



Q3 2016 Financial Statement Announcement

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

1(a)(i) Income statement

	Group					
	3 months ended			9 months ended		
	30/9/2016	30/9/2015⁽¹⁾	Change	30/9/2016	30/9/2015⁽¹⁾	Change
	\$000	\$000	(%)	\$000	\$000	(%)
<u>Continuing operations</u>						
Revenue	101,727	179,194	(43)	358,188	704,942	(49)
Cost of sales	(56,755)	(128,254)	(56)	(215,410)	(547,031)	(61)
Gross profit	44,972	50,940	(12)	142,778	157,911	(10)
Other items of income						
Interest income	766	449	71	1,456	1,517	(4)
Other income	11,050	5,847	89	17,382	12,827	36
Other items of expense						
Distribution costs	(7,371)	(6,826)	8	(21,643)	(19,367)	12
Administrative expenses	(25,945)	(25,884)	–	(75,460)	(80,166)	(6)
Finance costs	(8,862)	(8,651)	2	(27,949)	(26,797)	4
Other expenses	(997)	(1,443)	(31)	(3,891)	(5,549)	(30)
Operating profit	13,613	14,432	(6)	32,673	40,376	(19)
Share of profit from equity-accounted associates and joint ventures	739	(1,720)	NM	3,678	4,091	(10)
Profit before tax from continuing operations	14,352	12,712	13	36,351	44,467	(18)
Income tax expense	(3,634)	(4,239)	(14)	(5,237)	(7,472)	(30)
Profit from continuing operations, net of tax	10,718	8,473	26	31,114	36,995	(16)
<u>Discontinued operations⁽²⁾</u>						
Profit from discontinued operations, net of tax	179,163	18,771	855	153,746	50,103	207
Profit net of tax	189,881	27,244	597	184,860	87,098	112
Profit/(loss) attributable to:						
Owners of the Company						
- Continuing operations, net of tax	11,683	10,643	10	32,314	39,278	(18)
- Discontinued operations, net of tax	122,969	7,939	1,449	112,148	21,839	414
	134,652	18,582	625	144,462	61,117	136
Non-controlling interests						
- Continuing operations, net of tax	(966)	(2,170)	(55)	(1,201)	(2,283)	(47)
- Discontinued operations, net of tax	56,195	10,832	419	41,599	28,264	47
	55,229	8,662	538	40,398	25,981	55

NM: Not meaningful

– : Less than 1%

⁽¹⁾ The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations.

⁽²⁾ Discontinued operations relate to Multi-Fineline Electronix, Inc. and its subsidiaries and the Group's Environmental Engineering businesses.

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

	Group			
	3 months ended		9 months ended	
	30/9/2016 \$000	30/9/2015 \$000	30/9/2016 \$000	30/9/2015 \$000
Depreciation and amortisation	(4,868)	(4,960)	(14,013)	(14,239)
Foreign exchange loss	(146)	(586)	(404)	(791)
Gain on disposal of assets of disposal group classified as held for sale	–	–	–	1,837
Gain on disposal of available-for-sale financial assets	23	5,484	3,911	5,484
(Loss)/gain on disposal of subsidiaries	(337)	–	(337)	2,923
(Loss)/gain on disposal of property, plant and equipment	(3)	143	26	(340)
Over provision of prior years' tax	–	5	1,339	5,689
Realisation of translation reserve upon liquidation of subsidiaries	–	–	–	(477)
Reversal of impairment loss/(impairment loss) on trade receivables	277	(103)	203	(1,288)

1(a)(iii) Statement of comprehensive income

	Group			
	3 months ended		9 months ended	
	30/9/2016 \$000	30/9/2015 \$000	30/9/2016 \$000	30/9/2015 \$000
Profit net of tax for the period	189,881	27,244	184,860	87,098
Items that may be reclassified subsequently to income statement:				
Gains/(losses) on exchange differences on translation, net of tax	5,576	17,272	(62,721)	28,308
Gains/(losses) on remeasuring available-for-sale financial assets, net of tax	1,782	(1,782)	1,782	(1,782)
Realisation of reserves to income statement on disposal of subsidiaries and available-for-sale financial assets, net of tax	(8,452)	(5,759)	(8,452)	(5,759)
Share of other comprehensive income from equity-accounted associates, net of tax	728	447	(461)	(648)
Other comprehensive income for the period, net of tax	(366)	10,178	(69,852)	20,119
Total comprehensive income for the period	189,515	37,422	115,008	107,217
Attributable to:				
Owners of the Company	133,005	18,849	104,354	65,357
Non-controlling interests	56,510	18,573	10,654	41,860
	189,515	37,422	115,008	107,217

1(b)(i) Statements of financial position

	Group		Company	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
	\$000	\$000	\$000	\$000
ASSETS				
Non-current assets				
Property, plant and equipment	163,644	359,385	22,938	23,424
Investment properties	1,862,205	1,857,542	678,808	676,572
Intangible assets	5,031	30,023	–	–
Interests in subsidiaries	–	–	989,749	1,343,594
Interests in associates	113,201	125,469	337	315
Interests in joint ventures	49,871	57,135	–	–
Deferred tax assets	38,769	61,981	–	–
Other investments	25,482	23,829	1,078	1,078
Total non-current assets	2,258,203	2,515,364	1,692,910	2,044,983
Current assets				
Inventories	30,218	109,103	–	–
Income tax receivables	696	638	–	–
Trade and other receivables	216,316	231,796	9,426	44,962
Gross amount due from customers for contract work	17,165	42,448	–	–
Prepayments	7,565	10,094	1,765	2,355
Properties held for sale	658,939	1,023,838	–	–
Bank balances and deposits	670,917	544,127	431,398	14,188
	1,601,816	1,962,044	442,589	61,505
Assets of disposal group classified as held for sale	–	2,185	–	–
Total current assets	1,601,816	1,964,229	442,589	61,505
Total assets	3,860,019	4,479,593	2,135,499	2,106,488
EQUITY AND LIABILITIES				
Equity				
Share capital	807,603	807,519	807,603	807,519
Treasury shares ⁽¹⁾	(62,313)	(62,313)	–	–
Retained earnings	1,173,381	1,078,829	806,114	785,094
Other reserves	(35,217)	6,568	3,929	3,929
Equity attributable to owners of the Company	1,883,454	1,830,603	1,617,646	1,596,542
Non-controlling interests	314,590	556,864	–	–
Total equity	2,198,044	2,387,467	1,617,646	1,596,542
Non-current liabilities				
Provisions	70,970	84,249	–	–
Deferred tax liabilities	62,088	80,388	–	–
Trade and other payables	–	3,166	–	–
Borrowings	897,010	829,458	150,000	250,295
Total non-current liabilities	1,030,068	997,261	150,000	250,295
Current liabilities				
Provisions	20,827	21,813	–	–
Income tax payable	37,321	34,976	3,762	3,206
Trade and other payables	275,282	420,843	114,000	21,545
Borrowings	296,867	614,303	250,091	234,900
Gross amount due to customers for contract work	1,610	2,364	–	–
	631,907	1,094,299	367,853	259,651
Liabilities of disposal group classified as held for sale	–	566	–	–
Total current liabilities	631,907	1,094,865	367,853	259,651
Total liabilities	1,661,975	2,092,126	517,853	509,946
Total equity and liabilities	3,860,019	4,479,593	2,135,499	2,106,488

⁽¹⁾ 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 30/9/2016		As at 31/12/2015	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
31,759	265,108	337,748	276,555

- (b) Amount repayable after one year

As at 30/9/2016		As at 31/12/2015	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
747,010	150,000	580,449	249,009

- (c) Details of any collaterals

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

1(c) Statement of cash flows

	Group			
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Profit before tax from continuing operations	14,352	12,712	36,351	44,467
Profit before tax from discontinued operations	197,259	21,539	172,645	53,152
Profit before tax	211,611	34,251	208,996	97,619
Amortisation of intangible assets	510	629	1,631	1,753
Depreciation of property, plant and equipment	4,228	21,654	39,999	61,812
Dividend income from other investments	(519)	(641)	(1,182)	(1,786)
Finance costs	9,022	8,792	28,634	27,590
Gain on disposal of assets of disposal group classified as held for sale	–	(912)	–	(8,427)
Gain on disposal of available-for-sale financial assets	(23)	(5,484)	(3,911)	(5,484)
Loss/(gain) on disposal of property, plant and equipment	3	(89)	(427)	713
Net gain on disposal of subsidiaries and associates	(195,756)	–	(195,756)	(2,446)
Impairment loss on intangible assets	–	–	–	846
Interest income	(898)	(1,049)	(2,906)	(3,412)
Property, plant and equipment written-off	3	2	59	107
Inventories written-down/(written-back)	102	(5,162)	(519)	(13,754)
Share-based compensation expenses	–	1,740	2,683	4,477
Share of (profit)/loss from equity-accounted associates and joint ventures	(739)	1,720	(4,460)	(4,091)
Unrealised foreign exchange (gain)/loss	(2,966)	3,482	(419)	8,318
Operating cash flows before changes in working capital	24,578	58,933	72,422	163,835
Properties held for sale				
- Development expenditure	(9,388)	(37,028)	(44,681)	(143,967)
- Proceeds from progress billings	23,140	106,303	402,913	198,192
Increase/(decrease) in trade and other payables and provisions	4,130	50,484	(82,398)	(30,576)
Increase in trade and other receivables	(6,079)	(25,437)	(93,386)	(19,666)
Decrease in gross amount due from customers for contract work	7,693	708	13,649	1,064
(Decrease)/increase in gross amount due to customers for contract work	(2,342)	(4,357)	(754)	3,651
(Increase)/decrease in inventories	(2,861)	(26,541)	22,596	(6,051)
Cash flows from operations	38,871	123,065	290,361	166,482
Income taxes paid	(3,488)	(5,762)	(20,578)	(32,271)
Interest paid	(11,662)	(12,884)	(31,438)	(36,190)
Interest received	1,459	–	3,551	2,163
Net cash flows from operating activities	25,180	104,419	241,896	100,184

1(c) Statement of cash flows (continued)

	Group			
	3 months ended		9 months ended	
	30/9/2016 \$000	30/9/2015 \$000	30/9/2016 \$000	30/9/2015 \$000
Cash flows from investing activities				
Acquisition of intangible assets	(1,490)	(342)	(1,859)	(1,225)
Acquisition of non-controlling interests	–	(742)	(2,903)	(1,293)
Change in restricted deposits	–	(40)	62,548	42,345
Disposal of subsidiaries, net of cash disposed of	233,877	–	233,877	(8,716)
Dividends received from associates	134	8,543	134	8,543
Dividends received from joint ventures	–	10,240	150	22,877
Dividends received from other investments	519	641	1,182	1,786
(Increase)/decrease in amounts due from associates and joint ventures	(9,491)	10,367	4,543	8,121
Increase in loan to associates	–	–	–	(4,976)
Investment in associates	–	–	–	(20)
Proceeds from disposal of assets of disposal group classified as held for sale	–	591	–	12,046
Proceeds from disposal of available-for-sale financial assets	28	4,471	4,039	4,471
Proceeds from disposal of property, plant and equipment	12	108	1,141	300
Purchase of property, plant and equipment	(3,435)	(13,534)	(38,455)	(27,229)
Properties development expenditure	(3,921)	–	(4,754)	–
Net cash flows from investing activities	216,233	20,303	259,643	57,030
Cash flows from financing activities				
Increase/(decrease) in trust receipts and bills payable	91	(913)	(1,417)	5,978
Distribution to non-controlling interests of subsidiaries from capital reduction	–	–	(12,586)	–
Dividends paid	–	–	(49,311)	(61,603)
Dividends paid to non-controlling interests of subsidiaries	–	(271)	(18,722)	(53,463)
Decrease in short-term loans	(26,057)	(51,992)	(70,731)	(24,277)
Issuance of shares upon exercise of share options	–	33	84	86
Proceeds from issuance of medium term notes	–	–	150,000	–
Proceeds from long-term loans	5,169	90,900	45,195	214,998
Repayment of long-term loans	(21,947)	(191,068)	(347,872)	(366,677)
Net cash flows used in financing activities	(42,744)	(153,311)	(305,360)	(284,958)
Net increase/(decrease) in cash and cash equivalents	198,669	(28,589)	196,179	(127,744)
Cash and cash equivalents, beginning balance	462,388	441,920	481,579	537,818
Effect of exchange rate changes on cash and cash equivalents	5,101	13,086	(11,600)	16,343
Cash and cash equivalents, ending balance	666,158	426,417	666,158	426,417
Cash and cash equivalents comprise:				
Bank balances and deposits	670,917	498,850	670,917	498,850
Restricted deposits	–	(63,781)	–	(63,781)
Bank overdrafts	(4,759)	(8,652)	(4,759)	(8,652)
Cash and cash equivalents	666,158	426,417	666,158	426,417

1(c) Statement of cash flows (continued)

The net assets and liabilities arising from the disposal of subsidiaries and associates and the cash flow effects of the disposal are as follows:-

	Group			
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	\$000	\$000	\$000	\$000
Property, plant and equipment	178,779	—	178,779	3,593
Intangible assets	23,558	—	23,558	1,469
Investment in associates	16,345	—	16,345	—
Deferred tax assets	12,962	—	12,962	390
Inventories	57,853	—	57,853	356
Gross amount due from customers for contract work	11,610	—	11,610	—
Trade and other receivables	111,423	—	111,423	25,270
Bank balances and deposits	288,210	—	288,210	25,683
Income tax payables	(10,635)	—	(10,635)	(570)
Trade and other payables	(174,652)	—	(174,652)	(29,438)
Deferred tax liabilities	(227)	—	(227)	—
Borrowings	(29,818)	—	(29,818)	(2,519)
Net assets disposed	485,408	—	485,408	24,234
Foreign currency translation reserve realised	(8,452)	—	(8,452)	376
Less: Non-controlling interests	(150,625)	—	(150,625)	(10,089)
Net gain on disposal	195,756	—	195,756	2,446
Total consideration	522,087	—	522,087	16,967
Cash and cash equivalents in subsidiaries disposed	(288,210)	—	(288,210)	(25,683)
Cash flow arising from disposal of subsidiaries	233,877	—	233,877	(8,716)

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

GROUP

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2016	2,387,467	1,830,603	807,519	(62,313)	1,078,829	6,568	556,864
(Loss)/profit for the period	(5,021)	9,810	—	—	9,810	—	(14,831)
Losses on exchange differences on translation, net of tax	(68,297)	(37,272)	—	—	—	(37,272)	(31,025)
Share of other comprehensive income from equity-accounted associate, net of tax	(1,189)	(1,189)	—	—	—	(1,189)	—
Other comprehensive income for the period	(69,486)	(38,461)	—	—	—	(38,461)	(31,025)
Total comprehensive income for the period	(74,507)	(28,651)	—	—	9,810	(38,461)	(45,856)
Contributions by and distributions to owners							
Cash distribution payable to non-controlling interests	(12,586)	—	—	—	—	—	(12,586)
Ordinary shares issued on exercise of share options converted into ordinary stocks	84	84	84	—	—	—	—
Dividends paid	(49,311)	(49,311)	—	—	(49,311)	—	—
Dividend paid to non-controlling interests	(18,722)	—	—	—	—	—	(18,722)
	(80,535)	(49,227)	84	—	(49,311)	—	(31,308)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(2,903)	1,260	—	—	—	1,260	(4,163)
Dilution of interests in subsidiaries	(66)	(4,942)	—	—	—	(4,942)	4,876
Employee share option scheme/ share appreciation rights: - value of employee services	2,612	1,406	—	—	—	1,406	1,206
Total changes in ownership interests in subsidiaries	(357)	(2,276)	—	—	—	(2,276)	1,919
Total transactions with owners in their capacity as owners	(80,892)	(51,503)	84	—	(49,311)	(2,276)	(29,389)
Closing balance at 30/6/2016	2,232,068	1,750,449	807,603	(62,313)	1,039,328	(34,169)	481,619

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

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

GROUP

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Profit for the period	189,881	134,652	–	–	134,652	–	55,229
Gains on exchange differences on translation, net of tax	5,576	4,295	–	–	–	4,295	1,281
Gains on remeasuring available-for-sale financial assets, net of tax	1,782	1,782	–	–	–	1,782	–
Realisation of reserves to income statement on disposal of subsidiaries, net of tax	(8,452)	(8,452)	–	–	–	(8,452)	–
Share of other comprehensive income from equity-accounted associate, net of tax	728	728	–	–	–	728	–
Other comprehensive income for the period	(366)	(1,647)	–	–	–	(1,647)	1,281
Total comprehensive income for the period	189,515	133,005	–	–	134,652	(1,647)	1,281
Contributions by and distributions to owners							
Dividend payable to non-controlling interests	(72,914)	–	–	–	–	–	(72,914)
Total contributions by and distributions to owners	(72,914)	–	–	–	–	–	(72,914)
Changes in ownership interests in subsidiaries							
Disposal of interests in subsidiaries	(150,625)	–	–	–	–	–	(150,625)
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	(599)	599	–
Total changes in ownership interests in subsidiaries	(150,625)	–	–	–	(599)	599	(150,625)
Total transactions with owners in their capacity as owners	(223,539)	–	–	–	(599)	599	(223,539)
Closing balance at 30/9/2016	2,198,044	1,883,454	807,603	(62,313)	1,173,381	(35,217)	314,590

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	Treasury shares [#]	Retained earnings	Other reserves	Non-controlling interests
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2015	2,380,194	1,803,846	807,270	(62,313)	1,037,857	21,032	576,348
Profit for the period	59,855	42,536	–	–	42,536	–	17,319
Gains on exchange differences on translation, net of tax	11,036	5,068	–	–	–	5,068	5,968
Share of other comprehensive income from equity-accounted associates, net of tax	(1,095)	(1,095)	–	–	–	(1,095)	–
Other comprehensive income for the period	9,941	3,973	–	–	–	3,973	5,968
Total comprehensive income for the period	69,796	46,509	–	–	42,536	3,973	23,287
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	53	53	53	–	–	–	–
Dividends paid	(61,603)	(61,603)	–	–	(61,603)	–	–
Dividends paid to non-controlling interests	(45,572)	–	–	–	–	–	(45,572)
Total contributions by and distributions to owners	(107,122)	(61,550)	53	–	(61,603)	–	(45,572)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(551)	229	–	–	–	229	(780)
Dilution of interests in subsidiaries	(3)	(1,139)	–	–	–	(1,139)	1,136
Disposal of interests in subsidiaries	(10,089)	–	–	–	–	–	(10,089)
Employee share option scheme/share appreciation rights:							
- value of employee services	2,747	1,542	–	–	–	1,542	1,205
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	1,588	(1,588)	–
Total changes in ownership interests in subsidiaries	(7,896)	632	–	–	1,588	(956)	(8,528)
Total transactions with owners in their capacity as owners	(115,018)	(60,918)	53	–	(60,015)	(956)	(54,100)
Closing balance at 30/6/2015	2,334,972	1,789,437	807,323	(62,313)	1,020,378	24,049	545,535

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

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

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares [#]	Retained earnings	Other reserves	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Profit for the period	27,244	18,582	–	–	18,582	–	8,662
Gains on exchange differences on translation, net of tax	17,272	7,361	–	–	–	7,361	9,911
Losses on remeasuring available-for-sale financial assets, net of tax	(1,782)	(1,782)	–	–	–	(1,782)	–
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	(5,759)	–	–	–	(5,759)	–
Share of other comprehensive income from equity-accounted associates, net of tax	447	447	–	–	–	447	–
Other comprehensive income for the period	10,178	267	–	–	–	267	9,911
Total comprehensive income for the period	37,422	18,849	–	–	18,582	267	18,573
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	33	33	33	–	–	–	–
Dividend paid to non-controlling interests	(271)	–	–	–	–	–	(271)
Total contributions by and distributions to owners	(238)	33	33	–	–	–	(271)
Changes in ownership interests in subsidiaries							
Additional interests in subsidiaries	(742)	403	–	–	–	403	(1,145)
Dilution of interests in subsidiaries	12	(1,211)	–	–	–	(1,211)	1,223
Employee share option scheme/share appreciation rights: - value of employee services	1,722	953	–	–	–	953	769
Total changes in ownership interests in subsidiaries	992	145	–	–	–	145	847
Total transactions with owners in their capacity as owners	754	178	33	–	–	145	576
Closing balance at 30/9/2015	2,373,148	1,808,464	807,356	(62,313)	1,038,960	24,461	564,684

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

COMPANY

	Total equity	Share capital	Retained earnings	Other reserves
	\$000	\$000	\$000	\$000
Opening balance at 1/1/2016	1,596,542	807,519	785,094	3,929
Profit for the period	13,374	–	13,374	–
Total comprehensive income for the period	13,374	–	13,374	–
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	84	84	–	–
Dividends paid	(51,048)	–	(51,048)	–
Total transactions with owners in their capacity as owners	(50,964)	84	(51,048)	–
Closing balance at 30/6/2016	1,558,952	807,603	747,420	3,929
Profit for the period	58,694	–	58,694	–
Total comprehensive income for the period	58,694	–	58,694	–
Closing balance at 30/9/2016	1,617,646	807,603	806,114	3,929
Opening balance at 1/1/2015	1,612,707	807,270	795,743	9,694
Profit for the period	13,068	–	13,068	–
Total comprehensive income for the period	13,068	–	13,068	–
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	53	53	–	–
Dividends paid	(63,774)	–	(63,774)	–
Total transactions with owners in their capacity as owners	(63,721)	53	(63,774)	–
Closing balance at 30/6/2015	1,562,054	807,323	745,037	9,694
Profit for the period	28,286	–	28,286	–
Realisation of reserves to income statement on disposal of available-for-sale financial assets, net of tax	(5,759)	–	–	(5,759)
	(5,759)	–	–	(5,759)
Total comprehensive income for the period	22,527	–	28,286	(5,759)
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	33	33	–	–
Total transactions with owners in their capacity as owners	33	33	–	–
Closing balance at 30/9/2015	1,584,614	807,356	773,323	3,935

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

During Q3 2016, there was no ordinary stock unit issued arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the first nine months of 2016, the Company issued 47,890 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

As at 30 September 2016, there were 565,271 (30 September 2015: 809,622) unexercised options for ordinary shares under Scheme 2000.

Deemed treasury shares arising from acquisition of WBL Corporation Limited (WBL)

WBL has a shareholding of 21,712,000 ordinary stock units in the capital of United Engineers Limited (UEL). WBL became a subsidiary of UEL on 29 May 2013, as such the stock units are deemed and provisionally classified as treasury shares under the consolidated group.

With effect from July 2015 and under the Singapore Companies (Amendment) Act 2014, WBL is permitted to maintain its shareholding in UEL, subject to certain restrictions.

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 2016, the Company's issued and paid-up ordinary share capital (including the 21,712,000 ordinary stock units held by WBL) was 637,276,493 ordinary stock units (31 December 2015: 637,228,603).

As at 30 September 2016, the Group's issued and paid-up ordinary share capital (excluding the 21,712,000 ordinary stock units held by WBL) was 615,564,493 ordinary stock units (31 December 2015: 615,516,603).

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 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change.

The Group adopted the amendments to the FRS that are effective for annual financial periods beginning on or after 1 January 2016.

Amendments to FRS 1 Disclosure Initiative

Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception

Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations

Improvements to FRSs (November 2014)

(a) Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations

(b) Amendments to FRS 107 Financial Instruments: Disclosures

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	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
(a) Basic*:	21.1	2.9	22.7	9.6
(b) Diluted**:	21.1	2.9	22.7	9.6
<u>Continuing operations</u>				
(a) Basic*:	1.8	1.7	5.0	6.2
(b) Diluted**:	1.8	1.7	5.0	6.2
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,276,493	637,121,685	637,260,530	637,098,049
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	637,339,137	637,196,682	637,309,203	637,245,985

* 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	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
Net asset per ordinary stock unit based on the total number of issued shares	\$3.06⁽¹⁾	\$2.97⁽¹⁾	\$2.54	\$2.51

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

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

Overview

A. Discontinued operations

At an Extraordinary General Meeting held on 8 June 2016, the shareholders of the Company approved the proposed disposal (the "Proposed Transaction") of Multi-Fineline Electronix, Inc. ("MFLEX") and its subsidiaries to Suzhou Dongshan Precision Manufacturing Co., Ltd.. On 27 July 2016, the Group announced the completion of the Proposed Transaction and MFLEX and its subsidiaries have thereafter ceased to be subsidiaries of the Company.

On 13 May 2016, the Company announced that it and its wholly owned subsidiary, UE UMC Pte. Ltd. had entered into agreements with Giant Maze Limited in relation to the sale of UES Holdings Pte. Ltd. and its subsidiaries, UE Envirotech Pte Ltd and its subsidiaries, UE Asia Pacific (Beijing) Co., Ltd. and its subsidiary, and Hengyang City UE Songmu Water Co., Ltd. (collectively known as "EE Businesses"). The Group completed the sale of the EE Businesses as announced on 26 July 2016 and 28 September 2016.

In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of MFLEX and its subsidiaries and EE Businesses have been presented separately on the consolidated income statement as Discontinued Operations.

The Group recorded attributable profit of \$112.1 million from discontinued operations in 9M 2016 including divestment gains of approximately \$122.0 million.

B. Continuing operations

Q3 2016 compared with Q3 2015

Revenue decreased 43% to \$101.7 million in Q3 2016 from \$179.2 million in Q3 2015 mainly due to lower revenue from property development following the completion of *Eight Riversuites* in January 2016. As a result, gross profit decreased 12% to \$45.0 million in Q3 2016.

Other income increased 89% to \$11.0 million in Q3 2016 from \$5.8 million in Q3 2015.

In Q3 2016, this included mainly:

- \$5.0 million of fidelity insurance compensation in relation to irregularities uncovered in certain subsidiaries as announced on 17 June 2015; and
- \$5.0 million reduction in the provision for development charge in relation to the divestment of the Group's Automotive business as this is no longer required.

In Q3 2015, this comprised \$5.5 million from the disposal of an available-for-sale financial asset in Malaysia.

Distribution costs increased 8% to \$7.4 million in Q3 2016 from \$6.8 million in Q3 2015 mainly due to higher selling and marketing expenses for property development business in China.

Other expenses decreased 31% to \$1.0 million in Q3 2016 from \$1.4 million in Q3 2015 mainly due to lower foreign exchange losses recorded in Q3 2016.

Share of profit from equity-accounted associates and joint ventures was \$0.7 million in Q3 2016 compared to a loss of \$1.7 million in Q3 2015.

Income tax expense decreased 14% to \$3.6 million in Q3 2016 from \$4.2 million in Q3 2015. The lower income tax expense in Q3 2016 was mainly due to certain income not subject to tax.

9 months 2016 (9M 2016) compared with 9 months 2015 (9M 2015)

Revenue decreased 49% to \$358.2 million in 9M 2016 from \$704.9 million in 9M 2015 mainly due to lower revenue from property development following the completion of *Eight Riversuites*. As a result, gross profit decreased 10% to \$142.8 million in 9M 2016.

Other income increased 36% to \$17.4 million in Q3 2016 from \$12.8 million in Q3 2015.

In 9M 2016, this included mainly:

- \$5.0 million of fidelity insurance compensation in relation to irregularities uncovered in certain subsidiaries;
- \$5.0 million reduction in the provision for development charge in relation to the divestment of the Group's Automotive business as this is no longer required; and
- \$3.9 million from the disposal of an available-for-sale financial asset in Singapore.

In 9M 2015, this included mainly:

- \$5.5 million from the disposal of an available-for-sale financial asset in Malaysia; and
- \$4.6 million from the sale of subsidiaries.

Distribution costs increased 12% to \$21.6 million in 9M 2016 from \$19.4 million in 9M 2015 mainly due to higher selling and marketing expenses for property development business in China.

Other expenses decreased 30% to \$3.9 million in 9M 2016 from \$5.5 million in 9M 2015 mainly due to lower foreign exchange losses and absence of impairment charges on intangible assets recorded in 9M 2015.

Share of profit from equity-accounted associates and joint ventures decreased 10% to \$3.7 million in 9M 2016 from \$4.1 million in 9M 2015.

Income tax expense decreased 30% to \$5.2 million in 9M 2016 from \$7.5 million in 9M 2015 mainly due to lower taxable operating profit.

The Group's attributable profit on continuing operations increased 10% to \$11.7 million in Q3 2016 from \$10.6 million in Q3 2015. For 9M 2016, attributable profit on continuing operations decreased 18% to \$32.3 million in 9M 2016 from \$39.3 million in 9M 2015.

Financial position review

During the nine months ended 30 September 2016, the Group disposed of the following subsidiaries and associates:

- 42.2% effective interest in Multi-Fineline Electronix, Inc. (MFLEX);
- 62.6% effective interest in Suzhou Speedling Co., Ltd.;
- 100% interest in UES Holdings Pte. Ltd. and its subsidiaries and associates;
- 100% interest in UE Envirotech Pte. Ltd. and its subsidiaries;
- 100% interest in UE Asia Pacific (Beijing) Co., Ltd. and its subsidiary; and
- 100% interest in Hengyang City UE Songmu Water Co., Ltd.

(collectively known as "Disposal of Subsidiaries and Associates".)

- Non-current assets such as property, plant and equipment, intangible assets, interests in associates and deferred tax assets declined by \$196 million, \$25 million, \$12 million and \$23 million respectively and Current assets such as inventories declined by \$79 million mainly due to the Disposal of Subsidiaries and Associates.
- Trade and other payable declined by \$145 million mainly due to the Disposal of Subsidiaries and Associates, partially offset by dividend payment by one of its subsidiaries to non-controlling interests.
- Properties held for sale decreased by \$365 million mainly due to the completion of the *Eight Riversuites*.
- Net borrowings decreased by \$377 million mainly due to repayment of external bank borrowings. As a result, the Group's net debt to equity ratio improved from 0.49 times to 0.28 times.
- Other reserves decreased by \$42 million mainly due to translation loss from net investment in foreign operations mainly arising from unfavourable movement of Malaysian Ringgit and Chinese Renminbi against Singapore Dollars.

Cash flow review

As at 30 September 2016, the Group had cash and cash equivalents of \$666 million. In 9M 2016, the Company issued a \$150 million note pursuant to the \$1 billion Multicurrency Term Note Programme. Separately, the Group utilised \$68 million for dividends payments and \$419 million for the repayment of external bank borrowings. Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2015 to 30 September 2016 were mainly the result of the Group's other ongoing operations.

Operation review

Property Rental & Services

Revenue decreased 3% to \$34.7 million in Q3 2016 from \$35.8 million in Q3 2015 and 3% to \$101.9 million in 9M 2016 from \$104.6 million in 9M 2015. Operating profit before interest increased 31% to \$23.1 million in Q3 2016 from \$17.6 million in Q3 2015 and increased 17% to \$62.8 million in 9M 2016 from \$53.8 million in 9M 2015 mainly due to \$5.0 million of fidelity insurance compensation in relation to irregularities uncovered in certain subsidiaries.

Property Development

Revenue decreased 94% to \$4.5 million in Q3 2016 from \$79.0 million in Q3 2015 and 85% to \$55.8 million in 9M 2016 from \$371.8 million in 9M 2015, mainly due to lower revenue recognition from the property sales at *Eight Riversuites*. Operating loss before interest was \$3.2 million in Q3 2016 and \$7.2 million in 9M 2016 compared with operating profit before interest of \$2.5 million in Q3 2015 and \$12.3 million in 9M 2015 respectively, mainly due lower revenue and profit in Singapore and higher operating expenses incurred by the China operations.

Engineering & Distribution

Revenue increased slightly to \$35.5 million in Q3 2016 from \$34.9 million in Q3 2015. Revenue decreased 8% to \$99.6 million in 9M 2016 from \$107.9 million in 9M 2015 mainly due to lower contribution from the systems integration unit, O'Connor's. Operating profit before interest decreased 76% to \$0.9 million in Q3 2016 from \$3.7 million in Q3 2015 and decreased 14% to \$5.6 million in 9M 2016 from \$6.5 million in 9M 2015 mainly due to reduced margins for certain on-going engineering projects.

Manufacturing

Revenue decreased 5% to \$20.3 million in Q3 2016 from \$21.3 million in Q3 2015 and 9% to \$64.7 million in 9M 2016 from \$71.2 million in 9M 2015. Operating profit before interest was \$1.3 million in Q3 2016 and \$5.0 million in 9M 2016 compared with operating loss of \$0.2 million in Q3 2015 and \$2.2 million in 9M 2015 mainly due to improved manufacturing efficiency and cost control in its operations in China.

- 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 2016 results are in line with the statement made in paragraph 10 of the Company's Q2 2016 results announcement on 12 August 2016.

- 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 global economic slowdown and the weaker economic outlook in Singapore coupled with the sustained impact of the property cooling measures will continue to weigh on the sentiment of the property markets in Singapore. The Group's China Property division continues to face challenging operating conditions against the backdrop of slower economic growth and patchy recovery in the property market in China. The accounting treatment on revenue recognition for certain projects using the completion-of-construction method will result in volatility in the recognition of revenues and profits. Rental income from the Group's portfolio of investment properties will help reduce this volatility but the Group is likely to face downward pressure on rental income in Singapore given the growing supply of office, industrial and retail space amid softening demand.

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 29 April 2016. There was no IPT with amount exceeding \$100,000 for the period ended 30 September 2016.

14 Confirmation that the Issuer has procured undertaking from all of its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD
Tan Swee Hong
Secretary
11 November 2016

Confirmation by the Board

We, Tan Ngiap Joo and Norman Ip Ka Cheung, being two directors of United Engineers Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Q3 2016 and 9M 2016 financial results to be false or misleading in any material aspect.

On behalf of the Board,

.....
TAN NGIAP JOO
Chairman

.....
NORMAN IP KA CHEUNG
Group Managing Director