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## **United Engineers Full-Year Attributable Profit on Continuing Operations Increased 122% to \$102.2 million**

**SINGAPORE, 26 February 2016** – United Engineers Limited (the “Group”) today announced revenue for the full year ended 31 December 2015 decreased 42% to \$1.9 billion from \$3.2 billion in 2014 mainly due to the absence of revenue contribution from the completed *Austville Residences* project which was recorded in 2014 based on the completion-of-construction accounting method, despite higher contributions from Multi-Fineline Electronix, Inc. (“MFLEX”). The decrease in revenue was also attributable to the absence of contributions from the Automotive and MFS Technology (S) Pte Ltd businesses which were divested towards the end of 2014.

As a result of the lower revenue, gross profit declined 18% to \$340.6 million. Gross profit margin, however, increased to 18.3% from 12.9% in 2014 mainly due to higher contributions from MFLEX. The Group’s attributable profit on continuing operations increased 122% from \$46.0 million in 2014 to \$102.2 million.

On the Group’s performance, Group Managing Director Mr Norman Ip said, “We have been steadily streamlining the portfolio of businesses as well as divesting non-core businesses and assets. The Group has also benefited from the strategic and cost synergies between the UEL Group and the WBL Group. The Board has been prudent in investing in real estate for the past years. Amidst the global economic uncertainties, we will actively look for real estate-related opportunities to achieve the next phase of growth and development.”

## NEWS RELEASE

### Segment Review

Revenue in the **Property Rental & Services** segment decreased 8% from \$150.6 million in 2014 to \$139.0 million mainly due to the absence of project management fees. Consequently, operating profit before interest decreased 15% from \$81.0 million in 2014 to \$68.8 million.

**Property Development** revenue decreased 54% from \$881.2 million in 2014 to \$402.0 million and operating profit before interest decreased 59% from \$44.7 million in 2014 to \$18.4 million. These were mainly due to the absence of revenue and profit contributions from *Austville Residences*.

In the **Engineering & Distribution** segment, revenue increased 8% from \$265.0 million in 2014 to \$285.6 million mainly due to contributions from the Group's environmental engineering projects which was partially offset by lower contributions from the liquefied petroleum gas distribution business. Operating profit before interest rose from \$2.2 million in 2014 to \$8.1 million mainly due to improved margins recorded for some on-going environmental engineering projects.

**Technology & Manufacturing** revenue increased 10% from \$879.6 million in 2014 to \$971.1 million mainly due to higher contributions from MFLEX. Operating profit before interest was \$63.9 million as compared with an operating loss of \$12.5 million in 2014.

### Outlook

Sentiments in Singapore's property market continued to be weighed down by the sustained impact of the property cooling measures, the global economic slowdown, as well as increased volatilities in the financial and commodities markets. The Group's property business in China is also likely to continue to face challenging operating conditions amid slower economic growth and weak property market. Rental revenue from the Group's portfolio of investment properties is expected to remain stable.

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### **About United Engineers Limited**

United Engineers Limited (the "Group"), founded in 1912, is one of Singapore's pioneer companies that played an integral role in the country's physical and economic transformation. Building on its early engineering roots, the Group evolved into a dynamic corporation with key business activities in property, engineering and distribution, as well as technology and manufacturing today. The Group has developed numerous iconic developments including *orchardgateway*, *UE BizHub CITY*, *UE BizHub EAST*, as well as the mixed-use development at one-north comprising *The Rochester*, *Rochester Mall* and *Park Avenue Rochester*. It also owns a stable of shopping malls which comprises *Changi Link*, *Rochester Mall*, *The Seletar Mall* and *UE Square Shopping Mall*, as well as manages the *Park Avenue* chain of hotels, serviced suites, serviced offices and convention centre. The Group's flagship building *UE BizHub CITY* was marked a historic site in 2002 by the Singapore National Heritage Board; the Group was also honoured as the 11th oldest company in the Singapore International Chamber of Commerce.

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