

NEWS RELEASE



United Engineers Reports 1QFY2012 Profit Of \$9.7m On The Back of Revenue Of \$116.8 million

SINGAPORE, 15 May 2012 - United Engineers Limited (the "Group") announced that for the first quarter ended 31 March 2012 ("Q1 2012"), revenue decreased 38% to \$116.8 million mainly due to the absence of revenue from property sales at *The Rochester* and the sale of *UE Print Media Hub* which was recorded in Q1 2011. The attributable profit of \$9.7 million was 50% lower as compared to \$19.6 million for the previous corresponding period. Excluding the one-off sale of *UE Print Media Hub*, impairment losses on properties held for sale and advisory and listing expenses incurred for UE E&C Ltd. in Q1 2011, the Group's attributable profit would have decreased by 37%.

Segment Review

For the **Property Development** segment, no revenue was recorded for Q1 2012 as revenue and profits for *Austville Residences* will be recognised based on the completion of construction (COC) method. The public launch of the Group's condominium project, *8 Riversuites*, is expected to be on 1 June 2012. Temporary Occupation Permit (TOP) for the development is expected to be in 2016.

The **Property Rental & Services** segment recorded a 22% increase in revenue to \$44.9 million in Q1 2012, mainly driven by higher contributions from *Rochester Mall* and *Park Avenue Rochester*.

Revenue from the **Engineering & Construction** segment decreased 23% to \$81.4 million in Q1 2012 due to the completion of several projects.

"In 2012, we will focus on executing our various development projects – *UE BizHub EAST*, *8 Riversuites*, *Austville Residences* and *orchardgateway*. These projects are not expected to contribute significantly to the Group's profits in 2012. We expect revenue and operating profit to be derived mainly from the recurring income from the Engineering & Construction and Property Rental & Services segments. We have a positive outlook on the hospitality sector, with between 13.5 million to 14.5 million tourist arrivals expected in 2012¹, slightly higher than the record 13.2 million arrivals achieved in 2011. With the anticipated TOP of our integrated development - *UE BizHub EAST* which includes a business hotel component, at the end of 2012, the Group will have over 700 keys under its management. We will continue to look for suitable opportunities to grow our portfolio of hotel rooms and serviced apartments both in Singapore as well as in the region," said Mr Jackson Yap, the Group's Managing Director and Chief Executive Officer.

In April 2012, the Group, together with its JV partner, Koh Brothers, secured a \$54.6 million contract for the construction of a used water lift station at the Jurong Water Reclamation Plant. The Group continues to strengthen its track record in environmental engineering projects, winning projects in iconic developments; including the biomass co-generation systems at Gardens By the Bay and the Life Support System at the Marine Life Park, Resorts World at Sentosa.

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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 property, engineering and construction. 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.

¹ Singapore Tourism Promotion Board, Press release - 23 March 2012.