

Q1 2012 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q1 RESULTS

These figures have not been audited.

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

	Group		
	31/3/2012	31/3/2011	Change
	\$000	\$000	%
Revenue*	116,818	189,123	(38)
Cost of sales	(81,258)	(132,966)	(39)
Gross profit	35,560	56,157	(37)
Other items of income			
Interest income	828	466	78
Other income	1,530	705	117
Other items of expense			
Distribution costs	(3,039)	(2,899)	5
Administrative expenses	(14,486)	(17,878)	(19)
Finance costs	(3,388)	(1,238)	174
Other expenses	(2,816)	(7,822)	(64)
Operating profit	14,189	27,491	(48)
Share of profit from equity-accounted associates and joint ventures	1,119	972	15
Profit before tax	15,308	28,463	(46)
Income tax expense	(4,400)	(6,600)	(33)
Profit net of tax	10,908	21,863	(50)
Attributable to:			
Owners of the Company	9,742	19,570	(50)
Non-controlling interests	1,166	2,293	(49)
	10,908	21,863	(50)
Earnings per stock unit (cents)			
Basic	3.4¢	7.3¢	
Diluted	3.1¢	6.3¢	

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

	Group		
	31/3/2012	31/3/2011	Change
	\$000	\$000	%
* Revenue comprises:			
Sales of goods	9,526	7,086	34
Sales of properties held for sale	–	77,568	(100)
Rendering of services	24,582	22,713	8
Revenue from construction contracts	62,526	63,542	(2)
Rental income	20,184	17,984	12
Dividend income	–	230	(100)
Total revenue	116,818	189,123	(38)

1(a)(ii) Other information:

	Group	
	31/3/2012	31/3/2011
	\$000	\$000
Depreciation and amortisation	(3,170)	(2,463)
Foreign exchange loss	(2,217)	(1,467)
Gain/(loss) on held for trading investments	779	(838)

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

	Group	
	31/3/2012	31/3/2011
	\$000	\$000
Profit net of tax for the period	10,908	21,863
Other comprehensive income		
Gains on exchange differences on translation, net of tax	941	1,446
Gains/(losses) on remeasuring available-for-sale financial assets, net of tax	1,118	(467)
Share of other comprehensive income from equity-accounted associates, net of tax	9,438	2,706
Gains on cash flow hedges, net of tax	-	181
Other comprehensive income for the period, net of tax	11,497	3,866
Total comprehensive income for the period	22,405	25,729
Attributable to:		
Owners of the Company	21,263	23,226
Non-controlling interests	1,142	2,503
	22,405	25,729

1(b)(i) Statements of financial position

	Group		Company	
	31/3/2012 \$000	31/12/2011 \$000	31/3/2012 \$000	31/12/2011 \$000
ASSETS				
Non-current assets				
Property, plant and equipment	82,610	81,202	27,281	27,800
Properties development costs	57,102	45,167	–	–
Investment properties	1,251,309	1,242,806	669,101	669,000
Intangible assets	25,343	26,170	–	–
Investments in subsidiaries	–	–	507,210	448,374
Investments in associates	58,342	48,424	315	315
Investments in joint ventures	55,598	51,743	–	–
Deferred tax assets	1,391	1,391	–	–
Trade and other receivables	13,604	23,045	–	–
Other investments	6,970	6,970	6,871	6,871
Total non-current assets	1,552,269	1,526,918	1,210,778	1,152,360
Current assets				
Inventories	6,322	7,516	–	–
Income tax receivables	55	51	–	–
Trade and other receivables	346,261	301,915	29,407	26,743
Other investments	11,600	9,703	–	–
Gross amount due from customers for contract work	15,754	16,252	–	–
Prepayments	4,371	4,286	3,364	3,032
Properties held for sale	783,262	759,624	–	–
Bank balances and deposits	467,599	453,278	69,316	20,252
Total current assets	1,635,224	1,552,625	102,087	50,027
Total assets	3,187,493	3,079,543	1,312,865	1,202,387
EQUITY AND LIABILITIES				
Equity				
Share capital	305,788	300,898	305,788	300,898
Retained earnings	838,036	828,294	526,753	480,234
Other reserves	66,675	55,131	23,962	23,939
Equity attributable to owners of the Company	1,210,499	1,184,323	856,503	805,071
Non-controlling interests	56,016	54,724	–	–
Total equity	1,266,515	1,239,047	856,503	805,071
Non-current liabilities				
Deferred tax liabilities	31,444	24,614	536	660
Trade and other payables	7,107	9,835	–	–
Borrowings	1,300,156	1,157,433	406,700	285,618
Total non-current liabilities	1,338,707	1,191,882	407,236	286,278
Current liabilities				
Provisions	424	790	–	–
Income tax payable	61,777	66,707	8,785	7,191
Trade and other payables	367,751	379,874	16,899	20,480
Borrowings	111,168	176,394	23,442	83,367
Gross amount due to customers for contract work	41,151	24,849	–	–
Total current liabilities	582,271	648,614	49,126	111,038
Total liabilities	1,920,978	1,840,496	456,362	397,316
Total equity and liabilities	3,187,493	3,079,543	1,312,865	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 31/3/2012		As at 31/12/2011	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
10,638	100,530	12,565	163,829

(b) Amount repayable after one year

As at 31/3/2012		As at 31/12/2011	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
921,301	378,855	888,966	268,467

(c) Details of any collaterals

Property, plant & equipment and investment properties amounting to \$40,000 (31 December 2011: \$989,000) and \$548,273,000 (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 \$825,817,000 (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

	Period Ended	
	31/3/2012 \$000	31/3/2011 \$000
Cash flows from operating activities		
Profit before tax	15,308	28,463
Depreciation of property, plant and equipment	2,912	2,226
Interest income	(828)	(466)
Finance costs	3,388	1,238
Amortisation of intangible assets	258	237
Currency realignment	(18)	(1,946)
Dividend income from investment securities	–	(230)
Gain on disposal of property, plant and equipment	(11)	(84)
(Gain)/loss on held for trading investments	(779)	838
Impairment loss on properties held for sale	–	1,129
Inventories written-down	10	9
Share of profit from equity-accounted associates and joint ventures	(1,119)	(972)
Unrealised exchange loss	1,603	1,412
Operating cash flows before changes in working capital	20,724	31,854
Properties held for sale		
- Development expenditure	(27,604)	(35,660)
- Proceeds from progress billings	8,141	61,188
Decrease in trade and other payables and provisions	(16,448)	(3,227)
(Increase)/decrease in trade and other receivables	(35,166)	4,569
Decrease in gross amount due from customers for contract work	802	9,051
Increase in gross amount due to customers for contract work	16,302	6,546
Increase in inventories	(1,021)	(1,050)
Cash flows (used in)/from operations	(34,270)	73,271
Income taxes paid	(2,132)	(3,117)
Interest paid	(8,216)	(3,513)
Interest received	832	493
Net cash flows (used in)/from operating activities	(43,786)	67,134
Cash flows from investing activities		
Acquisition of intangible assets	–	(386)
Dividends received from investment securities	–	230
(Increase)/decrease in amounts due from associates and joint ventures	(572)	386
Increase in loans to joint ventures	(2,223)	–
Proceeds from disposal of property, plant and equipment	2,148	931
Proceeds from disposal of investment properties	–	1,418
Purchase of property, plant and equipment	(4,833)	(2,502)
Subsequent expenditure on investment properties	(19,086)	(32,346)
Net cash flows used in investing activities	(24,566)	(32,269)

1(c) Statement of cash flows (continued)

	Period Ended	
	31/3/2012	31/3/2011
	\$000	\$000
Cash flows from financing activities		
Contribution from non-controlling interests	150	–
(Decrease)/increase in short-term loans	(47,904)	599
(Decrease)/increase in trust receipts and bills payable	(960)	930
Issuance of shares upon exercise of share options	215	320
Net proceeds from dilution of interests in subsidiaries	–	31,937
Proceeds from issue of medium term notes	150,000	–
Proceeds from long-term loans	73,337	37,943
Repayment of long-term loans	(89,624)	(31,024)
Net cash flows from financing activities	85,214	40,705
Net increase in cash and cash equivalents	16,862	75,570
Cash and cash equivalents, beginning balance	439,166	252,989
Cash and cash equivalents, ending balance	456,028	328,559
Cash and cash equivalents comprise:		
Bank balances and deposits	467,599	339,282
Bank overdrafts	(11,571)	(10,723)
Cash and cash equivalents	456,028	328,559

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	10,908	9,742	-	9,742	-	-	-	-	1,166
Gains/(losses) on exchange differences on translation, net of tax	941	965	-	-	-	-	965	-	(24)
Gains on remeasuring available-for-sale financial assets, net of tax	1,118	1,118	-	-	1,118	-	-	-	-
Share of other comprehensive income from equity-accounted associate, net of tax	9,438	9,438	-	-	9,438	-	-	-	-
Other comprehensive income for the period	11,497	11,521	-	-	10,556	-	965	-	(24)
Total comprehensive income for the period	22,405	21,263	-	9,742	10,556	-	965	-	1,142
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	4,675	4,675	4,675	-	-	-	-	-	-
Ordinary shares issued on exercise of share options converted into ordinary stocks	215	215	215	-	-	-	-	-	-
Equity portion of convertible bonds	23	23	-	-	-	-	-	23	-
Total contributions by and distributions to owners in their capacity as owners	4,913	4,913	4,890	-	-	-	-	23	-
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	5,063	4,913	4,890	-	-	-	-	23	150
Closing balance at 31/3/2012	1,266,515	1,210,499	305,788	838,036	44,536	4,081	(3,910)	21,968	56,016

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

The Group	Attributable to owners of the Company								
	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
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	21,863	19,570	–	19,570	–	–	–	–	2,293
Gains on exchange differences on translation, net of tax	1,446	1,236	–	–	–	–	1,236	–	210
Losses on remeasuring available-for-sale financial assets, net of tax	(467)	(467)	–	–	(467)	–	–	–	–
Gains on cash flow hedges, net of tax	181	181	–	–	–	–	–	181	–
Share of other comprehensive income from equity-accounted associate, net of tax	2,706	2,706	–	–	2,706	–	–	–	–
Other comprehensive income for the period	3,866	3,656	–	–	2,239	–	1,236	181	210
Total comprehensive income for the period	25,729	23,226	–	19,570	2,239	–	1,236	181	2,503
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	10,345	10,345	10,345	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	320	320	320	–	–	–	–	–	–
Equity portion of convertible bonds	112	112	–	–	–	–	–	112	–
Total contributions by and distributions to owners in their capacity as owners	10,777	10,777	10,665	–	–	–	–	112	–
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	42,714	14,592	10,665	–	–	–	–	3,927	28,122
Closing balance at 31/3/2011	989,416	959,881	284,567	612,514	44,593	4,081	(7,081)	21,207	29,535

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

The Company

	Total equity \$000	Share capital \$000	Retained earnings \$000	AFS reserve \$000	Share option reserve \$000	Other reserves \$000
Opening balance at 1/1/2012	805,071	300,898	480,234	5,349	4,081	14,509
Profit for the period	46,519	–	46,519	–	–	–
Total comprehensive income for the period	46,519	–	46,519	–	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	4,675	4,675	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	215	215	–	–	–	–
Equity portion of convertible bonds	23	–	–	–	–	23
Total transactions with owners in their capacity as owners	4,913	4,890	–	–	–	23
Closing balance at 31/3/2012	856,503	305,788	526,753	5,349	4,081	14,532
Opening balance at 1/1/2011	750,879	273,902	453,580	5,091	4,081	14,225
Profit for the period	3,523	–	3,523	–	–	–
Total comprehensive income for the period	3,523	–	3,523	–	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	10,345	10,345	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	320	320	–	–	–	–
Equity portion of convertible bonds	112	–	–	–	–	112
Total transactions with owners in their capacity as owners	10,777	10,665	–	–	–	112
Closing balance at 31/3/2011	765,179	284,567	457,103	5,091	4,081	14,337

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

During Q1 2012, the Company issued 3,733,823 ordinary shares on conversion of \$5,003,324 convertible bonds and 157,400 ordinary shares arising from the exercising of the United Engineers Share Option Scheme 2000 (Scheme 2000)

As at 31 March 2012, there were 4,942,550 (31 March 2011: 5,752,450) unexercised options for ordinary shares under Scheme 2000 and \$45,391,827 (31 March 2011: \$67,801,866) convertible bonds which are convertible into 33,874,497 (31 March 2011: 50,598,407) 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 31 March 2012, the Company's issued and paid-up ordinary share capital excluding treasury shares was 288,074,626 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 auditor's 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)

	Period Ended	
	31/3/2012	31/3/2011
(a) Basic*:	3.4¢	7.3¢
(b) Diluted**:	3.1¢	6.3¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	286,212,805	267,810,665
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>320,881,858</u>	<u>319,621,951</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	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$4.20</u>	<u>\$4.17</u>	<u>\$2.97</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.

Q1 2012 compared with Q1 2011

In **Q1 2012**, Revenue decreased 38% from \$189.1 million in Q1 2011 to \$116.8 million in Q1 2012 mainly due to the absence of revenue from the property sales at *The Rochester* and the sale of *UE Print Media Hub* which was recorded in Q1 2011. As a result of the decreased revenue, Gross profit dropped 37% to \$35.6 million in Q1 2012. Gross profit percentage increased to 30.4% as compared with 29.7% in Q1 2011.

Other income increased 117% from \$0.7 million in Q1 2011 to \$1.5 million in Q1 2012 mainly due to fair value gains from short-term investments.

Administrative expenses decreased 19% from \$17.9 million in Q1 2011 to \$14.5 million in Q1 2012 mainly due to the write-back of staff bonus provision.

Other expenses decreased 64% from \$7.8 million in Q1 2011 to \$2.8 million in Q1 2012 mainly due to the absence of fair value losses from short-term investments, impairment losses on properties held for sale and advisory and listing expenses of UE E&C Ltd. incurred in Q1 2011.

Finance costs increased 174% from \$1.2 million in Q1 2011 to \$3.4 million in Q1 2012 mainly due to the accounting treatment to cease the capitalisation of interest expense for projects that obtained Temporary Occupation Permit and higher interest rates.

Income tax expense decreased 33% from \$6.6 million in Q1 2011 to \$4.4 million in Q1 2012 mainly due to lower operating profit.

The Group's **attributable profit** decreased 50% from \$19.6 million in Q1 2011 to \$9.7 million in Q1 2012. Excluding the one-off sale of *Print Media Hub*, impairment losses on properties held for sale and advisory and listing expenses of UE E&C Ltd. incurred in Q1 2011, the Group's attributable profit would have decreased by 37%.

Earnings per ordinary stock unit (EPS) was 3.4 cents in Q1 2012 compared with 7.3 cents in Q1 2011.

Net asset per ordinary stock unit stood at \$4.20 as at 31 March 2012 compared with \$4.17 as at 31 December 2011.

Financial position review

Properties development costs increased by \$12 million mainly due to development expenditures incurred for *orchardgateway*.

Current trade and other receivables increased by \$44 million mainly due to the Group's share of the amount paid to-date for the acquisition of a commercial site at Sengkang West Avenue/Fernvale Road of \$29 million. The amount will be classified as loan to joint venture upon the finalisation of the shareholder agreement.

Total borrowings increased by \$77 million mainly due to additional drawdown of loans to finance the construction of *UE Bizhub EAST* and *orchardgateway* and the land acquisition costs of the commercial site at Sengkang West Avenue/Fernvale Road.

Segment review

In the **Property Development** segment, no revenue was recorded in Q1 2012 as the property development project currently undertaken by the Group, *Austville Residences* will be recognised based on completion of construction (COC) method. Operating loss before interest was \$0.3 million compared with a profit of \$18.1 million in Q1 2011 due to the absence of development profits.

In the **Property Rental & Services** segment, revenue increased 22% to \$44.9 million in Q1 2012 mainly due to the contribution from *Rochester Mall and Park Avenue Rochester*. Operating profit before interest increased 82% to \$14.5 million in Q1 2012 mainly due to higher revenue and the write-back of staff bonus provision.

In the **Engineering & Construction** segment, revenue decreased 23% to \$81.4 million in Q1 2012 mainly due to the completion of several projects. Operating profit before interest decreased 53% to \$2.3 million in Q1 2012 mainly due to lower revenue.

Cash flow review

As at 31 March 2012, the Group had cash and cash equivalents of \$456 million. In Q1 2012, the Group incurred total development expenditure of \$47 million 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 changes in these components from 31 December 2011 to 31 March 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 Q1 2012 results are in line with the prospect statement made in paragraph 10 of the Company's FY 2011 results announcement on 28 February 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.

In Q1 2012, the decline in the Group's operating revenues and profits were affected mainly by the absence of revenue from the property sales at *The Rochester* and the sale of *UE Print Media Hub* in Q1 2011. The adoption of the COC method of accounting is expected to cause future development profit to fluctuate. In 2012, the Group's focus will be on the execution of a number of major projects, namely *UE Bizhub EAST* at Changi Business Park, the *8 Riversuites* at Bendemeer Road/Whampoa East, the *Austville Residences* at Sengkang East Avenue/Buangkok Drive and *orchardgateway* at 277 Orchard Road (the former Specialists' Centre/Hotel Phoenix). The Group's condominium development *8 Riversuites* is scheduled to be launched only in Q2 2012. These projects are not expected to contribute significantly to the Group's profit in 2012. The Group expects that its turnover and operating profit will mainly be derived from recurring income from the Engineering & Construction and the Property Rental and Services segments.

The Group performance may also be affected by the current global economic uncertainties. The Group will 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.

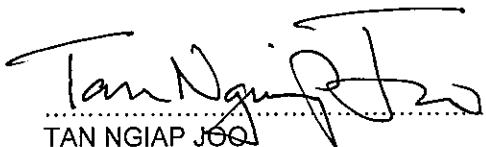
The Company has obtained a general mandate from shareholders for interested person transactions ("IPTs") at the Annual General Meeting held on 27 April 2012. There was no IPT with amount exceeding S\$100,000 each during Q1 2012.

BY ORDER OF THE BOARD
Heng Fook Pyng, Jeslyn
Secretary
15 May 2012

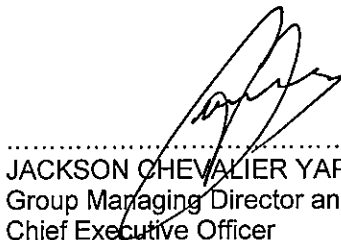
Confirmation by the Board

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 Q1 2012 financial results to be false or misleading in any material respect.

On behalf of the Board,



TAN NGIAP JOO
Chairman


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