



**Q3 2013 Financial Statement Announcement**

**Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 AND PERIOD ENDED 30 SEPTEMBER 2013 RESULTS**

These figures have not been audited.

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

	<b>Group</b>					
	<b>3 months ended</b>			<b>9 months ended</b>		
	<b>30/9/2013<sup>1</sup></b>	<b>30/9/2012</b>	<b>Change</b>	<b>30/9/2013<sup>1</sup></b>	<b>30/9/2012</b>	<b>Change</b>
	<b>\$000</b>	<b>\$000</b>	<b>(%)</b>	<b>\$000</b>	<b>\$000</b>	<b>(%)</b>
<b>Revenue</b>	<b>731,957</b>	152,387	380	<b>1,171,933</b>	413,262	184
Cost of sales	<b>(638,618)</b>	(110,091)	480	<b>(977,477)</b>	(294,233)	232
<b>Gross profit</b>	<b>93,339</b>	42,296	121	<b>194,456</b>	119,029	63
<b><u>Other items of income</u></b>						
Interest income	1,492	790	89	4,860	2,426	100
Other income	15,173	1,399	985	49,583	3,867	1,182
<b><u>Other items of expense</u></b>						
Distribution costs	<b>(30,690)</b>	(2,973)	932	<b>(47,994)</b>	(9,224)	420
Administrative expenses	<b>(49,948)</b>	(22,671)	120	<b>(110,272)</b>	(58,857)	87
Finance costs	<b>(10,722)</b>	(5,353)	100	<b>(23,658)</b>	(12,646)	87
Other expenses	<b>(5,616)</b>	(4,556)	23	<b>(15,896)</b>	(11,157)	43
<b>Operating profit</b>	<b>13,028</b>	8,932	46	<b>51,079</b>	33,438	53
Share of profit from equity-accounted associates and joint ventures	6,664	2,317	188	10,099	5,261	92
<b>Profit before tax</b>	<b>19,692</b>	11,249	75	<b>61,178</b>	38,699	58
Income tax (expense)/benefit <sup>2</sup>	<b>(8,809)</b>	4,137	NM	<b>(17,608)</b>	(2,525)	597
<b>Profit net of tax</b>	<b>10,883</b>	15,386	(29)	<b>43,570</b>	36,174	20
<b>Attributable to:</b>						
Owners of the Company	12,548	12,802	(2)	35,403	29,973	18
Non-controlling interests	(1,665)	2,584	NM	8,167	6,201	32
	<b>10,883</b>	15,386	(29)	<b>43,570</b>	36,174	20
<b>Earnings per stock unit (cents)</b>						
Basic	3.0¢	3.5¢*		10.3¢	8.4¢*	
Diluted	2.9¢	3.3¢*		9.9¢	8.0¢*	

NM: Not meaningful

<sup>1</sup> Include contribution from WBL Corporation Limited and its subsidiaries (WBL Group) for the period from June 2013 to September 2013 following the successful takeover offers for WBL Corporation Limited (WBL) which closed on 29 May 2013.

<sup>2</sup> The income tax benefit for Q3 2012 related to a write-back of overprovision for prior years' income tax.

\* Restated for the effect of Rights Issue completed in September 2013.

1(a)(ii) Other information

	Group			
	3 months ended		9 months ended	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	\$000	\$000	\$000	\$000
Depreciation and amortisation	(32,798)	(3,315)	(49,573)	(9,937)
Foreign exchange loss	(2,461)	(2,998)	(993)	(5,764)
Gain on deemed disposal of investments arising from business combinations	–	–	21,415	–
Gain on disposal of available-for-sale financial assets	12,317	–	12,317	–
Gain on disposal of held for trading investments	–	–	507	–
Gain on sale of subsidiaries	–	–	3,020	–
Gain on fair value adjustment on held for trading investments	4	514	1,519	396
Net impairment loss on trade and other receivables	(1,676)	(34)	(1,742)	(285)
Over provision of prior years' income tax (Write-down)/ reversal of write-down of inventories	–	6,000	–	6,000
	<b>(3,049)</b>	<b>(9)</b>	<b>(3,049)</b>	<b>10</b>

1(a)(iii) Statement of comprehensive income

	Group			
	3 months ended		9 months ended	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	\$000	\$000	\$000	\$000
<b>Profit net of tax for the period</b>	<b>10,883</b>	<b>15,386</b>	<b>43,570</b>	<b>36,174</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to income statement:				
(Losses)/gains on exchange differences on translation, net of tax	(9,591)	234	(6,840)	1,357
Gains on remeasuring available-for-sale financial assets, net of tax*	11,922	733	12,120	1,385
Share of other comprehensive income from equity-accounted associates, net of tax	982	(4,627)	(4,626)	1,175
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax*	(11,922)	–	(11,922)	–
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets, net of tax	–	–	(1,895)	–
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets held through associates, net of tax	–	–	(19,520)	–
<b>Other comprehensive income for the period, net of tax</b>	<b>(8,609)</b>	<b>(3,660)</b>	<b>(32,683)</b>	<b>3,917</b>
<b>Total comprehensive income for the period</b>	<b>2,274</b>	<b>11,726</b>	<b>10,887</b>	<b>40,091</b>
<b>Attributable to:</b>				
Owners of the Company	4,932	9,353	2,681	34,054
Non-controlling interests	(2,658)	2,373	8,206	6,037
	<b>2,274</b>	<b>11,726</b>	<b>10,887</b>	<b>40,091</b>

\* Mainly due to movement in available-for-sale reserve arising from fair value adjustment of an available-for-sale investment held by WBL Group.

**1(b)(i) Statements of financial position**

	<b>Group</b>		<b>Company</b>	
	<b>30/9/2013</b>	<b>31/12/2012</b>	<b>30/9/2013</b>	<b>31/12/2012</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	690,654	164,394	24,272	26,300
Properties development cost	–	156,253	–	–
Investment properties	1,454,528	1,203,765	675,296	675,000
Intangible assets	237,400	24,581	–	–
Investments in subsidiaries	–	–	1,355,688	657,403
Investments in associates	192,911	148,510	315	315
Investments in joint ventures	101,588	64,206	–	–
Deferred tax assets	55,025	3,395	–	–
Trade and other receivables	12,422	24,653	–	–
Other investments	9,084	7,160	7,077	7,077
<b>Total non-current assets</b>	<b>2,753,612</b>	<b>1,796,917</b>	<b>2,062,648</b>	<b>1,366,095</b>
<b>Current assets</b>				
Inventories	292,928	4,660	–	–
Income tax receivables	3,927	85	–	–
Trade and other receivables	578,822	341,086	53,787	42,191
Other investments	317	11,652	–	–
Gross amount due from customers for contract work	21,996	18,649	–	–
Prepayments	15,668	3,259	1,558	2,279
Properties held for sale	1,428,785	819,671	–	–
Bank balances and deposits	661,592	452,001	28,501	17,950
	3,004,035	1,651,063	83,846	62,420
Assets of disposal group classified as held for sale <sup>1</sup>	589,873	3,198	–	–
<b>Total current assets</b>	<b>3,593,908</b>	<b>1,654,261</b>	<b>83,846</b>	<b>62,420</b>
<b>Total assets</b>	<b>6,347,520</b>	<b>3,451,178</b>	<b>2,146,494</b>	<b>1,428,515</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	788,113	327,989	788,113	327,989
Treasury shares <sup>2</sup>	(62,313)	–	–	–
Retained earnings	859,220	854,713	591,723	517,118
Other reserves	25,717	56,149	24,433	24,427
<b>Equity attributable to owners of the Company</b>	<b>1,610,737</b>	<b>1,238,851</b>	<b>1,404,269</b>	<b>869,534</b>
Non-controlling interests	756,681	67,088	–	–
<b>Total equity</b>	<b>2,367,418</b>	<b>1,305,939</b>	<b>1,404,269</b>	<b>869,534</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	48,068	25,825	96	205
Trade and other payables	16,439	14,505	–	–
Borrowings	1,702,065	1,091,350	366,909	350,829
<b>Total non-current liabilities</b>	<b>1,766,572</b>	<b>1,131,680</b>	<b>367,005</b>	<b>351,034</b>
<b>Current liabilities</b>				
Income tax payable	52,797	30,010	5,814	6,382
Trade and other payables	1,048,958	502,621	17,223	16,030
Borrowings	1,015,195	448,168	352,183	185,535
Gross amount due to customers for contract work	29,726	29,562	–	–
	2,146,676	1,010,361	375,220	207,947
Liabilities of disposal group classified as held for sale <sup>1</sup>	66,854	3,198	–	–
<b>Total current liabilities</b>	<b>2,213,530</b>	<b>1,013,559</b>	<b>375,220</b>	<b>207,947</b>
<b>Total liabilities</b>	<b>3,980,102</b>	<b>2,145,239</b>	<b>742,225</b>	<b>558,981</b>
<b>Total equity and liabilities</b>	<b>6,347,520</b>	<b>3,451,178</b>	<b>2,146,494</b>	<b>1,428,515</b>

<sup>1</sup> Please refer to paragraph 8 for further details on the assets/liabilities of disposal group classified as held for sale.

<sup>2</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 30/9/2013		As at 31/12/2012	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
588,681	426,514	192,244	255,924

(b) Amount repayable after one year

As at 30/9/2013		As at 31/12/2012	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
1,179,705	522,360	820,637	270,713

(c) Details of any collaterals

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

A term loan facility of a subsidiary was secured by a charge over the stock units and convertible bonds of WBL.

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

	<b>Group</b>			
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30/9/2013</b>	<b>30/9/2012</b>	<b>30/9/2013</b>	<b>30/9/2012</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	19,692	11,249	61,178	38,699
Depreciation of property, plant and equipment	32,388	3,054	48,549	9,153
Interest income	(1,492)	(790)	(4,860)	(2,426)
Finance costs	10,722	5,353	23,658	12,646
Amortisation of intangible assets	410	261	1,024	784
Dividend income from other investment	–	(104)	(629)	(404)
Gain on deemed disposal of investments arising from business combinations	–	–	(21,415)	–
Gain on disposal of available-for sale financial assets	(12,317)	–	(12,317)	–
Gain on disposal of held for trading investments	–	–	(507)	–
Gain on disposal of property, plant and equipment	(74)	(33)	(792)	(65)
Gain on disposal of subsidiaries	–	–	(3,020)	–
Gain on fair value adjustment on held for trading investments	(4)	(514)	(1,519)	(396)
Write-down/(reversal of write-down) of inventories	3,049	9	3,049	(10)
Share of profit from equity-accounted associates and joint ventures	(6,664)	(2,317)	(10,099)	(5,261)
Unrealised translation (gain)/loss	(6,434)	2,921	(8,008)	4,684
<b>Operating cash flows before changes in working capital</b>	<b>39,276</b>	<b>19,089</b>	<b>74,292</b>	<b>57,404</b>
Properties held for sale				
- Development expenditure	(70,838)	(10,825)	(147,853)	(48,096)
- Proceeds from progress billings	55,920	82,352	112,736	104,361
Increase in trade and other payables and provisions	106,493	18,955	98,797	6,243
(Increase)/ decrease in trade and other receivables	(110,178)	2,358	61,122	15,581
Increase/(decrease) in gross amount due to customers for contract work	6,285	(4,527)	164	6,075
Decrease/(increase) in gross amount due from customers for contract work	104	(368)	(2,718)	(1,392)
(Increase)/decrease in inventories	(27,389)	(774)	(34,630)	2,725
<b>Cash flows (used in)/from operations</b>	<b>(327)</b>	<b>106,260</b>	<b>161,910</b>	<b>142,901</b>
Income taxes paid	(10,415)	(18,242)	(24,546)	(44,905)
Interest paid	(18,277)	(9,919)	(30,550)	(23,498)
Interest received	1,918	790	4,865	2,389
<b>Net cash flows (used in)/from operating activities</b>	<b>(27,101)</b>	<b>78,889</b>	<b>111,679</b>	<b>76,887</b>

1(c) Statement of cash flows (continued)

	<b>Group</b>			
	<b>3 months ended</b>		<b>9 months ended</b>	
	30/9/2013 \$000	30/9/2012 \$000	30/9/2013 \$000	30/9/2012 \$000
<b>Cash flows from investing activities</b>				
Addition to investment properties	–	–	(424,061)	–
Acquisition of intangible assets	(527)	(98)	(8,825)	(484)
Acquisition of non-controlling interests	(19,384)	(296)	(19,384)	(296)
Acquisition of subsidiaries, net of cash acquired (Note A)	(274)	–	(307,523)	–
Disposal of subsidiaries, net of cash disposed of (Note B)	–	–	4,471	–
Dividends received from associates	–	321	–	321
Dividends received from other investments	–	104	629	404
(Increase)/decrease in amounts due from associates and joint ventures	(233)	(1,887)	2,686	(3,373)
Increase in loans to associates	(2,113)	–	(27,532)	(36,900)
Decrease/(increase) in loans to joint ventures	34,100	34	34,100	(3,239)
Investments in associates	–	–	(300)	–
Investments in joint ventures	–	–	–	(3,000)
Proceeds from dilution of interest in subsidiaries	3,230	–	3,230	–
Proceeds from disposal of available-for-sale financial assets	12,317	–	12,317	–
Proceeds from disposal of other investments	–	–	9,189	–
Proceeds from disposal of property, plant and equipment	2,669	33	4,648	3,630
Purchase of property, plant and equipment	(42,236)	(4,211)	(56,352)	(17,506)
Properties development expenditure	(59,238)	(37,153)	(120,977)	(83,123)
<b>Net cash flows used in investing activities</b>	<b>(71,689)</b>	<b>(43,153)</b>	<b>(893,684)</b>	<b>(143,566)</b>
<b>Cash flows from financing activities</b>				
Contribution from non-controlling interests	–	2,369	–	2,519
Increase/(decrease) in trust receipts and bills payable	954	(86)	(743)	575
Dividends paid	–	–	(30,896)	(44,175)
Dividends paid to non-controlling interests of subsidiaries	(6,313)	–	(10,606)	(5,152)
(Decrease)/increase in short-term loans	(19,564)	(10,315)	17,564	(45,906)
Issuance of shares upon exercise of share options	65	282	1,292	1,107
Proceeds from issuance of new ordinary shares	463,644	–	463,644	–
Shares issuance expenses	(8,640)	–	(8,640)	–
Proceeds from issuance of medium term notes	–	–	101,830	150,000
Proceeds from long-term loans	81,007	22,597	979,985	143,266
Repayment of long-term loans	(536,217)	(204)	(540,910)	(100,337)
<b>Net cash flows (used in)/from financing activities</b>	<b>(25,064)</b>	<b>14,643</b>	<b>972,520</b>	<b>101,897</b>
Net (decrease)/increase in cash and cash equivalents	(123,854)	50,379	190,515	35,218
Cash and cash equivalents, beginning balance	759,983	424,005	445,614	439,166
<b>Cash and cash equivalents, ending balance</b>	<b>636,129</b>	<b>474,384</b>	<b>636,129</b>	<b>474,384</b>
Cash and cash equivalents comprise:				
Bank balances and deposits	661,592	485,903	661,592	485,903
Bank overdrafts	(25,463)	(11,519)	(25,463)	(11,519)
Cash and cash equivalents	<b>636,129</b>	<b>474,384</b>	<b>636,129</b>	<b>474,384</b>

1(c) Statement of cash flows (continued)

Note A: The net assets arising from the acquisition of subsidiary companies are computed based on provisional values and the cash flow effects of the acquisition were as follows:-

	Group			
	3 months ended		9 months ended	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	601,606	-
Investment properties	-	-	38,455	-
Intangible assets	-	-	54,929	-
Investments in associates	-	-	38,549	-
Investments in joint ventures	-	-	78,771	-
Deferred tax assets	-	-	45,392	-
Inventories	-	-	257,889	-
Trade and other receivables	-	-	335,512	-
Other investments	-	-	64,503	-
Properties held for sale	-	-	499,786	-
Bank balances and deposits	-	-	400,669	-
Assets of disposal group classified as held for sale	-	-	4,540	-
Deferred tax liabilities	-	-	(23,106)	-
Other long term liabilities	-	-	(4,035)	-
Income tax payable	-	-	(25,319)	-
Trade and other payables	-	-	(444,722)	-
Borrowings	-	-	(604,876)	-
Net assets acquired	-	-	1,318,543	-
Less: Non-controlling interests	-	-	(756,102)	-
Net identifiable assets acquired	-	-	562,441	-
Goodwill on acquisition	274*	-	145,751	-
Cash flow arising from acquisition of subsidiaries	274*	-	708,192	-
Less: Cash and cash equivalents in subsidiaries acquired	-	-	(400,669)	-
Cash flow arising on acquisition, net of cash acquired	274*	-	307,523	-

\* Pursuant to the acceptance of 61,000 offer stock units announced on 19 July 2013 after the close of the Group's takeover offers for WBL.

Note B: The net assets and liabilities arising from the disposal of subsidiary companies and the cash flow effects of the disposal were as follows:-

	Group			
	3 months ended		9 months ended	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	425	-
Inventories	-	-	1,615	-
Trade and other receivables	-	-	2,187	-
Gross amount due from customers for contract work	-	-	1,276	-
Bank balances and deposits	-	-	1,214	-
Trade and other payables	-	-	(2,790)	-
Borrowings	-	-	(1,323)	-
Net assets disposed	-	-	2,604	-
Foreign currency translation reserve gain realised	-	-	61	-
Net gain on disposal of subsidiaries	-	-	3,020	-
Total consideration	-	-	5,685	-
Cash and cash equivalents in subsidiaries disposed	-	-	(1,214)	-
Cash flow arising from disposal of subsidiaries	-	-	4,471	-

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

**GROUP**

	Attributable to owners of the Company									
	Total equity \$000	Equity attributable to owners of the Company \$000	Share capital \$000	Treasury shares* \$000	Retained earnings \$000	AFS reserve \$000	Share option reserve \$000	Translation reserve \$000	Other reserves \$000	Non-controlling interests \$000
<b>Opening balance at 1/1/2013</b>	1,305,939	1,238,851	327,989	-	854,713	33,508	4,081	(4,142)	22,702	67,088
<b>Profit for the period</b>	32,687	22,855	-	-	22,855	-	-	-	-	9,832
Gains on exchange differences on translation, net of tax	2,751	1,719	-	-	-	-	-	1,719	-	1,032
Gains on remeasuring available-for-sale financial assets, net of tax	198	198	-	-	-	198	-	-	-	-
Share of other comprehensive income from equity-accounted associate, net of tax	(5,608)	(5,608)	-	-	-	(5,608)	-	-	-	-
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets, net of tax	(1,895)	(1,895)	-	-	-	(1,895)	-	-	-	-
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets held through associates, net of tax,	(19,520)	(19,520)	-	-	-	(19,520)	-	-	-	-
<b>Other comprehensive income for the period</b>	(24,074)	(25,106)	-	-	-	(26,825)	-	1,719	-	1,032
<b>Total comprehensive income for the period</b>	8,613	(2,251)	-	-	22,855	(26,825)	-	1,719	-	10,864
<b>Contributions by and distributions to owners</b>										
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,787	3,787	3,787	-	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	1,227	1,227	1,227	-	-	-	-	-	-	-
Acquisition of treasury shares arising from business combinations	(62,313)	(62,313)	-	(62,313)	-	-	-	-	-	-
Equity portion of convertible bonds	6	6	-	-	-	-	-	-	6	-
Dividends paid	(35,189)	(30,896)	-	-	(30,896)	-	-	-	-	(4,293)
Interim dividend FY2013	(5,996)	-	-	-	-	-	-	-	-	(5,996)
<b>Total contributions by and distributions to owners</b>	(98,478)	(88,189)	5,014	(62,313)	(30,896)	-	-	-	6	(10,289)



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

GROUP

	Attributable to owners of the Company									
	Total equity \$000	Equity attributable to owners of the Company \$000	Share capital \$000	Treasury shares* \$000	Retained earnings \$000	AFS reserve \$000	Share option reserve \$000	Translation reserve \$000	Other reserves \$000	Non-controlling interests \$000
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of subsidiaries	755,868	(234)	-	-	-	-	-	-	(234)	756,102
Movement in non-controlling interests arising from business combination	(49,381)	-	-	-	-	-	-	-	-	(49,381)
<b>Total changes in ownership interests in subsidiaries</b>	706,487	(234)	-	-	-	-	-	-	(234)	706,721
<b>Total transactions with owners in their capacity as owners</b>	608,009	(88,423)	5,014	(62,313)	(30,896)	-	-	-	(228)	696,432
<b>Closing balance at 30/6/2013</b>	1,922,561	1,148,177	333,003	(62,313)	846,672	6,683	4,081	(2,423)	22,474	774,384
<b>Profit for the period</b>	10,883	12,548	-	-	12,548	-	-	-	-	(1,665)
Losses on exchange differences on translation, net of tax	(9,591)	(8,482)	-	-	-	-	-	(8,482)	-	(1,109)
Share of other comprehensive income from equity-accounted associate, net of tax	982	866	-	-	-	866	-	-	-	116
Gains on remeasuring available-for-sale financial assets, net of tax	11,922	-	-	-	-	11,922	-	-	-	-
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(11,922)	-	-	-	-	(11,922)	-	-	-	-
<b>Other comprehensive income for the period</b>	(8,609)	(7,616)	-	-	-	866	-	(8,482)	-	(993)
<b>Total comprehensive income for the period</b>	2,274	4,932	-	-	12,548	866	-	(8,482)	-	(2,656)

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

GROUP	Attributable to owners of the Company									
	Total equity \$000	Equity attributable to owners of the Company \$000	Share capital \$000	Treasury shares# \$000	Retained earnings \$000	AFS reserve \$000	Share option reserve \$000	Translation reserve \$000	Other reserves \$000	Non-controlling interests \$000
<b>Contributions by and distributions to owners</b>										
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	41	41	41	-	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	65	65	65	-	-	-	-	-	-	-
Issuance of new ordinary stocks	463,644	463,644	463,644	-	-	-	-	-	-	-
Ordinary stocks issuance expenses <sup>1</sup>	(8,640)	(8,640)	(8,640)	-	-	-	-	-	-	-
Gain on sale of the Company nil-paid rights held by subsidiary <sup>2</sup>	2,659	2,659	-	-	-	-	-	-	2,659	-
<b>Total contributions by and distributions to owners</b>	457,769	457,769	455,110	-	-	-	-	-	2,659	-
<b>Changes in ownership interests in subsidiaries</b>										
Additional interests in subsidiaries	(19,384)	(867)	-	-	-	-	-	-	(867)	(18,517)
Dilution of interests in subsidiaries	4,241	170	-	-	-	-	-	-	170	4,071
Dividend paid to non-controlling interests of a subsidiary	(317)	-	-	-	-	-	-	-	-	(317)
Employee share option scheme/ share appreciation rights:										
- value of employee services	924	924	-	-	-	-	-	-	924	-
Income tax benefit arising from share-based compensation	(650)	(368)	-	-	-	-	-	-	(368)	(282)
<b>Total changes in ownership interests in subsidiaries</b>	(15,186)	(141)	-	-	-	-	-	-	(141)	(15,045)
<b>Total transactions with owners in their capacity as owners</b>	442,583	457,628	455,110	-	-	-	-	-	2,518	(15,045)
<b>Closing balance at 30/9/2013</b>	2,367,418	1,610,737	788,113	(62,313)	859,220	7,549	4,081	(10,905)	24,992	756,681

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

<sup>1</sup> Expenses incurred in relation to the Rights Issue.

<sup>2</sup> Gain on the sale of the United Engineers Limited nil-paid rights held by WBL taken to other reserves.

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	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 1/1/2012	1,239,047	1,184,323	300,898	828,294	33,980	4,081	(4,875)	21,945	54,724
Profit for the period	20,788	17,171	–	17,171	–	–	–	–	3,617
Gains on exchange differences on translation, net of tax	1,123	1,076	–	–	–	–	1,076	–	47
Gains on remeasuring available-for-sale financial assets, net of tax	652	652	–	–	652	–	–	–	–
Share of other comprehensive income from equity-accounted associate, net of tax	5,802	5,802	–	–	5,802	–	–	–	–
Other comprehensive income for the period	7,577	7,530	–	–	6,454	–	1,076	–	47
Total comprehensive income for the period	28,365	24,701	–	17,171	6,454	–	1,076	–	3,664
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	15,781	15,781	15,781	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	825	825	825	–	–	–	–	–	–
Equity portion of convertible bonds	78	78	–	–	–	–	–	78	–
Dividends paid	(49,327)	(44,175)	–	(44,175)	–	–	–	–	(5,152)
Total contributions by and distributions to owners in their capacity as owners	(32,643)	(27,491)	16,606	(44,175)	–	–	–	78	(5,152)
Changes in ownership interests in subsidiaries									
Contribution from non-controlling interests	150	–	–	–	–	–	–	–	150
Total changes in ownership interests in subsidiaries	150	–	–	–	–	–	–	–	150
Total transactions with owners in their capacity as owners	(32,493)	(27,491)	16,606	(44,175)	–	–	–	78	(5,002)
Closing balance at 30/6/2012	1,234,919	1,181,533	317,504	801,290	40,434	4,081	(3,799)	22,023	53,386

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	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>Profit for the period</b>	15,386	12,802	-	12,802	-	-	-	-	2,584
Gains/(losses) on exchange differences on translation, net of tax	234	445	-	-	-	-	445	-	(211)
Gains on remeasuring available-for-sale financial assets, net of tax	733	733	-	-	733	-	-	-	-
Share of other comprehensive income from equity-accounted associate, net of tax	(4,627)	(4,627)	-	-	(4,627)	-	-	-	-
<b>Other comprehensive income for the period</b>	(3,660)	(3,449)	-	-	(3,894)	-	445	-	(211)
<b>Total comprehensive income for the period</b>	11,726	9,353	-	12,802	(3,894)	-	445	-	2,373
<b>Contributions by and distributions to owners</b>									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	5,740	5,740	5,740	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	282	282	282	-	-	-	-	-	-
Equity portion of convertible bonds	29	29	-	-	-	-	-	29	-
<b>Total contributions by and distributions to owners in their capacity as owners</b>	6,051	6,051	6,022	-	-	-	-	29	-
<b>Changes in ownership interests in subsidiaries</b>									
Contribution from non-controlling interests	2,369	-	-	-	-	-	-	-	2,369
Movement in non-controlling interests arising from an increase in shareholding of a subsidiary	(296)	(206)	-	-	-	-	-	(206)	(90)
<b>Total changes in ownership interests in subsidiaries</b>	2,073	(206)	-	-	-	-	-	(206)	2,279
<b>Total transactions with owners in their capacity as owners</b>	8,124	5,845	6,022	-	-	-	-	(177)	2,279
<b>Closing balance at 30/9/2012</b>	1,254,769	1,196,731	323,526	814,092	36,540	4,081	(3,354)	21,846	58,038

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

## COMPANY

	Total equity	Share capital	Retained earnings	AFS reserve	Share option reserve	Other reserves
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Opening balance at 1/1/2013</b>	869,534	327,989	517,118	5,709	4,081	14,637
<b>Profit for the period</b>	96,135	–	96,135	–	–	–
<b>Total comprehensive income for the period</b>	96,135	–	96,135	–	–	–
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,787	3,787	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	1,227	1,227	–	–	–	–
Equity portion of convertible bonds	6	–	–	–	–	6
Dividends paid	(30,896)	–	(30,896)	–	–	–
<b>Total transactions with owners in their capacity as owners</b>	(25,876)	5,014	(30,896)	–	–	6
<b>Closing balance at 30/6/2013</b>	939,793	333,003	582,357	5,709	4,081	14,643
<b>Profit for the period</b>	9,366	–	9,366	–	–	–
<b>Total comprehensive income for the period</b>	9,366	–	9,366	–	–	–
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	41	41	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	65	65	–	–	–	–
Issuance of new ordinary stocks	463,644	463,644	–	–	–	–
Ordinary stocks issuance expenses	(8,640)	(8,640)	–	–	–	–
Equity portion of convertible bonds	–	–	–	–	–	–
<b>Total transactions with owners in their capacity as owners</b>	455,110	455,110	–	–	–	–
<b>Closing balance at 30/9/2013</b>	1,404,269	788,113	591,723	5,709	4,081	14,643
<b>Opening balance at 1/1/2012</b>	805,071	300,898	480,234	5,349	4,081	14,509
<b>Profit for the period</b>	73,972	–	73,972	–	–	–
<b>Total comprehensive income for the period</b>	73,972	–	73,972	–	–	–
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	15,781	15,781	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	825	825	–	–	–	–
Equity portion of convertible bonds	78	–	–	–	–	78
Dividends paid	(44,175)	–	(44,175)	–	–	–
<b>Total transactions with owners in their capacity as owners</b>	(27,491)	16,606	(44,175)	–	–	78
<b>Closing balance at 30/6/2012</b>	851,552	317,504	510,031	5,349	4,081	14,587
<b>Profit for the period</b>	5,251	–	5,251	–	–	–
<b>Total comprehensive income for the period</b>	5,251	–	5,251	–	–	–
<b>Contributions by and distributions to owners</b>						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	5,740	5,740	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	282	282	–	–	–	–
Equity portion of convertible bonds	29	–	–	–	–	29
<b>Total transactions with owners in their capacity as owners</b>	6,051	6,022	–	–	–	29
<b>Closing balance at 30/9/2012</b>	862,854	323,526	515,282	5,349	4,081	14,616

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

During Q3 2013, the Company issued 30,577 ordinary shares on conversion of \$40,976 convertible bonds and 37,000 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the nine months, the Company issued 2,936,186 ordinary shares on conversion of \$3,934,500 convertible bonds and 752,200 ordinary shares arising from the exercising of the options under the Scheme 2000.

As a result of the Rights Issue, the conversion price of the convertible bonds has been adjusted from \$1.34 per stock unit to \$1.02 per stock unit with effect from 18 September 2013. With the new conversion price, the remaining bonds are convertible into up to 18,882,464.

As at 30 September 2013, there were 3,377,751 (30 September 2012: 4,198,350) unexercised options for ordinary shares under Scheme 2000 and \$19,260,114 (30 September 2012: \$27,559,720) convertible bonds which are convertible into 18,882,464 (30 September 2012: 20,566,955) shares at the adjusted conversion price of \$1.02 (30 September 2012: \$1.34) per share.

**Rights issue**

The Company has undertaken a renounceable underwritten rights issue of 309,096,083 new ordinary shares in the capital of the Company (the Rights Shares) at an issue price of \$1.50 for each Rights Share on the basis of one (1) Right Share for every one (1) existing stock unit in the capital of the Company. The Rights Shares has been issued on 18 September 2013, and listed for quotation on the Main Board of the SGX-ST on 19 September 2013.

Pursuant to the issuance of the Rights Shares, conversion of convertible bonds and exercise of options under the Scheme 2000, the issued share capital of the Company has increased to 618,192,166 ordinary stock units as at 30 September 2013.

**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). As a result of the successful completion of the Group's takeover offers for WBL (which closed on 29 May 2013), WBL has become a subsidiary of UEL.

Under FRS 103 Business Combinations, the purchase consideration for WBL will be reduced by the fair value of UEL ordinary stock units held by WBL as at the date of acquisition. This will be deemed and provisionally classified as treasury shares under the consolidated group. Under the Singapore Companies Act, Chapter 50, WBL is required to dispose of its shareholding in UEL within 12 months of becoming subsidiary of UEL.

**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 2013, the Company's issued and paid-up ordinary share capital including treasury shares (include 21,712,000 ordinary stock units held by WBL) was 618,192,166 ordinary stock units (31 December 2012: 305,407,697).

As at 30 September 2013, the Group's issued and paid-up ordinary share capital excluding treasury shares was 596,480,166 ordinary stock units (31 December 2012: 305,407,697).

**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 2012.

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 Financial Reporting Standards ("FRS") that are effective for annual financial periods beginning on or after 1 January 2013.

Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income  
 Revised FRS 19 Employee Benefits  
 FRS 113 Fair Value Measurement  
 Amendments to FRS 107: Disclosures – Offsetting Financial Assets and Financial Liabilities  
 Improvements to FRSs 2012  
 – Amendment to FRS 1 Presentation of Financial Statements  
 – Amendment to FRS 16 Property, Plant and Equipment  
 – Amendment to FRS 32 Financial Instruments: Presentation

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

6 Earnings per stock unit (cents)

	3 months ended		9 months ended	
	30/9/2013	30/9/2012 (Restated) <sup>1</sup>	30/9/2013	30/9/2012 (Restated) <sup>1</sup>
(a) Basic*:	3.0¢	3.5¢	10.3¢	8.4¢
(b) Diluted**:	2.9¢	3.3¢	9.9¢	8.0¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	412,117,918	366,219,523	342,328,400	358,323,664
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>431,107,820</u>	<u>392,042,848</u>	<u>361,628,885</u>	<u>384,133,765</u>

<sup>1</sup> Restated for the effects of the Rights Issue completed in September 2013.

\* 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	
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$2.70<sup>2</sup></u>	<u>\$4.06</u>	<u>\$2.27</u>	<u>\$2.85</u>

<sup>2</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**

The Group's (excluding WBL Group) core businesses comprise Property Development, Property Rental & Services and Engineering & Construction.

Following the successful takeover offers for WBL which closed on 29 May 2013, WBL has become a 56.77% subsidiary of the Company. The WBL Group's results were consolidated with the UE Group's result thereafter.

WBL Group's core businesses comprise Automotive, Property, Technology and Engineering, Manufacturing & Distribution.

### **Q3 2013 compared with Q3 2012 performance**

Revenue increased 380% to \$732.0 million in Q3 2013 from \$152.4 million in Q3 2012, mainly due to the consolidation of WBL Group's revenue contribution of approximately \$573.1 million. The higher revenue was also attributable to the increased rental from the Group's income producing properties, and contribution from the Group's listed subsidiary UE E&C Ltd. Gross profit increased 121% to \$93.3 million in Q3 2013 in line with the increase in revenue. Gross profit margin dropped to 12.8% in Q3 2013 as compared with 27.8% in Q3 2012 mainly attributable to the gross losses incurred by one of the listed subsidiaries of WBL Group, Multi-Fineline Electronix, Inc. (MFLEX).

Other income increased to \$15.2 million in Q3 2013 from \$1.4 million in Q3 2012 mainly due to gain from disposal of available-for-sale financial assets held by one of the subsidiaries of WBL Group.

Distribution costs increased to \$30.7 million in Q3 2013 from \$3.0 million in Q3 2012 mainly due to the inclusion of WBL Group's distribution costs of approximately \$27.8 million.

Administrative expenses increased 120% to \$49.9 million in Q3 2013 from \$22.7 million in Q3 2012 mainly due to inclusion of WBL Group's administrative expenses of approximately \$22.7 million as well as higher staff and operating costs arising from the commencement of operation of *UE Bizhub EAST* and *Park Avenue Changi*.

Finance costs increased 100% to \$10.7 million in Q3 2013 from \$5.4 million in Q3 2012 mainly due to higher borrowings to finance the acquisition of WBL and the property at 79 Anson Road.

Other expenses increased 23% to \$5.6 million in Q3 2013 from \$4.5 million in Q3 2012 mainly due to inclusion of WBL Group's other expenses of approximately \$2.5 million. The increase was partially offset by lower foreign exchange loss in Q3 2013.

Income tax expense was \$8.8 million in Q3 2013 compared with income tax benefit of \$4.1 million in Q3 2012 mainly due to write-back of overprovision of prior years' income tax recorded in Q3 2012. The increase was also in line with the higher profit in Q3 2013.



### **9 months 2013 compared with 9 months 2012 performance**

Revenue increased 184% to \$1.17 billion in 9 months 2013 from \$413.3 million in 9 months 2012, mainly due to the consolidation of WBL Group's revenue contribution of approximately \$722.6 million. The higher revenue was also attributable to the increased rental from the Group's income producing properties, and contribution from the Group's listed subsidiary UE E&C Ltd. Gross profit increased 63% to \$194.5 million in 9 months 2013 in line with the increase in revenue. Gross profit margin dropped to 16.6% in 9 months 2013 as compared with 28.8% in 9 months 2012 mainly attributable to the gross losses incurred by one of the listed subsidiaries of WBL Group, MFLEX.

Other income increased to \$49.6 million in 9 months 2013 from \$3.9 million in 9 months 2012 mainly due to the deemed disposal gain from available-for-sale financial assets (previously held directly and indirectly through an associated company by UE Group) now accounted for as subsidiaries arising from the acquisition of WBL. The increase was also due to gain from disposal of available-for-sale financial assets held by one of the subsidiaries of WBL Group.

Distribution costs increased to \$48.0 million in 9 months 2013 from \$9.2 million in 9 months 2012 mainly due to the inclusion of WBL Group's distribution costs of approximately \$38.7 million.

Administrative expenses increased 87% to \$110.3 million in 9 months 2013 from \$58.9 million in 9 months 2012 mainly due to inclusion of WBL Group's administrative expenses of approximately \$25.4 million, higher staff and operating costs arising from the commencement of operation of *UE Bizhub EAST* and *Park Avenue Changi* as well as professional fee and related expense incurred for the takeover offers for WBL. The increase was also due to the consent fees paid to UEL's Multicurrency Medium Term Note bondholders pursuant to the approval of amendments made to the MTN Trust Deed recorded in 9 months 2013.

Finance costs increased 87% to \$23.7 million in 9 months 2013 from \$12.6 million in 9 months 2012 mainly due to the cessation of the capitalisation of interest expense arising from the completion of *UE Bizhub EAST*, as well as higher borrowings to finance the acquisition of WBL and the property at 79 Anson Road.

Other expenses increased 42% to \$15.9 million in 9 months 2013 from \$11.2 million in 9 months 2012 mainly due to inclusion of WBL Group's other expenses of approximately \$7.1 million. The increase was partially offset by lower foreign exchange loss in 9 months 2013.

Income tax expense increased to \$17.6 million in 9 months 2013 from \$2.5 million in 9 months 2012 mainly due to write-back of overprovision of prior years' income tax recorded in 9 months 2012. The increase was also in line with the higher profit in 9 months 2013.

The Group's **attributable profit** was \$12.5 million in Q3 2013 compared with \$12.8 million in Q3 2012. For 9 months 2013 attributable profit was \$35.4 million in 9 months 2013 compared with \$30.0 million in 9 months 2012.

**Earnings per ordinary stock unit (EPS)** was 3.0 cents compared with 3.5 cents (restated\*) in Q3 2012. EPS for 9 months 2013 and 9 months 2012 was 10.3 cents and 8.4 cents (restated\*) respectively.

**Net asset per ordinary stock unit** stood at \$2.70 as at 30 September 2013 compared with \$4.06 as at 31 December 2012.

\* Restated for the effect of Rights Issue completed in September 2013.

## Financial position review

- The increase in the Group's properties, plant and equipment, investments in associates, investments in joint ventures, inventories and properties held for sale as compared with FY 2012 was mainly due to the consolidation of WBL Group.
- Investment properties increased by \$251 million mainly due to the acquisition of the commercial property at 79 Anson Road. The increase was partially offset by the reclassification of *UE Bizhub EAST* to assets of disposal group classified as held for sale arising from the proposed divestment of the property to the trustee of the Viva Industrial Real Estate Investment Trust.
- Intangible assets increased by \$213 million mainly due to the provisional goodwill recognised on the acquisition of WBL Group and the consolidation of WBL Group's intangible assets. The determination of the goodwill on the acquisition of WBL Group will be further subject to the finalisation of the Purchase Price Allocation exercise being carried out by UE Group.
- Current trade and other receivables increased by \$238 million mainly due to the consolidation of WBL Group's trade and other receivables of \$348 million, which was partially offset by collection of the balance payment from *The Rochester* project upon obtaining the Certificate of Statutory Completion.
- The increase in assets and liabilities of disposal group classified as held for sale<sup>1</sup> relates to the following events:
  1. In July 2013, the Group has announced the proposed divestment of the built-to-suit mixed used development at Changi Business Park (known as *UE Bizhub EAST*) to the trustee of the proposed Viva Industrial Real Estate Investment Trust.

The divestment of *UE Bizhub EAST* was completed as announced on 4 November 2013.
  2. The proposed sale of UE Orchard Pte Ltd and UE Somerset Pte Ltd to OCBC under a sale and purchase agreement with OCBC as announced in June 2010.

The divestment of UE Orchard Pte Ltd and UE Somerset Pte Ltd is expected to be concluded by Q3 2014.
- Current trade and other payable increased by \$546 million mainly due to consolidation of WBL Group.
- Total borrowings increased by \$1.18 billion mainly due to the drawdowns of loans to finance the acquisition of WBL and the consolidation of WBL Group's borrowings of \$516 million. The increase was also due to the drawdowns of loans to finance the acquisition of property at 79 Anson Road and the construction of *orchardgateway*.

<sup>1</sup> Under Financial Reporting Standard 105 (FRS105), re-classification of the carrying value of assets and liabilities of disposal group as held for sale is required if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such sale should be expected to qualify for recognition as a completed sale within 12 months from the date of such classification.

## Segment review

### Property Development

	3 months ended			9 months ended		
	30/9/2013	30/9/2012	Change	30/9/2013	30/9/2012	Change
	\$000	\$000	%	\$000	\$000	%
<b>Revenue</b>	–	–	NM	120*	–	NM
<b>Operating (loss)/profit before interest</b>	(410)	568	NM	(412)	850	NM

NM: Not meaningful

\*: Related to dividend income received from an investment.

No revenue was recorded in Q3 2013 and in 9 months 2013 for on-going projects. The executive condominium development project currently undertaken by the Group, *Austville Residences* is accounted for based on completion of construction (COC) method. This project is expected to be completed in 2014. The private condominium development *8 Riversuites* is in the early stage of construction and will start contributing to development revenue toward last quarter of the year. The Group incurred an operating loss before interest of \$0.4 million in Q3 2013 and in 9 months 2013 compared with an operating profit before interest of \$0.6 million and \$0.9 million in Q3 2012 and in 9 months 2012 respectively.

### Property Rental & Services

	3 months ended			9 months ended		
	30/9/2013	30/9/2012	Change	30/9/2013	30/9/2012	Change
	\$000	\$000	%	\$000	\$000	%
<b>Revenue</b>	52,026	42,242	23	150,026	129,191	16
<b>Operating profit before interest</b>	15,455	9,438	64	43,968	33,384	32

Revenue increased 23% to \$52.0 million in Q3 2013 from \$42.2 million in Q3 2012 and 16% to \$150.0 million in 9 months 2013 from \$129.2 million in 9 months 2012 mainly due to rental contribution from *UE Bizhub EAST, Park Avenue Changi* and 79 Anson Road. The increase for 9 months 2013 was partially offset by the expiry of the lease at *United Tech Park* in April 2012 which was not renewed. Operating profit before interest increased 64% to \$15.4 million in Q3 2013 from \$9.4 million in Q3 2012 and 32% to \$44.0 million in 9 months 2013 from \$33.4 million in 9 months 2012 mainly due to higher revenue.

### Engineering & Construction

	3 months ended			9 months ended		
	30/9/2013	30/9/2012	Change	30/9/2013	30/9/2012	Change
	\$000	\$000	%	\$000	\$000	%
<b>Revenue</b>	125,010	117,012	7	339,301	310,145	9
<b>Operating profit before interest</b>	14,857	6,307	136	35,698	15,242	134

Revenue increased 7% to \$125.0 million in Q3 2013 from \$117.0 million in Q3 2012 and 9% to \$339.3 million in 9 months 2013 from \$310.1 million in 9 months 2012 mainly due to higher contribution from the Group's listed subsidiary *UE E&C Ltd.* Operating profit before interest increased 136% to \$14.9 million in Q3 2013 from \$6.3 million in Q3 2012 and 134% to \$35.7 million in 9 months 2013 from \$15.2 million in 9 months 2012 mainly due to cost saving from certain completed projects.

### WBL Group

	3 months ended			9 months ended		
	30/9/2013	30/9/2012	Change	30/9/2013	30/9/2012	Change
	\$000	\$000	%	\$000	\$000	%
<b>Revenue</b>	573,106	–	NM	722,565	–	NM
<b>Operating loss before interest</b>	(4,980)	–	NM	(14,977)	–	NM

NM: Not meaningful

This represents WBL Group's results for the period from June 2013 to September 2013 following the successful takeover offers of WBL which closed on 29 May 2013. Revenue contribution for Q3 2013 and 9 months 2013 was primarily from WBL Group's Automotive and Technology businesses. Operating loss before interest was mainly due to losses incurred by its listed Technology subsidiary, *MFLEX*, partially offset by profits from its other business divisions.

## Cash flow review

As at 30 September 2013, the Group had cash and cash equivalents of \$636 million of which \$271 million was contributed by WBL Group. During the 9 months 2013, the Group received the balance payment from *The Rochester* and progress billings from *Austville Residences* and *Eight Riversuites*. These were partially offset by development expenditure of \$269 million incurred for *orchardgateway*, *Austville Residences* and *Eight Riversuites*.

The Group utilised \$894 million in investing activities of which mainly \$424 million was for the acquisition of the property at 79 Anson Road and \$308 million (net of cash acquired) for the acquisition of WBL Group.

The Group also received net proceeds of approximately \$455 million from the Rights Issue (as defined in the Company's Offer Information Statement dated 27 August 2013). The entire net proceeds from the Rights Issue has been used to repay borrowings.

Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2012 to 30 September 2013 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.

The Group did not make any forecast statement previously. The Group's Q3 2013 results are in line with the prospect statement made in paragraph 10 of the Company's Q2 2013 results announcement on 14 August 2013.

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 will continue to execute a number of major property developments in Singapore and China, which include the *orchardgateway* in Singapore and Orchard Summer Palace in Shenyang, China.

The Group expects the uneven performance of property development business to continue given that the executive condominium project in Singapore and development projects in China are accounted for using the completion-of-construction method. The on-going cooling measures by the Singapore and Chinese Governments will continue to weigh on the sentiment of home buyers. In view of the continued global economic uncertainties and the slowing Chinese economy, while the Group will seek out opportunities as and when they arise, it will continue to adopt a cautious approach when bidding for new property projects in the next 12 months.

Against a backdrop of a strong construction demand in Singapore in 2013, the Group remains optimistic about its construction and engineering businesses. However, with the tight foreign labour policies implemented by the Singapore Government, the Group will continue to strive to raise productivity through improving its work processes and introducing new technology in its operations and project execution.

The recent announcement of the refinement of the categorisation to the COE system, the introduction of the tiered system of Additional Registration Fee and the revisions to the quantum and tenure of car loans may have a dampening effect on the Singapore car market as consumers adjust to these new changes. The Group believes that WBL's portfolio of diverse automotive brands and products may mitigate demand downside risks and the current margin compression in certain segments of the Singapore car market. The Group will continue to build on its brand portfolio and its position as a leading premium car distributor in the Asia Pacific region.

The Group's technology business (MFS Technology Ltd and MFLEX) will continue to focus on managing cost and inventory levels and further diversifying its customer and product base to support its longer term growth objectives.

Following the acquisition of WBL, the Group immediate priority is to improve on its existing businesses. The Group will continue to enhance efficiencies across its businesses by extracting synergies, improving operational effectiveness, rigorously reviewing its costs structure, and to stay on track to deliver its high quality growth projects. As part of the Group's on-going review in relation to WBL's operations, the Group may from time to time review investment and divestment opportunities as well as streamline its activities.

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 26 April 2013. Save as disclosed below, there was no other IPT for the period ended 30 September 2013.

Name of interested person	Description	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)
Mr Jackson Chevalier Yap Kit Siong (Group Managing Director and Chief Executive Officer)	Purchase of a residential unit at The Manhattan, Kuala Lumpur, Malaysia	SGD 466,850* (will receive a 6% discount upon TOP#)	-

\*Converted based on exchange rate of 0.3997

# Temporary Occupation Permit

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn

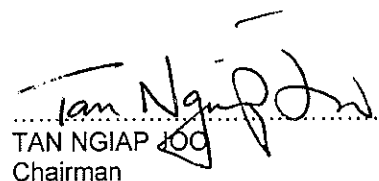
Secretary

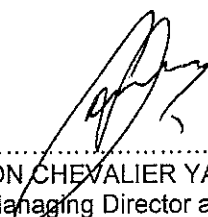
14 November 2013

**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 2013 and period ended 30 September 2013 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