will result in volatility in the recognition of revenues and profits. Nevertheless, the revenue generated from the Group's portfolio of investment properties will help to reduce this volatility.

Other Matters

On 5 February 2016, the Company announced the proposed disposal of its indirectly owned subsidiary, MFLEX to Suzhou Dongshan Precision Manufacturing Co., Ltd. The proposed disposal is subject to the fulfilment or wavier of certain pre-conditions including the approval of the shareholders of the Company to be obtained at an extraordinary general meeting.

11 Dividend

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

Yes.

Name of Dividend	Ordinary Dividend		Preference Dividend
	First and Final	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		Preference Dividend
	First and Final	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 25 May 2016.

- (d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 10 May 2016 to 11 May 2016 (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, 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 9 May 2016 will be registered to determine such dividend entitlements.

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

Not applicable.

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.

During the quarter ended 31 December 2015, the following IPTs were entered by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<u>Great Eastern Life Assurance (Malaysia) Berhad*</u>	\$000	\$000
General Transactions - Provision of equipment	-	102 [#]

*Great Eastern Life Assurance (Malaysia) Berhad is the wholly-owned subsidiary of Great Eastern Holdings Limited.

[#] The value of transactions is based on the Group's effective interest pursuant to Rule 909 of the SGX Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14 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

	Property Rental & Services \$000	Property Development \$000	Engineering & Distribution \$000	Technology & Manufacturing \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
Year ended 31 December 2015							
Operating segments							
Segment Revenue							
Sales to external customers	137,992	402,037	285,611	971,147	60,206	–	1,856,993
Inter-segment sales	977	–	–	–	9,819	(10,796)	–
Total revenue	138,969	402,037	285,611	971,147	70,025	(10,796)	1,856,993
Segment result	68,839	18,385	8,135	63,913	5,625	–	164,897
Finance costs							(37,139)
Interest income							4,460
Share of profit/(loss) from equity-accounted associates	3,970	(186)	(159)	–	(1,772)	–	1,853
Share of profit/(loss) from equity-accounted joint ventures	6,844	(4,301)	–	–	–	–	2,543
Profit before tax							136,614
Income tax expense							(6,593)
Profit from continuing operations, net of tax							130,021
Profit from discontinued operation, net of tax							–
Profit net of tax							130,021
Other operating segments information:							
Allowance for doubtful trade receivables	4,499	–	1,768	146	49	–	6,462
Capital expenditure	1,736	86	6,331	23,897	1,905	–	33,955
Depreciation and amortisation	2,757	762	8,307	67,861	5,201	–	84,888
Gain on disposal of available-for-sale financial assets	–	–	–	–	5,484	–	5,484
Gain on disposal of assets of disposal group classified as held for sale	–	–	–	6,632	1,837	–	8,469
Impairment loss on intangible assets	–	–	775	–	71	–	846
Net gain on disposal of subsidiaries, associates and joint ventures	2,735	–	190	–	13,563	–	16,488
Properties held for sale written down	–	12,489	–	–	–	–	12,489
Realisation of translation reserve upon liquidation of subsidiaries	220	–	–	–	204	–	424
Restructuring expenses/(reversal of restructuring expenses)	(206)	16	81	418	7	–	316
Surplus on revaluation of investment properties	2,179	–	–	–	–	–	2,179

14 **Business segments** (continued)

	Property Rental & Services \$000	Property Development \$000	Engineering & Distribution \$000	Technology & Manufacturing \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
Year ended 31 December 2014							
Operating segments							
Segment Revenue							
Sales to external customers	148,683	881,204	264,944	879,564	1,034,926	–	3,209,321
Inter-segment sales	1,917	–	80	–	14,111	(16,108)	–
Total revenue	150,600	881,204	265,024	879,564	1,049,037	(16,108)	3,209,321
Segment result	80,951	44,708	2,174	(12,514)	(498)	–	114,821
Finance costs							(41,965)
Interest income							3,183
Share of (loss)/profit from equity-accounted associates	(149)	–	155	–	91	–	97
Share of profit/(loss) from equity-accounted joint ventures	353	(763)	–	–	28	–	(382)
Profit before tax							75,754
Income tax expense							(35,267)
Profit from continuing operations, net of tax							40,487
Profit from discontinued operation, net of tax							90,055
Profit net of tax							130,542
Other operating segments information:							
(Write-back)/allowance for doubtful trade receivables	(350)	–	177	(152)	2,067	–	1,742
Capital expenditure	2,723	451	5,280	28,449	24,511	–	61,414
Depreciation and amortisation	3,602	405	7,448	69,703	8,931	–	90,089
Gain on disposal of available-for-sale financial assets	–	–	–	–	37	–	37
Gain on disposal of assets of disposal group classified as held for sale	–	(1,040)	–	–	2,405	–	1,365
(Impairment loss)/reversal of impairment loss on property, plant & equipment	–	–	(3,000)	24,151	–	–	21,151
Impairment loss on intangible assets	–	–	6,330	–	–	–	6,330
Realisation of translation reserve upon liquidation of subsidiaries	116	–	–	755	3,511	–	4,382
Net gain on disposal of subsidiaries, associates and joint ventures	–	–	–	–	11,636	–	11,636
Properties held for sale written down	–	15,858	–	–	–	–	15,858
Restructuring expenses	–	129	–	19,348	565	–	20,042

- 15 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.

- 16 A breakdown of sales as follows:

	Group		
	31/12/2015 \$000	31/12/2014 \$000	Change %
(a) Sales reported for first half year	983,435	1,824,545	(46)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	59,855	12,662	373
(c) Sales reported for second half year	873,558	1,384,776	(37)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	70,166	27,825	152

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

Dividend paid

	2015 \$000	2014 \$000
Ordinary	61,537	43,044
Preference	66	66
Total	61,603	43,110

- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

Pursuant to Rule 704 (13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that to the best of its knowledge, as at the date of this announcement, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Swee Hong

Secretary

26 February 2016