

NEWS RELEASE



United Engineers First Half Net Profit Up 29% to \$55.5 Million

- **Sale of industrial property *UE Print Media Hub* contributed to results**
- ***The Rochester* at one-north and DBSS project at Ang Mo Kio obtained TOP in July 2011**
- **New mall and hotel at one-north expected to contribute rental income by Q4 2011**

SINGAPORE, 11 August 2011 – United Engineers Limited (“the Group”) announced that for the first half ended 30 June 2011 (“H1 2011”), net profit increased 29% to \$55.5 million compared with \$43.0 million in the first half ended 30 June 2010 (“H1 2010”).

The 3% increase in revenue to \$366.4 million was mainly due to the sale proceeds of the remaining 58 units in the Group’s industrial investment property, *UE Print Media Hub*, being offset by lower progressive revenue recognition from *The Rochester* and *Park Central @ AMK*.

General increase in operating profit before interest across all business segments

The Group’s core businesses comprise property development, property rental & services (including the hospitality business) and engineering & construction.

Property development revenue saw a marginal increase of 0.3% to \$158.4 million in H1 2011 largely due to the sale proceeds from the remaining 58 units in *UE Print Media Hub* being offset

by lower progressive revenue recognition from *The Rochester* and *Park Central @ AMK*. Operating profit before interest increased 40% to \$49.0 million in H1 2011.

Property rental & services revenue decreased 1% to \$72.2 million in H1 2011 mainly due to lower rental contributions arising from the sale of the remaining 58 units in *UE Print Media Hub* being offset by new rental contributions from *UE BizHub CENTRAL*. Operating profit before interest increased 3% to \$16.0 million in H1 2011.

Engineering & construction revenue increased 8% to \$197.4 million in H1 2011 mainly due to the completion of its various ongoing projects. Operating profit before interest increased 53% to \$12.5 million in H1 2011.

Strong liquidity

As at 30 June 2011, the Group had cash and cash equivalents of \$295 million. As of June 2011, the Group had incurred a total development expenditure of \$313 million for the mixed development (including the condominium *The Rochester*) at one-north, *Park Central @ AMK* at Ang Mo Kio Street 52, *UE BizHub EAST* at Changi Business Park, *Austville Residences* at Sengkang East Avenue/Buangkok Drive, condominium project at Bendemeer Road/Whampoa East and the mixed development at 277 Orchard Road. Together with net cash proceeds of \$31.9 million from the listing of its engineering and construction subsidiary UE E&C Ltd., overall net increase in cash and cash equivalents were \$42.1 million in H1 2011.

Key projects successfully obtained TOP; new rental contribution expected from mall and hotel at one-north by Q4 2011

The Group's key development projects – the mixed development at one-north and *Park Central @ AMK* (Design, Build and Sell Scheme) at Ang Mo Kio Street 52 – have successfully obtained temporary occupation permit in July 2011. The hotel and mall at one-north are expected to be operational and contribute rental income by Q4 2011.

With the completion of the above projects, the Group will work on launching a waterfront condominium project at Bendemeer Road/Whampoa East. The Group's performance may be affected by the current global economic uncertainties arising from the sovereign debt issues in the developed economies. Nonetheless, the Group will adopt a cautious approach to execute and bid for building, engineering and infrastructure projects over the next 12 months.

###

For more information, please contact:

David Lim
Corporate Communications & Investor Relations
United Engineers Limited
DID: 6818 8358
HP: 9677 3846
Email: davidlim@uel.sg

About United Engineers Limited

United Engineers Limited (“UEL”), founded in 1912, is one of Singapore’s pioneer companies and has played an integral role in the physical and economic transformation of Singapore. Building upon its early engineering roots, UEL has evolved into a dynamic corporation with key activities in engineering, construction and property. In view of the key role played by UEL in Singapore’s early development, the Singapore National Heritage Board has marked UEL’s flagship building, UE Square, a historic site in 2002. UEL is also the 11th oldest member in the Singapore International Chamber of Commerce.

###