

**Q3 2009 Financial Statement Announcement**

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 AND PERIOD ENDED 30 SEPTEMBER 2009 RESULTS

These figures have not been audited.

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

Group	3 months ended			9 months ended		
	30/9/2009 \$000	30/9/2008 \$000	Change %	30/9/2009 \$000	30/9/2008 \$000	Change %
Revenue*	169,505	144,195	18	485,555	417,984	16
Cost of Sales	(128,440)	(103,103)	25	(370,904)	(315,677)	17
Gross Profit	41,065	41,092	-	114,651	102,307	12
<u>Other Items of Income</u>						
Interest Income	768	768	-	1,740	2,282	(24)
Other Income	2,437	6,607	(63)	8,498	2,780	206
<u>Other Items of Expense</u>						
Distribution Costs	(3,007)	(2,764)	9	(7,664)	(7,157)	7
Administrative Expenses	(15,240)	(16,944)	(10)	(45,815)	(47,582)	(4)
Finance Costs	(2,262)	(2,643)	(14)	(8,244)	(8,190)	1
Other Expenses	(5,046)	(18,823)	(73)	(18,450)	(34,356)	(46)
<b>Operating Profit</b>	<b>18,715</b>	<b>7,293</b>	<b>157</b>	<b>44,716</b>	<b>10,084</b>	<b>343</b>
Share of (Loss)/Profit from Equity-Accounted Associates and Joint Venture	(86)	869	NM	(1,953)	1,170	NM
Profit Before Tax	18,629	8,162	128	42,763	11,254	280
Income Tax Expense	(4,912)	(3,576)	37	(8,572)	(1,502)	471
<b>Profit Net of Tax</b>	<b>13,717</b>	<b>4,586</b>	<b>199</b>	<b>34,191</b>	<b>9,752</b>	<b>251</b>
Profit Attributable to Equity Holders of Parent, Net of Tax	12,720	1,890	573	32,424	10,562	207
Profit/(Loss) Attributable to Minority Interest, Net of Tax	997	2,696	(63)	1,767	(810)	NM
	<b>13,717</b>	<b>4,586</b>	<b>199</b>	<b>34,191</b>	<b>9,752</b>	<b>251</b>
<b>Earnings per Stock Unit (cents)</b>						
Earnings per Stock (Basic)	5.2¢	0.8¢		14.1¢	4.8¢	
Earnings per Stock (Diluted)	4.4¢	0.8¢		11.6¢	4.7¢	
<u>* Revenue comprises:</u>						
Sales of goods	6,072	8,403	(28)	20,166	25,482	(21)
Sales of apartment units	46,627	10,500	344	110,902	22,600	391
Rendering of services	26,134	23,732	10	75,327	66,209	14
Revenue from construction contracts	72,775	84,013	(13)	227,132	249,353	(9)
Rental income	17,811	17,503	2	51,666	50,482	2
Dividend income	86	44	95	362	3,858	(91)
Total revenue	169,505	144,195	18	485,555	417,984	16

NM: Not meaningful

1(a)(ii) Other information:

	Group			
	3 months ended		9 months ended	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	\$000	\$000	\$000	\$000
Depreciation and amortisation	(2,322)	(2,469)	(6,610)	(6,130)
Foreign exchange (loss)/gain	(1,537)	1,163	(3,314)	(2,973)
(Impairment)/Reversal of assets and disposal groups held for sale under FRS 105	-	(6,104)	604	4,952
Gain/(Loss) on held for trading investments	2,417	(3,014)	6,510	(6,707)

1(b)(i) Balance Sheets

	Group		Company	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
	\$000	\$000	\$000	\$000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	41,730	43,417	719	1,359
Investment Properties	683,489	685,524	636,000	636,000
Intangible Assets	24,318	16,072	-	-
Investments in Subsidiaries	-	-	320,266	349,045
Investments in Associates	64,857	38,120	315	315
Investments in Joint Ventures	42,659	37,418	-	-
Deferred Tax Assets	2,443	1,354	-	-
Other Investments	9,258	8,856	5,522	5,217
Development Properties	211,652	184,834	-	-
<b>Total Non-Current Assets</b>	<b>1,080,406</b>	<b>1,015,595</b>	<b>962,822</b>	<b>991,936</b>
<b>Current Assets</b>				
Assets and Disposal Groups Held for Sale under FRS 105	-	187,215	-	-
Inventories	8,573	10,012	-	-
Income Tax Receivables	4,881	5,126	-	-
Trade and Other Receivables	188,422	200,216	30,703	22,259
Gross Amount due from Customers for Contract Work	29,435	50,876	-	-
Other Investments	17,288	8,604	-	-
Prepayments	4,650	3,710	53	35
Properties Held for Sale	238,039	197,484	-	-
Cash and Cash Equivalents	312,723	178,270	152,840	8,248
<b>Total Current Assets</b>	<b>804,011</b>	<b>841,513</b>	<b>183,596</b>	<b>30,542</b>
<b>Total Assets</b>	<b>1,884,417</b>	<b>1,857,108</b>	<b>1,146,418</b>	<b>1,022,478</b>

1(b)(i) Balance Sheets (continued):

	Group		Company	
	30/9/2009 \$000	31/12/2008 \$000	30/9/2009 \$000	31/12/2008 \$000
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	258,494	227,320	258,494	227,320
Retained Earnings	531,852	517,244	465,576	428,282
Other Reserves	61,081	21,197	22,038	8,603
<b>Equity, Attributable to Equity Holders of the Parent</b>	<b>851,427</b>	<b>765,761</b>	<b>746,108</b>	<b>664,205</b>
Minority Interest	10,575	71,146	-	-
<b>Total Equity</b>	<b>862,002</b>	<b>836,907</b>	<b>746,108</b>	<b>664,205</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	18,732	10,097	3,644	-
Term Loans	394,688	442,624	275,427	220,000
<b>Total Non-Current Liabilities</b>	<b>413,420</b>	<b>452,721</b>	<b>279,071</b>	<b>220,000</b>
<b>Current Liabilities</b>				
Income Tax Payable	8,636	7,209	4,869	4,693
Trade and Other Payables	200,316	224,552	13,072	16,017
Provisions	3,428	4,056	-	-
Bank Borrowings	11,594	19,303	-	-
Gross Amount due to Customers for Contract Work	26,125	16,689	-	-
Term Loans	358,896	295,671	103,298	117,563
<b>Total Current Liabilities</b>	<b>608,995</b>	<b>567,480</b>	<b>121,239</b>	<b>138,273</b>
<b>Total Liabilities</b>	<b>1,022,415</b>	<b>1,020,201</b>	<b>400,310</b>	<b>358,273</b>
<b>Total Equity and Liabilities</b>	<b>1,884,417</b>	<b>1,857,108</b>	<b>1,146,418</b>	<b>1,022,478</b>

1(b)(ii) Comparative figures of the Group's borrowings and debt securities

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

As at 30/9/2009		As at 31/12/2008	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
121,354	249,136	1,237	313,737

- (b) Amount repayable after one year

As at 30/9/2009		As at 31/12/2008	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
116,414	278,274	219,991	222,633

- (c) Details of any collaterals

Investment properties after revaluation amounting to \$5,624,000 at 30 September 2009 (31 December 2008: \$5,313,000) have been mortgaged to secure certain loan facilities to partially finance their developments. Property, plant and equipment and development properties with a total book value of \$2,563,000 (31 December 2008: \$2,923,000) and \$115,638,000 (31 December 2008: \$97,355,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$441,603,000 (31 December 2008: \$362,363,000) have also been mortgaged to secure term loan facilities of certain subsidiaries.

## 1(c) Consolidated Cash Flow Statement

	Group			
	3 months ended		9 months ended	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	\$000	\$000	\$000	\$000
<u>Cash Flows From Operating Activities</u>				
Profit before Tax	18,629	8,162	42,763	11,254
Adjustments				
Depreciation of Property, Plant and Equipment	2,152	2,055	6,365	5,651
Interest Income	(768)	(768)	(1,740)	(2,282)
Finance Costs	2,262	2,643	8,244	8,190
Amortisation of Intangible Assets	170	414	245	479
Currency Realignment	(1,834)	1,366	(3,619)	2,013
Dividend Income from Investment Securities	(86)	(44)	(362)	(3,858)
Equity Share Options Issued	62	370	83	1,112
Gain on Disposal of Property, Plant and Equipment	(65)	-	(238)	(344)
Gain on Disposal of Investment Properties	-	-	-	(379)
(Gain)/Loss on Held for Trading Investments	(2,417)	3,014	(6,510)	6,707
(Reversal)/Impairment of Loss on Property, Plant and Equipment	-	(71)	1,200	(76)
Reversal of Impairment of Available-for-Sale Investments	(1,087)	-	-	-
(Reversal)/Impairment of Assets and Disposal Groups Held for Sale under FRS 105	-	(6,104)	(604)	4,952
Inventories Written-Down	10	-	114	-
Reversal of Write-Down of Inventories	-	-	(324)	-
Share of Loss/(Profit) from Equity-Accounted Associates and Joint Ventures	86	(869)	1,953	(1,170)
Unrealised Exchange Loss/(Gain)	878	(1,380)	1,594	2,091
Operating Cash Flows before Changes in Working Capital	17,992	8,788	49,164	34,340
Changes in Working Capital				
Properties Held for Sale				
- Development Expenditure	(33,480)	(13,302)	(79,239)	(170,118)
- Proceeds from Progress Billings	3,535	2,295	38,684	5,246
Increase/(Decrease) in Trade and Other Payables and Provisions	9,345	36,921	(24,191)	(428)
(Increase)/Decrease in Trade and Other Receivables	(5,628)	(9,813)	136,243	1,202
Decrease/(Increase) in Gross Amount Due from Customers for Contract Work	11,231	(5,775)	21,905	19,714
Increase/(Decrease) in Gross Amount Due to Customers for Contract Work	1,912	(2,291)	9,436	977
Decrease/(Increase) in Inventories	1,011	(745)	1,435	(1,650)
Cash Flows From/(Used In) Operations	5,918	16,078	153,437	(110,717)
Income Taxes Paid	(939)	(1,895)	(2,149)	(2,666)
Finance Costs Paid	(2,837)	(5,313)	(11,124)	(15,834)
Interest Received	767	784	1,750	3,607
Net Cash Flows From/(Used In) Operating Activities	2,909	9,654	141,914	(125,610)

1(c) Consolidated Cash Flow Statement (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	\$000	\$000	\$000	\$000
<b>Cash Flows From Investing Activities</b>				
Acquisition of Additional Share Capital in Subsidiary Company	(184)	(269)	(184)	(1,484)
Acquisition of Intangibles Assets	(1,032)	(2,397)	(9,214)	(2,437)
Capital and Development Expenditure	(11,244)	(11,385)	(31,638)	(103,570)
Increase in Amounts Due from Associates and Joint Ventures	(655)	(1,898)	(1,840)	(24,864)
Increase in Loans to Joint Ventures	-	-	(6,070)	-
Investment in Associates	-	(22)	-	(1,863)
Dividends Received from Associates	123	-	123	137
Dividends Received from Investment Securities	86	44	362	3,858
Proceeds from:				
- Disposal of Held for Trading Investments	-	-	-	33
- Disposal of Investment Properties	1,809	164	2,162	10,108
- Disposal of Property, Plant and Equipment	81	414	366	1,389
- Repayment of Loan Receivable from Investee Company	-	-	-	4,530
<b>Net Cash Flows Used In Investing Activities</b>	<b>(11,016)</b>	<b>(15,349)</b>	<b>(45,933)</b>	<b>(114,163)</b>
<b>Cash Flows From Financing Activities</b>				
Contribution from/(Payment to) Minority Shareholder	-	564	-	564
(Decrease)/Increase in Trust Receipts and Bills Payable	(999)	(371)	284	1,482
Dividends Paid	-	-	(17,816)	(22,177)
(Decrease)/Increase in Short-Term Loans	(23,791)	7,750	(55,536)	112,101
Net Proceeds from Convertible Bonds	-	-	128,229	-
Proceeds from Long-Term Loans	7,861	-	17,500	113,930
Repayment of Long-Term Loans	(7,178)	-	(27,605)	(37,319)
Issuance of Shares Upon Exercise of Share Options	-	388	-	2,499
<b>Net Cash Flows (Used In)/From Financing Activities</b>	<b>(24,107)</b>	<b>8,331</b>	<b>45,056</b>	<b>171,080</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(32,214)</b>	<b>2,636</b>	<b>141,037</b>	<b>(68,693)</b>
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	<b>337,827</b>	<b>109,731</b>	<b>164,576</b>	<b>181,060</b>
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	<b>305,613</b>	<b>112,367</b>	<b>305,613</b>	<b>112,367</b>
<b>Note:</b>				
Cash and Cash Equivalents comprise:				
Bank Balances and Deposits				
- Continuing Operations	312,723	124,694	312,723	124,694
- Assets and Disposal Groups Held for Sale under FRS 105	-	1,408	-	1,408
	<b>312,723</b>	<b>126,102</b>	<b>312,723</b>	<b>126,102</b>
Bank Overdrafts	(7,110)	(13,735)	(7,110)	(13,735)
Cash and Cash Equivalents	<b>305,613</b>	<b>112,367</b>	<b>305,613</b>	<b>112,367</b>

1(d) Statement of Comprehensive Income

	<b>Group</b>			
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30/9/2009</b>	<b>30/9/2008</b>	<b>30/9/2009</b>	<b>30/9/2008</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Profit for the Period</b>	<b>13,717</b>	4,586	<b>34,191</b>	9,752
<b>Other Comprehensive Income/(Expense):</b>				
Foreign Currency Translation Adjustments:				
- Subsidiaries and Associates Reserves	(786)	459	(2,417)	2,070
- Inter-Company Balances of a Long-Term Nature	(130)	167	(399)	(14)
Available-for-Sale (AFS) Investments:				
- Valuation Gain/(Loss) taken to Equity	12,776	(23,118)	30,147	(11,026)
Joint Venture's Cash Flow Hedge:				
- Loss Arising during the Period	-	-	(749)	-
<b>Other Comprehensive Income/(Expense) for the Period, Net of Tax</b>	<b>11,860</b>	<b>(22,492)</b>	<b>26,582</b>	<b>(8,970)</b>
<b>Total Comprehensive Income/(Expense) for the Period</b>	<b>25,577</b>	<b>(17,906)</b>	<b>60,773</b>	<b>782</b>
<b>Total Comprehensive Income/(Expense) Attributable to:</b>				
<b>Equity Holders of Parent</b>	<b>24,759</b>	(20,384)	<b>59,179</b>	1,858
<b>Minority Interests</b>	<b>818</b>	2,478	<b>1,594</b>	(1,076)
	<b>25,577</b>	<b>(17,906)</b>	<b>60,773</b>	<b>782</b>

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

The Group	Attributable to Equity Holders of the Parent								
	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Translation Reserve	Other Reserves	Minority Interest
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2009									
Opening Balance at 01/01/2009	836,907	765,761	227,320	517,244	21,674	3,772	(4,249)	-	71,146
Total Comprehensive Income/(Expense) for the Period	35,196	34,420	-	19,704	17,370	-	(1,905)	(749)	776
Ordinary Shares Issued on Conversion of Convertible Bonds	8,532	8,532	8,532	-	-	-	-	-	-
Equity Portion of Convertible Bonds	13,046	13,046	-	-	-	-	-	13,046	-
Equity Share Options Issued	21	21	-	-	-	21	-	-	-
Disposal of a Subsidiary	(61,981)	-	-	-	-	-	-	-	(61,981)
Dividends Paid	(17,816)	(17,816)	-	(17,816)	-	-	-	-	-
Closing Balance at 30/06/2009	813,905	803,964	235,852	519,132	39,044	3,793	(6,154)	12,297	9,941
Total Comprehensive Income/(Expense) for the Period	25,577	24,759	-	12,720	12,777	-	(738)	-	818
Ordinary Shares Issued on Conversion of Convertible Bonds	22,642	22,642	22,642	-	-	-	-	-	-
Movement in Minority Interest Arising from Increase in Shareholding of a Subsidiary	(184)	-	-	-	-	-	-	-	(184)
Equity Share Options Issued	62	62	-	-	-	62	-	-	-
Closing Balance at 30/09/2009	862,002	851,427	258,494	531,852	51,821	3,855	(6,892)	12,297	10,575

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

The Group	Attributable to Equity Holders of the Parent								
	Total Equity	Equity, Attributable to Equity Holders of the Parent, Total	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Translation Reserve	Other Reserves	Minority Interest
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2008									
Opening Balance at 01/01/2008	857,070	782,949	224,820	533,432	31,408	2,441	(9,152)	-	74,121
Total Comprehensive Income/(Expense) for the Period	18,687	22,241	-	8,671	12,092	-	1,478	-	(3,554)
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	2,111	2,111	2,111	-	-	-	-	-	-
Equity Share Options Issued	742	742	-	-	-	742	-	-	-
Movement in Minority Interests Arising from Increase in Shareholding of a Subsidiary	(1,216)	-	-	-	-	-	-	-	(1,216)
Dividends Paid	(22,177)	(22,177)	-	(22,177)	-	-	-	-	-
Closing Balance at 30/06/2008	855,217	785,866	226,931	519,926	43,500	3,183	(7,674)	-	69,351
Total Comprehensive Income/(Expense) for the Period	(17,906)	(20,384)	-	1,890	(23,118)	-	844	-	2,478
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	388	388	388	-	-	-	-	-	-
Equity Share Options Issued	370	370	-	-	-	370	-	-	-
Movement in Minority Interests Arising from Increase in Shareholding of a Subsidiary	279	-	-	-	-	-	-	-	279
Closing Balance at 30/09/2008	838,348	766,240	227,319	521,816	20,382	3,553	(6,830)	-	72,108

**1(e)(i) Statements of Changes in Equity (continued)**

**The Company**

	Total Equity	Share Capital	Retained Earnings	AFS Reserve	Share Option Reserve	Other Reserves
	\$000	\$000	\$000	\$000	\$000	\$000
<b>2009</b>						
Opening Balance at 01/01/2009	664,205	227,320	428,282	4,831	3,772	-
Total Comprehensive Income for the Period	9,408	-	9,034	374	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds	8,532	8,532	-	-	-	-
Equity Portion of Convertible Bonds	13,046	-	-	-	-	13,046
Equity Share Options Issued	21	-	-	-	21	-
Dividends Paid	(17,816)	-	(17,816)	-	-	-
Closing Balance at 30/06/2009	677,396	235,852	419,500	5,205	3,793	13,046
Total Comprehensive Income/(Expense) for the Period	46,008	-	46,076	(68)	-	-
Ordinary Shares Issued on Conversion of Convertible Bonds	22,642	22,642	-	-	-	-
Equity Share Options Issued	62	-	-	-	62	-
Closing Balance at 30/09/2009	746,108	258,494	465,576	5,137	3,855	13,046
<b>2008</b>						
Opening Balance at 01/01/2008	668,154	224,820	436,573	4,320	2,441	-
Total Comprehensive Income for the Period	6,727	-	6,402	325	-	-
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	2,111	2,111	-	-	-	-
Equity Share Options Issued	742	-	-	-	742	-
Dividends Paid	(22,177)	-	(22,177)	-	-	-
Closing Balance at 30/06/2008	655,557	226,931	420,798	4,645	3,183	-
Total Comprehensive Income for the Period	4,341	-	4,158	183	-	-
Ordinary Shares Issued on Exercise of Share Options Converted into Ordinary Stocks	388	388	-	-	-	-
Equity Share Options Issued	370	-	-	-	370	-
Closing Balance at 30/09/2008	660,656	227,319	424,956	4,828	3,553	-

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

During Q3 2009, the Company issued 19,795,301 ordinary shares on conversion of \$26,525,711 convertible bonds since the date of issue and no option was exercised under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the nine months, the Company issued 27,303,797 ordinary shares on conversion of \$36,587,121 convertible bonds since the date of issue and no option was exercised under the Scheme 2000.

As at 30 September 2009, there were 6,530,400 (30 September 2008: 5,867,350) unexercised options for ordinary shares under Scheme 2000 and \$96,387,478 convertible bonds which are convertible into 71,930,954 shares (30 September 2008: Nil) at the conversion price of \$1.34 per share.

**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)

NA

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 new 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 with the most recently audited annual financial statements as at 31 December 2008.

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.

Adoption of new FRS (effective for annual financial periods beginning on or after 1 January 2009)

FRS 1 : Presentation of Financial Statements – Revised Presentation  
 FRS 23 : Borrowing Costs  
 FRS 102 : Share-based Payment – Vesting Conditions and Cancellations  
 FRS 108 : Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6 Earnings per stock unit (cents)

	3 months ended		9 months ended	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
(a) Basic*:	5.2¢	0.8¢	14.1¢	4.8¢
(b) Diluted**:	4.4¢	0.8¢	11.6¢	4.7¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	243,012,527	221,543,666	229,816,582	221,191,444
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>315,408,444</u>	<u>222,674,076</u>	<u>302,127,934</u>	<u>223,110,286</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	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
Net asset per ordinary stock unit based on the total number of issued shares (excluding treasury shares) of 248,928,130 (2008: 221,624,333)	<u>\$3.42</u>	<u>\$3.46</u>	<u>\$3.00</u>	<u>\$3.00</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 Engineering & Construction (E&C) and Integrated Facility Management (IFM) which includes property development.

### Q3 2009 compared with Q3 2008 Performance

In Q3 2009, Revenue increased by \$25.3 million (18%) to \$169.5 million from \$144.2 million in Q3 2008 mainly due to the progressive recognition of revenue from the sales of apartment units at *The Rochester* in one-north and *Park Central @ AMK* in Ang Mo Kio as well as revenue from the provision of mechanical and electrical services for the Marina Bay Sands Integrated Resort. Gross Profit of \$41.1 million was comparable to that of Q3 2008. Gross Profit Percentage was 24.2% compared with 28.5% in Q3 2008 due to the recognition of higher margins upon the finalisation of some projects in 2008.

Other Income of \$2.4 million in Q3 2009 was mainly due to fair value gains from the Group's short-term investments. The decrease of \$4.2 million (63%) was mainly due to the fair value gains of \$6.1 million in Q3 2008 arising from the disposal of the Group's shareholding interest in Anhui Hefei United Power Generation Company Limited (AHUP).

Other Expenses decreased by \$13.8 million (73%) from \$18.8 million in Q3 2008 to \$5.0 million in Q3 2009 mainly due to provisions made for the Fusionopolis project in Q3 2008.

Finance Costs decreased by \$0.4 million (14%) to \$2.3 million in Q3 2009 due to lower interest rates.

### 9 months 2009 compared with 9 months 2008 Performance

For the 9 months ended 30 September 2009, Revenue increased by \$67.6 million (16%) to \$485.6 million from \$418.0 million in 2008 mainly due to the same factors discussed in the above quarterly comparison. Arising from the increased revenue, Gross Profit increased by \$12.3 million (12%) to \$114.7 million in 2009. Gross Profit Percentage was 23.6% compared with 24.5% for the 9 months ended 30 September 2008.

Other Income increased by \$5.7 million (206%) to \$8.5 million for the 9 months ended 30 September 2009 mainly due to fair value gains from the Group's short-term investments.

Other Expenses decreased by \$15.9 million (46%) from \$34.4 million in 2008 to \$18.5 million mainly due to the following charges incurred in 2008 (1) provisions made for the Fusionopolis project (2) fair value loss from the Group's short-term investments of \$6.4 million and (3) fair value charge of \$5.0 million against the carrying value in AHUP.

Income Tax Expense for the 9 months ended 30 September 2009 increased by \$7.1 million (471%) from \$1.5 million in 2008 to \$8.6 million in line with higher operating profit.

## Attributable Profit

The Group's **attributable profit** for Q3 2009 increased to \$12.7 million compared with \$1.9 million in Q3 2008. For the **9 months ended 30 September 2009**, the attributable profit was \$32.4 million compared with \$10.6 million for the 9 months ended 30 September 2008.

**Earnings per ordinary stock unit (EPS)** increased to 5.2 cents compared with 0.8 cents in Q3 2008. EPS for the 9 months ended 30 September 2009 and 30 September 2008 were 14.1 cents and 4.8 cents respectively.

**Net asset per ordinary stock unit** stood at \$3.42 as at 30 September 2009 compared with \$3.46 as at 31 December 2008.

### **Segment Review**

In the **Engineering & Construction (E&C) Division**, quarterly comparison of results is not meaningful as progress billings of job completion vary from project to project. In Q3 2009, revenue increased by \$2.2 million (2%) to \$101.0 million. Revenue for the 9 months ended 30 September 2009 was \$296.4 million compared with \$297.0 million in 2008. The E&C Division recorded an operating profit of \$6.3 million in 2009 mainly due to fair value gains on short-term investments.

The **Integrated Facility Management (IFM) Division** (including property development) increased its revenue by \$36.7 million (80%) to \$82.4 million in Q3 2009 and \$88.9 million (68%) to \$218.7 million for the 9 months ended 30 September 2009. This was mainly due to the progressive recognition of revenue from the sales of apartment units at *The Rochester* in one-north and *Park Central @ AMK* in Ang Mo Kio. Profit before interest and tax for the IFM Division increased by \$9.7 million (87%) to \$20.8 million in Q3 2009 and \$22.1 million (70%) to \$53.4 million in 2009.

### **Cash Flow and Balance Sheet Review**

As at 30 September 2009, the Group had a cash position of \$313 million. In March 2009, the Group received net proceeds of \$128 million from the Rights Issue (as defined in the Company's Offer Information Statement dated 6 February 2009). Of this, \$50 million was utilised for the Group's property development projects, general working capital and repayment of amounts outstanding under a 5-year committed revolving credit facility. In June 2009, the Group also received the balance of the sales proceeds of US\$60.4 million arising from the disposal of AHUP. In the 9 months ended 30 September 2009, the Group incurred development expenditure of \$105 million for the *Vista Xchange* in one-north, *Park Central @ AMK* in Ang Mo Kio and *UE Biz Hub* in Changi Business Park.

Apart from the above, the Group's components of cash flow and balance sheet and changes in these components from 31 December 2008 and 30 June 2009 to 30 September 2009 arose from 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.

NA

- 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.

With an order book of \$700 million, the Group will continue to execute several large-scale building and infrastructure projects over the next 12 months. While these projects will keep the Group busy, the Group will face stiffer competition in replenishing its order books due to the challenging environment brought about by the economic slowdown in Singapore and the countries it operates in. Although some stability has been restored in the Singapore economy, the outlook for the rest of 2009 and beyond remains uncertain. The Group continues to focus on taking advantage of opportunities that may arise in the markets it operates in.

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

NA

(d) Books closure date

NA

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

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

BY ORDER OF THE BOARD

Jeslyn Heng Fook Pyng

Secretary

11 November 2009

**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 2009 and period ended 30 September 2009 financial results to be false or misleading.

On behalf of the Board,



TAN NGIAP JOO  
Chairman



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