

NEWS RELEASE

United Engineers Reports H1 2012 Net Profit of \$17.2 Million On The Back of Revenue of \$260.9 Million

SINGAPORE, 10 August 2012 - United Engineers Limited (the “Group”) announced that for the first half ended 30th June 2012 (“H1 2012”), net profit was \$17.2 million on the back of revenue of \$260.9 million. Revenue decreased 20% to \$260.9 million from \$326.3 million for the previous corresponding period mainly due to no revenue contribution in H1 2012 from *The Rochester* which was completed in 2011, and the completed sale of *UE Print Media Hub* in H1 2011, partly offset by the maiden rental contribution from *The Rochester Mall* and *Park Avenue Rochester* in 2012.

Segment Review

In the **Property Development** segment, no revenue was recorded for H1 2012 as revenue and profits for *Austville Residences* will be recognised based on the completion of construction (“COC”) method. Construction work for *8 Riversuites*, which the Group launched in Q2 2012, has not commenced. Operating profit before interest decreased 99% to \$0.3 million for H1 2012.

The **Property Rental & Services** segment recorded a 20% increase in revenue to \$86.9 million for H1 2012, mainly driven by the maiden rental contributions from *The Rochester Mall* and *Park Avenue Rochester*. Operating profit before interest increased 47% to \$23.9 million for H1 2012.

Revenue from the **Engineering & Construction** segment decreased 2% to \$193.1 million for H1 2012 mainly due to the higher contribution from new and ongoing projects undertaken by UE E&C Group, offset by lower contribution from the environmental engineering projects. Operating profit before interest decreased 36% to \$8.9 million for H1 2012.

“In Q2 2012, we obtained TOP for UE Bizhub EAST, the mixed-use development in Changi Business Park. Moving forward, the Group will focus on executing its ongoing development projects, namely – *8 Riversuites*, *Austville Residences* and *orchardgateway*. These projects are not expected to contribute significantly to the Group’s profits in 2012. The adoption of the COC method of accounting for certain projects is expected to cause fluctuations in development profit in the future. Moving forward, the Group expects that the recurring income from the Engineering & Construction as well as the Property Rental & Services segments will be the main drivers for its turnover and operating profit,” said Mr Jackson Yap, the Group’s Managing Director and Chief Executive Officer.

In April 2012, the Group secured three environmental engineering contracts worth over \$70.0 million. Two of the contracts are from Public Utilities Board (“PUB”), Singapore’s national water agency, worth a total value of approximately S\$56.3 million and are for projects at the Changi Water Reclamation Plant. The third contract, valued at approximately US\$11.0 million (approx. S\$14.0 million) is for a waste-to-energy project at a poultry farm in Singapore.

“We will continue to grow our steady baseload of recurrent income, expanding our regional footprint in both the hospitality as well as the environmental engineering businesses. With our growing portfolio, strong track record and proven execution capabilities, we are well positioned to capture more opportunities in the region,” added Mr. Yap.

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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.

For the financial year ended 31 December 2011, the Group achieved record revenue of S\$1.2 billion and net profit of S\$269.5 million. The Group has a property investment portfolio worth over S\$1.2 billion and shareholder's equity of S\$1.2 billion as at 31 December 2011.

UEL's flagship building, *UE Square*, was marked a historic site in 2002 by the Singapore National Heritage Board. The Group has played an instrumental role in constructing numerous iconic buildings and landmarks in Singapore which define our cityscape today, including Marina Bay Sands Integrated Resort, ION Orchard and the upcoming *orchardgateway*. The Group's extensive track record includes commercial buildings such as the National Library Building, Ngee Ann City and OCBC Bank Building; residential developments such as Paterson Suites, *Sui Generis* and *Park Central @ AMK*; as well as mixed-use developments such as *UE Square*, *The Rochester* and *UE Bizhub EAST* in Changi Business Park.