

Q3 2012 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 AND PERIOD ENDED 30 SEPTEMBER 2012 RESULTS

These figures have not been audited.

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

	Group					
	3 months ended			9 months ended		
	30/9/2012	30/9/2011	Change	30/9/2012	30/9/2011	Change
	\$000	\$000	%	\$000	\$000	%
Revenue*	152,387	739,818	(79)	413,262	1,066,125	(61)
Cost of sales	(110,091)	(513,126)	(79)	(294,233)	(724,184)	(59)
Gross profit	42,296	226,692	(81)	119,029	341,941	(65)
Other items of income						
Interest income	790	886	(11)	2,426	1,835	32
Other income	1,399	691	103	3,867	4,497	(14)
Other items of expense						
Distribution costs	(2,973)	(3,595)	(17)	(9,224)	(9,991)	(8)
Administrative expenses	(22,671)	(18,287)	24	(58,857)	(51,273)	15
Finance costs	(5,353)	(2,871)	87	(12,646)	(7,294)	73
Other expenses	(4,556)	(6,578)	(31)	(11,157)	(17,494)	(36)
Operating profit	8,932	196,938	(96)	33,438	262,221	(87)
Share of profit from equity-accounted associates and joint ventures	2,317	2,595	(11)	5,261	4,883	8
Profit before tax	11,249	199,533	(94)	38,699	267,104	(86)
Income tax benefit/(expense)	4,137	(33,970)	NM	(2,525)	(45,411)	(94)
Profit net of tax	15,386	165,563	(91)	36,174	221,693	(84)
Attributable to:						
Owners of the Company	12,802	159,845	(92)	29,973	210,934	(86)
Non-controlling interests	2,584	5,718	(55)	6,201	10,759	(42)
	15,386	165,563	(91)	36,174	221,693	(84)
Earnings per stock unit (cents)						
Basic	4.3¢	57.1¢		10.2¢	76.8¢	
Diluted	4.1¢	49.9¢		9.8¢	67.1¢	

NM: Not meaningful

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

	Group					
	3 months ended			9 months ended		
	30/9/2012	30/9/2011	Change	30/9/2012	30/9/2011	Change
	\$000	\$000	%	\$000	\$000	%
* Revenue comprises:						
Sales of goods	7,460	6,484	15	25,662	18,497	39
Sales of properties held for sale	–	646,745	(100)	–	764,152	(100)
Rendering of services	22,870	21,354	7	71,277	65,671	9
Revenue from construction contracts	98,663	46,590	112	251,619	162,513	55
Rental income	23,290	18,645	25	64,300	54,866	17
Dividend income	104	–	100	404	426	(5)
Total revenue	152,387	739,818	(79)	413,262	1,066,125	(61)

1(a)(ii) Other information:

	Group			
	3 months ended		9 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	\$000	\$000	\$000	\$000
Depreciation and amortisation	(3,315)	(2,695)	(9,937)	(7,665)
Foreign exchange loss	(2,998)	(479)	(5,764)	(4,406)
Gain on disposal of investment properties	–	–	–	2,500
Gain/(loss) on held for trading investments	514	(1,076)	396	(2,179)
Over provision of prior years tax	6,000	–	6,000	2,800

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

	Group			
	3 months ended		9 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	\$000	\$000	\$000	\$000
Profit net of tax for the period	15,386	165,563	36,174	221,693
Other comprehensive income				
Gains on exchange differences on translation, net of tax	234	1,598	1,357	2,349
Gains/(losses) on remeasuring available-for-sale investments, net of tax	733	(932)	1,385	(3,107)
Share of other comprehensive income from equity-accounted associates, net of tax	(4,627)	(4,570)	1,175	(13,336)
Gains on cash flow hedges, net of tax	–	4	–	382
Other comprehensive income for the period, net of tax	(3,660)	(3,900)	3,917	(13,712)
Total comprehensive income for the period	11,726	161,663	40,091	207,981
Attributable to:				
Owners of the Company	9,353	155,944	34,054	197,246
Non-controlling interests	2,373	5,719	6,037	10,735
	11,726	161,663	40,091	207,981

1(b)(i) Statements of financial position

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
	\$000	\$000	\$000	\$000
ASSETS				
Non-current assets				
Property, plant and equipment	82,745	81,202	26,410	27,800
Properties development costs	103,516	45,167	–	–
Investment properties	1,268,684	1,242,806	672,226	669,000
Intangible assets	24,532	26,170	–	–
Investments in subsidiaries	–	–	558,272	448,374
Investments in associates	50,706	48,424	315	315
Investments in joint ventures	101,877	51,743	–	–
Deferred tax assets	1,391	1,391	–	–
Trade and other receivables	15,063	23,045	–	–
Other investments	7,179	6,970	6,870	6,871
Total non-current assets	1,655,693	1,526,918	1,264,093	1,152,360
Current assets				
Inventories	6,525	7,516	–	–
Income tax receivables	179	51	–	–
Trade and other receivables	293,691	301,915	40,865	26,743
Other investments	11,124	9,703	–	–
Gross amount due from customers for contract work	18,513	16,252	–	–
Prepayments	3,985	4,286	2,631	3,032
Properties held for sale	712,780	759,624	–	–
Bank balances and deposits	485,903	453,278	20,279	20,252
Total current assets	1,532,700	1,552,625	63,775	50,027
Total assets	3,188,393	3,079,543	1,327,868	1,202,387
EQUITY AND LIABILITIES				
Equity				
Share capital	323,526	300,898	323,526	300,898
Retained earnings	814,092	828,294	515,282	480,234
Other reserves	59,113	55,131	24,046	23,939
Equity attributable to owners of the Company	1,196,731	1,184,323	862,854	805,071
Non-controlling interests	58,038	54,724	–	–
Total equity	1,254,769	1,239,047	862,854	805,071
Non-current liabilities				
Deferred tax liabilities	30,507	24,614	272	660
Trade and other payables	12,362	9,835	–	–
Borrowings	1,164,677	1,157,433	422,530	285,618
Total non-current liabilities	1,207,546	1,191,882	422,802	286,278
Current liabilities				
Provisions	–	790	–	–
Income tax payable	17,840	66,707	4,019	7,191
Trade and other payables	385,407	379,874	14,119	20,480
Borrowings	291,906	176,394	24,074	83,367
Gross amount due to customers for contract work	30,925	24,849	–	–
Total current liabilities	726,078	648,614	42,212	111,038
Total liabilities	1,933,624	1,840,496	465,014	397,316
Total equity and liabilities	3,188,393	3,079,543	1,327,868	1,202,387

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 30/9/2012		As at 31/12/2011	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
188,457	103,449	12,565	163,829

- (b) Amount repayable after one year

As at 30/9/2012		As at 31/12/2011	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
798,172	366,505	888,966	268,467

- (c) Details of any collaterals

Property, plant & equipment and investment properties amounting to \$23,000 (31 December 2011: \$989,000) and \$562,661,000 (31 December 2011: \$539,888,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$858,743,000 (31 December 2011: \$795,090,000) have also been mortgaged to secure term loan facilities of certain subsidiaries. A term loan facility of the Company was secured by a first fixed charge of 100% shareholding in a wholly owned subsidiary, UE Orchard Pte Ltd as well as assignments of the shareholder's loans, insurances, development documents, project documents and bank accounts.

1(c) Statement of cash flows

	Group			
	3 months ended		9 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Profit before tax	11,249	199,533	38,699	267,104
Depreciation of property, plant and equipment	3,054	2,558	9,153	7,089
Interest income	(790)	(886)	(2,426)	(1,835)
Finance costs	5,353	2,871	12,646	7,294
Amortisation of intangible assets	261	137	784	576
Currency realignment	1,129	(273)	(760)	(5,290)
Dividend income from other investments	(104)	–	(404)	(426)
Gain on disposal of investment properties	–	–	–	(2,500)
Gain on disposal of property, plant and equipment	(33)	(64)	(65)	(499)
(Gain)/loss on held for trading investments	(514)	1,076	(396)	2,179
Impairment loss on property, plant and equipment	–	740	–	740
(Reversal of impairment)/impairment loss on properties held for sale	–	(216)	–	916
Write-down/(reversal of write-down) of inventories	9	909	(10)	950
Share of profit from equity-accounted associates and joint ventures	(2,317)	(2,595)	(5,261)	(4,883)
Unrealised exchange loss/(gain)	1,792	(364)	5,444	3,339
Operating cash flows before changes in working capital	19,089	203,426	57,404	274,754
Changes in working capital				
Properties held for sale				
- Development expenditure	(10,825)	(646,805)	(48,096)	(888,716)
- Proceeds from progress billings	82,352	556,333	104,361	649,201
Decrease/(increase) in trade and other receivables	2,358	(359,629)	15,581	(351,565)
(Decrease)/increase in gross amount due to customers for contract work	(4,527)	2,323	6,075	7,110
Increase in trade and other payables and provisions	18,955	67,850	6,243	61,926
(Increase)/decrease in gross amount due from customers for contract work	(368)	783	(1,392)	21,753
Decrease/(increase) in inventories	(774)	(750)	2,725	(2,755)
Cash flows from/(used in) operations	106,260	(176,469)	142,901	(228,292)
Income taxes paid	(18,242)	(4,463)	(44,905)	(15,754)
Interest paid	(9,919)	(1,027)	(23,498)	(5,724)
Interest received	790	545	2,389	1,518
Net cash flows from/(used in) operating activities	78,889	(181,414)	76,887	(248,252)

1(c) Statement of cash flows (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	\$000	\$000	\$000	\$000
Cash flows from investing activities				
Acquisition of intangible assets	(98)	(1,668)	(484)	(2,657)
Acquisition of non-controlling interests	(296)	–	(296)	–
Decrease/(increase) in loans to joint ventures	34	–	(40,139)	–
Increase in amounts due from associates and joint ventures	(1,887)	(344)	(3,373)	(258)
Investment in joint venture	–	–	(3,000)	–
Dividends received from associates	321	326	321	326
Dividends received from other investments	104	–	404	426
Proceeds from disposal of property, plant and equipment	33	154	3,630	2,713
Proceeds from disposal of investment properties	–	–	–	12,470
Purchase of property, plant and equipment	(4,211)	(4,413)	(17,506)	(14,381)
Subsequent properties development expenditure	(37,153)	(83,460)	(83,123)	(142,501)
Net cash flows used in investing activities	(43,153)	(89,405)	(143,566)	(143,862)
Cash flows from financing activities				
Contribution from non-controlling interests	2,369	–	2,519	–
(Decrease)/increase in trust receipts and bills payable	(86)	281	575	174
(Decrease)/increase in short-term loans	(10,315)	14,733	(45,906)	157,715
Dividends paid	–	–	(44,175)	(27,648)
Dividends paid to non-controlling interests of subsidiaries	–	–	(5,152)	–
Issuance of shares upon exercise of share options	282	–	1,107	558
Net proceeds from dilution of interests in subsidiaries	–	–	–	31,937
Proceeds from issue of medium term notes	–	–	150,000	–
Proceeds from long-term loans	22,597	415,077	143,266	492,110
Repayment of long-term loans	(204)	(4,924)	(100,337)	(66,279)
Net cash flows from financing activities	14,643	425,167	101,897	588,567
Net increase in cash and cash equivalents	50,379	154,348	35,218	196,453
Cash and cash equivalents, beginning balance	424,005	295,094	439,166	252,989
Cash and cash equivalents, ending balance	474,384	449,442	474,384	449,442
Cash and cash equivalents comprise:				
Bank balances and deposits	485,903	465,302	485,903	465,302
Bank overdrafts	(11,519)	(15,860)	(11,519)	(15,860)
Cash and cash equivalents	474,384	449,442	474,384	449,442

1(d)(i) Statements of Changes in Equity
The Group
Attributable to owners of the Company

	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)
The Group
Attributable to owners of the Company

	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
Profit for the period	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)	–	–	–	–
Other comprehensive income for the period	(3,660)	(3,449)	–	–	(3,894)	–	445	–	(211)
Total comprehensive income for the period	11,726	9,353	–	12,802	(3,894)	–	445	–	2,373
Contributions by and distributions to owners									
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	–
Total contributions by and distributions to owners in their capacity as owners	6,051	6,051	6,022	–	–	–	–	29	–
Changes in ownership interests in subsidiaries									
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)
Total changes in ownership interests in subsidiaries	2,073	(206)	–	–	–	–	–	(206)	2,279
Total transactions with owners in their capacity as owners	8,124	5,845	6,022	–	–	–	–	(177)	2,279
Closing balance at 30/9/2012	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)
The Group
Attributable to owners of the Company

	Attributable to owners of the Company								
	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2011	920,973	922,063	273,902	592,944	42,354	4,081	(8,317)	17,099	(1,090)
Profit for the period	56,130	51,089	–	51,089	–	–	–	–	5,041
Gains/(losses) on exchange differences on translation, net of tax	751	776	–	–	–	–	776	–	(25)
Losses on remeasuring available-for-sale financial assets, net of tax	(2,175)	(2,175)	–	–	(2,175)	–	–	–	–
Gains on cash flow hedges, net of tax	378	378	–	–	–	–	–	378	–
Share of other comprehensive income from equity-accounted associate, net of tax	(8,766)	(8,766)	–	–	(8,766)	–	–	–	–
Other comprehensive income for the period	(9,812)	(9,787)	–	–	(10,941)	–	776	378	(25)
Total comprehensive income for the period	46,318	41,302	–	51,089	(10,941)	–	776	378	5,016
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	18,551	18,551	18,551	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	558	558	558	–	–	–	–	–	–
Equity portion of convertible bonds	201	201	–	–	–	–	–	201	–
Dividends paid	(27,648)	(27,648)	–	(27,648)	–	–	–	–	–
Total contributions by and distributions to owners in their capacity as owners	(8,338)	(8,338)	19,109	(27,648)	–	–	–	201	–
Changes in ownership interests in subsidiaries									
Dilution of interests in subsidiaries	31,937	3,815	–	–	–	–	–	3,815	28,122
Total changes in ownership interests in subsidiaries	31,937	3,815	–	–	–	–	–	3,815	28,122
Total transactions with owners in their capacity as owners	23,599	(4,523)	19,109	(27,648)	–	–	–	4,016	28,122
Closing balance at 30/6/2011	990,890	958,842	293,011	616,385	31,413	4,081	(7,541)	21,493	32,048

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

The Group

Attributable to owners of the Company

	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
Profit for the period	165,563	159,845	–	159,845	–	–	–	–	5,718
Gains on exchange differences on translation, net of tax	1,598	1,597	–	–	–	–	1,597	–	1
Losses on remeasuring available-for-sale financial assets, net of tax	(932)	(932)	–	–	(932)	–	–	–	–
Gains on cash flow hedges, net of tax	4	4	–	–	–	–	–	4	–
Share of other comprehensive income from equity-accounted associate, net of tax	(4,570)	(4,570)	–	–	(4,570)	–	–	–	–
Other comprehensive income for the period	(3,900)	(3,901)	–	–	(5,502)	–	1,597	4	1
Total comprehensive income for the period	161,663	155,944	–	159,845	(5,502)	–	1,597	4	5,719
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,699	3,699	3,699	–	–	–	–	–	–
Equity portion of convertible bonds	40	40	–	–	–	–	–	40	–
Total transactions with owners in their capacity as owners	3,739	3,739	3,699	–	–	–	–	40	–
Closing balance at 30/9/2011	1,156,292	1,118,525	296,710	776,230	25,911	4,081	(5,944)	21,537	37,767

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

The Company

	Total equity	Share capital	Retained earnings	AFS reserve	Share option reserve	Other reserves
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2012	805,071	300,898	480,234	5,349	4,081	14,509
Profit for the period	73,972	–	73,972	–	–	–
Total comprehensive income for the period	73,972	–	73,972	–	–	–
Contributions by and distributions to owners						
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)	–	–	–
Total transactions with owners in their capacity as owners	(27,491)	16,606	(44,175)	–	–	78
Closing balance at 30/6/2012	851,552	317,504	510,031	5,349	4,081	14,587
Profit for the period	5,251	–	5,251	–	–	–
Total comprehensive income for the period	5,251	–	5,251	–	–	–
Contributions by and distributions to owners						
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
Total transactions with owners in their capacity as owners	6,051	6,022	–	–	–	29
Closing balance at 30/9/2012	862,854	323,526	515,282	5,349	4,081	14,616
Opening balance at 1/1/2011	750,879	273,902	453,580	5,091	4,081	14,225
Profit for the period	59,084	–	59,084	–	–	–
Other comprehensive income for the period	351	–	–	351	–	–
Total comprehensive income for the period	59,435	–	59,084	351	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	18,551	18,551	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	558	558	–	–	–	–
Equity portion of convertible bonds	201	–	–	–	–	201
Dividends paid	(27,648)	–	(27,648)	–	–	–
Total transactions with owners in their capacity as owners	(8,338)	19,109	(27,648)	–	–	201
Closing balance at 30/6/2011	801,976	293,011	485,016	5,442	4,081	14,426
Profit for the period	6,225	–	6,225	–	–	–
Other comprehensive income for the period	(99)	–	–	(99)	–	–
Total comprehensive income for the period	6,126	–	6,225	(99)	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	3,699	3,699	–	–	–	–
Equity portion of convertible bonds	40	–	–	–	–	40
Total transactions with owners in their capacity as owners	3,739	3,699	–	–	–	40
Closing balance at 30/9/2011	811,841	296,710	491,241	5,343	4,081	14,466

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

During Q3 2012, the Company issued 4,506,641 ordinary shares on conversion of \$6,038,901 convertible bonds and 209,400 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 17,041,361 ordinary shares on conversion of \$22,835,431 convertible bonds and 766,400 ordinary shares arising from the exercising of the options under the Scheme 2000.

As at 30 September 2012, there were 4,198,350 (30 September 2011: 5,384,900) unexercised options for ordinary shares under Scheme 2000 and \$27,559,720 (30 September 2011: \$54,719,465) convertible bonds which are convertible into 20,566,955 (30 September 2011: 40,835,422) shares at the conversion price of \$1.34 per share.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2012, the Company's issued and paid-up ordinary share capital excluding treasury shares was 301,991,164 ordinary stock units (31 December 2011: 284,183,403).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Group's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Other than as mentioned in 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 2011.

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 July 2011.

The following is the amended FRS that is relevant to the Group:

Amendments to FRS 107 Disclosures – Transfers of Financial Assets

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	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
(a) Basic*:	4.3¢	57.1¢	10.2¢	76.8¢
(b) Diluted**:	4.1¢	49.9¢	9.8¢	67.1¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	300,179,937	279,820,658	293,707,922	274,682,670
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>321,346,597</u>	<u>321,262,076</u>	<u>314,863,742</u>	<u>316,487,591</u>

* Earnings per ordinary stock unit on existing issued share capital, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units in issue during the period.

** Earnings per ordinary stock unit on a fully diluted basis, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units during the period adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$3.96</u>	<u>\$4.17</u>	<u>\$2.86</u>	<u>\$2.84</u>

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Overview

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

Q3 2012 compared with Q3 2011 performance

Revenue decreased 79% from \$739.8 million in Q3 2011 to \$152.4 million mainly due to no revenue contribution from the property sales following the completion of *The Rochester* and *Park Central @ AMK* projects in Q3 2011. This was partially offset by the maiden rental contribution from *The Rochester Mall* and *Park Avenue Rochester*. As a result, gross profit decreased 81% from \$226.7 million in Q3 2011 to \$42.3 million. Gross profit percentage decreased to 27.8% compared with 30.6% in Q3 2011.

Other income increased 103% from \$0.7 million in Q3 2011 to \$1.4 million mainly due to fair value gain from held-for-trading investments recorded in Q3 2012.

Administrative expenses increased 24% from \$18.3 million in Q3 2011 to \$22.7 million mainly due to higher staff and operating costs arising from the commencement of operation of *The Rochester Mall* and *Park Avenue Rochester* in Q4 2011.

Finance costs increased 87% from \$2.9 million in Q3 2011 to \$5.4 million mainly due to the cessation of the capitalisation of interest expense arising from the completion of *The Rochester Mall*, *Park Avenue Rochester* and *UE Bizhub EAST*, as well as higher interest rates.

Other expenses decreased 31% from \$6.6 million in Q3 2011 to \$4.6 million mainly due to fair value loss from held for trading investments, impairment loss on plant and equipment and write-down of inventories incurred in Q3 2011, partially offset by higher foreign exchange loss in Q3 2012.

Income tax benefit was \$4.1 million in Q3 2012 compared with income tax expense of \$34.0 million in Q3 2011 mainly due to write-back of overprovision for prior years' income tax and lower operating profit recorded in Q3 2012.

9-months 2012 compared with 9-months 2011 performance

Revenue decreased 61% from \$1.07 billion in 9-months 2011 to \$413.3 million mainly due to no revenue contribution from the property sales following the completion of *The Rochester, Park Central @ AMK* and the completed sale of *UE Print Media Hub* in 2011. This was partially offset by the maiden rental contribution from *The Rochester Mall* and *Park Avenue Rochester*. As a result, gross profit decreased 65% from \$341.9 million in 9-months 2011 to \$119.0 million. Gross profit percentage decreased from 32.1% in 9-months 2011 to 28.8%.

Other income decreased 14% from \$4.5 million in 9-months 2011 to \$3.9 million mainly due to the absence of the gain on disposal of investment properties at Tanjong Pagar recorded in 9-months 2011.

Administrative expenses increased 15% from \$51.3 million in 9-months 2011 to \$58.9 million mainly due to higher staff and operating costs arising from the commencement of operation of *The Rochester Mall* and *Park Avenue Rochester* in Q4 2011. The increase was partially offset by write-back of staff bonus provision in 9-months 2012.

Finance costs increased 73% from \$7.3 million in 9-months 2011 to \$12.6 million mainly due to the cessation of the capitalisation of interest expense arising from the completion of *The Rochester Mall, Park Avenue Rochester* and *UE Bizhub EAST*, as well as higher interest rates.

Other expenses decreased 36% from \$17.5 million in 9-months 2011 to \$11.2 million mainly due to fair value loss from held for trading investments, impairment loss on properties held for sale, impairment loss on plant and equipment and write-down of inventories incurred in 9-months 2011. The decrease was partially offset by higher foreign exchange loss in 9-months 2012.

Income tax expense decreased 94% from \$45.4 million in 9-months 2011 to \$2.5 million mainly due to the write-back of overprovision for prior years' income tax and lower operating profit recorded in 9-months 2012.

The Group's **attributable profit** decreased to \$12.8 million in Q3 2012 compared with \$159.8 million in Q3 2011. For the 9 months ended 30 September 2012 attributable profit was \$30.0 million compared with \$210.9 million for the corresponding period in 2011.

Earnings per ordinary stock unit (EPS) decreased to 4.3 cents compared with 57.1 cents in Q3 2011. EPS for the 9 months ended 30 September 2012 and 30 September 2011 were 10.2 cents and 76.8 cents respectively.

Net asset per ordinary stock unit stood at \$3.96 as at 30 September 2012 compared with \$4.17 as at 31 December 2011.

Financial position review

Properties development costs increased by \$58 million mainly due to development expenditures incurred for *orchardgateway*.

Investment in joint ventures increased by \$50 million mainly due to the Group's cost of investment and loans to The Seletar Mall Pte Ltd, a 30% JV company which undertakes a retail mall development at Sengkang West Avenue/ Fernvale Road.

Total borrowings increased by \$123 million mainly due to additional drawdown of loans to finance the construction of *UE Bizhub EAST, 8 Riversuites, orchardgateway* and the Group's share of the land acquisition costs of the commercial site at Sengkang West Avenue/Fernvale Road.

Equity attributable to owners of the Company increased by \$12 million mainly due an increase in share capital resulting from the ordinary shares issued on conversion of convertible bonds and exercise of share options, share of other comprehensive income from equity-accounted associates and the profit retained for the period, which was partially offset by the dividend payment in May 2012.

Segment review

In the **Property Development** segment, no revenue was recorded in Q3 2012 and in 9-months 2012 as the revenue from Executive Condominium development project currently undertaken by the Group, *Austville Residences* will be recognised only upon Temporary Occupation Permit (TOP) based on the completion of construction (COC) accounting method. This project is expected to obtain TOP in 2014. Construction work for *8 Riversuites*, which the Group launched in Q2 2012 has not commenced and hence no revenue was recognised as well. Operating profit before interest decreased 99.7% to \$0.6 million in Q3 2012 and 99.6% to \$0.9 million in 9-months 2012.

In the **Property Rental & Services** segment, revenue increased 22% to \$42.2 million in Q3 2012 and 21% to \$129.1 million in 9-months 2012 mainly due to the maiden rental contribution from *The Rochester Mall* and *Park Avenue Rochester*. Operating profit before interest increased 35% to \$9.5 million in Q3 2012 and 43% to \$33.4 million in 9-months 2012.

In the **Engineering & Construction** segment, revenue increased 10% to \$117.0 million in Q3 2012 and 3% to \$310.1 million in 9-months 2012 mainly due to higher revenue contribution from new and on-going projects undertaken by the UE E&C Group, offset by lower revenue contribution from the environmental engineering projects. Operating profit before interest decreased 77% to \$6.3 million in Q3 2012 and 63% to \$15.2 million in 9-months 2012 mainly due to the completion of several major projects with higher profit margin in 9-months 2011.

Cash flow review

As at 30 September 2012, the Group had cash and cash equivalents of \$474 million, an increase of \$35 million from 31 December 2011. The increase was mainly due to the progress billings received from *Austville Residences*, *8 Riversuites* projects and balance payment received from *The Rochester* and *Park Central @ AMK*, which was partially offset by development expenditure of \$131 million incurred by the Group for *orchardgateway*, *UE Bizhub EAST*, *Austville Residences* and *8 Riversuites* projects. The Group also issued a \$150 million 4.2 per cent Fixed Rate Notes pursuant to the \$500 million Multicurrency Medium Term Note Programme. Apart from the above, the Group's components of cash flow and financial position and changes in these components from 31 December 2011 to 30 September 2012 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 Company did not make any forecast statement previously. The Group's Q3 2012 results are in line with the statement made in paragraph 10 of the Company's Q2 2012 results announcement on 10 August 2012.

- 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's focus over the next 12 months will be on the execution of a number of major development projects, namely *8 Riversuites* at Bendemeer Road/Whampoa East, *Austville Residences* at Sengkang East Avenue/Buangkok Drive and *orchardgateway* at 277 Orchard Road (the former Specialists' Centre/Hotel Phoenix). These projects are not expected to contribute significantly to the Group's profits in 2012. The Group will also be focusing on its integrated business park operations and preparing for the commencement of the hotel and convention centre operations at *UE Bizhub EAST*. The Group expects that its turnover and operating profit will mainly be derived from recurring income from the Engineering & Construction and the Property Rental & Services segments.

The Group performance may also be affected by the on-going global economic uncertainties. Therefore, the Group will continue to adopt a cautious approach in bidding for projects over the next 12 months.

11 Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Directors do not recommend the payment of an interim dividend on either the Cumulative Preference Shares or the Ordinary Stock. However, as in past years, the Directors will consider the payment of a year-end final dividend for both the Cumulative Preference Shares and Ordinary Stock.

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 27 April 2012. There was no IPT with amount exceeding S\$100,000 each for the period ended 30 September 2012.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn

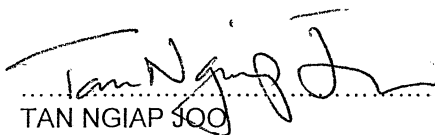
Secretary

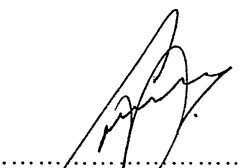
9 November 2012

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 2012 and period ended 30 September 2012 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