

Q1 2013 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		
	31/3/2013	31/3/2012	Change
	\$000	\$000	%
Revenue*	136,583	116,818	17
Cost of sales	(95,168)	(81,258)	17
Gross profit	41,415	35,560	17
Other items of income			
Interest income	1,277	828	54
Other income	2,791	1,530	82
Other items of expense			
Distribution costs	(3,228)	(3,039)	6
Administrative expenses	(25,633)	(14,486)	77
Finance costs	(4,685)	(3,388)	38
Other expenses	(1,856)	(2,816)	(34)
Operating profit	10,081	14,189	(29)
Share of profit from equity-accounted associates and joint ventures	1,801	1,119	61
Profit before tax	11,882	15,308	(22)
Income tax expense	(2,545)	(4,400)	(42)
Profit net of tax	9,337	10,908	(14)
Attributable to:			
Owners of the Company	7,444	9,742	(24)
Non-controlling interests	1,893	1,166	62
	9,337	10,908	(14)
Earnings per stock unit (cents)			
Basic	2.4¢	3.4¢	
Diluted	2.3¢	3.1¢	

1(a)(i) Note to income statement

	Group		
	31/3/2013	31/3/2012	Change
	\$000	\$000	%
* <u>Revenue comprises:</u>			
Sales of goods	3,306	9,526	(65)
Rendering of services	23,589	24,582	(4)
Revenue from construction contracts	81,942	62,526	31
Rental income	27,575	20,184	37
Dividend income	171	–	NM
Total revenue	136,583	116,818	17

NM: Not meaningful

1(a)(ii) Other information

	Group	
	31/3/2013	31/3/2012
	\$000	\$000
Depreciation and amortisation	(4,479)	(3,170)
Foreign exchange gain/(loss)	769	(2,217)
Gain on fair value adjustment on held for trading investments	1,355	779

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

	Group	
	31/3/2013	31/3/2012
	\$000	\$000
Profit net of tax for the period	9,337	10,908
Other comprehensive income		
Gains on exchange differences on translation, net of tax	359	941
Gains on remeasuring available-for-sale financial assets, net of tax	383	1,118
Share of other comprehensive income from equity-accounted associates, net of tax *	(6,644)	9,438
Other comprehensive income for the period, net of tax	(5,902)	11,497
Total comprehensive income for the period	3,435	22,405
Attributable to:		
Owners of the Company	1,481	21,263
Non-controlling interests	1,954	1,142
	3,435	22,405

* Due to movement in available-for-sale reserve arising from mark to market valuation differences of an available-for-sale investment held by an associated company.

1(b)(i) Statement of financial position

	Group		Company	
	31/3/2013 \$000	31/12/2012 \$000	31/3/2013 \$000	31/12/2012 \$000
ASSETS				
Non-current assets				
Property, plant and equipment	162,686	164,394	25,577	26,300
Properties development cost	178,043	156,253	–	–
Investment properties	1,627,824	1,203,765	675,000	675,000
Intangible assets	24,957	24,581	–	–
Investments in subsidiaries	–	–	761,311	657,403
Investments in associates	145,568	148,510	315	315
Investments in joint ventures	68,497	64,206	–	–
Deferred tax assets	3,395	3,395	–	–
Trade and other receivables	26,644	24,653	–	–
Other investments	7,157	7,160	7,077	7,077
Total non-current assets	2,244,771	1,796,917	1,469,280	1,366,095
Current assets				
Inventories	4,551	4,660	–	–
Income tax receivables	92	85	–	–
Trade and other receivables	243,636	341,086	42,969	42,191
Other investments	13,411	11,652	–	–
Gross amount due from customers for contract work	12,020	18,649	–	–
Prepayments	4,598	3,259	1,902	2,279
Properties held for sale	828,433	819,671	–	–
Bank balances and deposits	504,333	452,001	28,029	17,950
	1,611,074	1,651,063	72,900	62,420
Assets of disposal group classified as held for sale	3,198	3,198	–	–
Total current assets	1,614,272	1,654,261	72,900	62,420
Total assets	3,859,043	3,451,178	1,542,180	1,428,515
EQUITY AND LIABILITIES				
Equity				
Share capital	330,461	327,989	330,461	327,989
Retained earnings	862,157	854,713	528,507	517,118
Other reserves	50,188	56,149	24,429	24,427
Equity attributable to owners of the Company	1,242,806	1,238,851	883,397	869,534
Non-controlling interests	69,042	67,088	–	–
Total equity	1,311,848	1,305,939	883,397	869,534
Non-current liabilities				
Deferred tax liabilities	25,140	25,825	164	205
Trade and other payables	17,037	14,505	–	–
Borrowings	1,413,421	1,091,350	375,680	350,829
Total non-current liabilities	1,455,598	1,131,680	375,844	351,034
Current liabilities				
Income tax payable	29,811	30,010	6,423	6,382
Trade and other payables	504,652	502,621	17,175	16,030
Borrowings	523,797	448,168	259,341	185,535
Gross amount due to customers for contract work	30,139	29,562	–	–
	1,088,399	1,010,361	282,939	207,947
Liabilities of disposal group classified as held for sale	3,198	3,198	–	–
Total current liabilities	1,091,597	1,013,559	282,939	207,947
Total liabilities	2,547,195	2,145,239	658,783	558,981
Total equity and liabilities	3,859,043	3,451,178	1,542,180	1,428,515

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 31/3/2013		As at 31/12/2012	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
200,048	323,749	192,244	255,924

- (b) Amount repayable after one year

As at 31/3/2013		As at 31/12/2012	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
1,142,870	270,551	820,637	270,713

- (c) Details of any collaterals

Property, plant & equipment and investment properties amounting to \$79,995,000 (31 December 2012: \$82,016,000) and \$924,324,000 (31 December 2012: \$495,000,000) respectively have been mortgaged to secure borrowings and term loan facilities of certain subsidiaries. Properties held for sale amounting to \$910,533,000 (31 December 2012: \$883,066,000) 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

	Group	
	31/3/2013	31/3/2012
	\$000	\$000
Cash flows from operating activities		
Profit before tax	11,882	15,308
Depreciation of property, plant and equipment	4,214	2,912
Interest income	(1,277)	(828)
Finance costs	4,685	3,388
Amortisation of intangible assets	265	258
Currency realignment	(554)	(18)
Dividend income from other investments	(171)	–
Gain on disposal of property, plant and equipment	(17)	(11)
Gain on held for trading investments	(1,355)	(779)
Inventories written-down	10	10
Share of profit from equity-accounted associates and joint ventures	(1,801)	(1,119)
Unrealised exchange (gain)/loss	(807)	1,603
Operating cash flows before changes in working capital	15,074	20,724
Properties held for sale		
- Development expenditure	(23,848)	(27,604)
- Proceeds from progress billings	32,934	8,141
Decrease in trade and other payables and provisions	(7,443)	(16,448)
Decrease/(increase) in inventories	136	(1,021)
Decrease/(increase) in trade and other receivables	94,316	(35,166)
Decrease in gross amount due from customers for contract work	6,888	802
Increase in gross amount due to customers for contract work	577	16,302
Cash flows from/(used in) operations	118,634	(34,270)
Income taxes paid	(3,398)	(2,132)
Interest paid	(9,515)	(8,216)
Interest received	1,278	832
Net cash flows from/(used in) operating activities	106,999	(43,786)
Cash flows from investing activities		
Addition to investment properties	(424,061)	–
Dividends received from other investments	171	–
Increase in amounts due from associates and joint ventures	(2,959)	(572)
Increase in loans to associates	(3,345)	–
Increase in loans to joint ventures	–	(2,223)
Investments in joint ventures	(300)	–
Proceeds from disposal of property, plant and equipment	461	2,148
Purchase of property, plant and equipment	(2,826)	(4,833)
Subsequent expenditure on development of properties	(21,788)	(19,086)
Net cash flows used in investing activities	(454,647)	(24,566)

1(c) Statement of cash flows (continued)

	Group	
	31/3/2013	31/3/2012
	\$000	\$000
Cash flows from financing activities		
Contribution from non-controlling interests	–	150
Increase/(decrease) in short-term loans	1,445	(47,904)
Decrease in trust receipts and bills payable	(1,370)	(960)
Issuance of shares upon exercise of share options	834	215
Proceeds from issuance of medium term notes	–	150,000
Proceeds from long-term loans	391,581	73,337
Repayment of long-term loans	(1,443)	(89,624)
Net cash flows from financing activities	391,047	85,214
Net increase in cash and cash equivalents	43,399	16,862
Cash and cash equivalents, beginning balance	445,614	439,166
Cash and cash equivalents, ending balance	489,013	456,028
Cash and cash equivalents comprise:		
Bank balances and deposits	504,333	467,599
Bank overdrafts	(15,320)	(11,571)
Cash and cash equivalents	489,013	456,028

1(d)(i) Statements of changes in equity
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
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2013	1,305,939	1,238,851	327,989	854,713	33,508	4,081	(4,142)	22,702	67,088
Profit for the period	9,337	7,444	–	7,444	–	–	–	–	1,893
Gains on exchange differences on translation, net of tax	359	298	–	–	–	–	298	–	61
Gains on remeasuring available-for-sale financial assets, net of tax	383	383	–	–	383	–	–	–	–
Share of other comprehensive income from equity-accounted associate, net of tax	(6,644)	(6,644)	–	–	(6,644)	–	–	–	–
Other comprehensive income for the period	(5,902)	(5,963)	–	–	(6,261)	–	298	–	61
Total comprehensive income for the period	3,435	1,481	–	7,444	(6,261)	–	298	–	1,954
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	1,638	1,638	1,638	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	834	834	834	–	–	–	–	–	–
Equity portion of convertible bonds	2	2	–	–	–	–	–	2	–
Total contributions by and distributions to owners	2,474	2,474	2,472	–	–	–	–	2	–
Total transactions with owners in their capacity as owners	2,474	2,474	2,472	–	–	–	–	2	–
Closing balance at 31/3/2013	1,311,848	1,242,806	330,461	862,157	27,247	4,081	(3,844)	22,704	69,042

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

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 1/1/2012	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	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)

COMPANY

	Total equity	Share capital	Retained earnings	AFS reserve	Share option reserve	Other reserves
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance at 1/1/2013	869,534	327,989	517,118	5,709	4,081	14,637
Profit for the period	11,389	–	11,389	–	–	–
Total comprehensive income for the period	11,389	–	11,389	–	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	1,638	1,638	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	834	834	–	–	–	–
Equity portion of convertible bonds	2	–	–	–	–	2
Total transactions with owners in their capacity as owners	2,474	2,472	–	–	–	2
Closing balance at 31/3/2013	883,397	330,461	528,507	5,709	4,081	14,639
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

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

During Q1 2013, the Company issued 1,260,133 ordinary shares on conversion of \$1,688,583 convertible bonds and 479,900 ordinary shares arising from the exercising of the United Engineers Share Option Scheme 2000 (Scheme 2000)

As at 31 March 2013, there were 3,549,150 (31 March 2012: 4,942,550) unexercised options for ordinary shares under Scheme 2000 and \$21,506,031 (31 March 2012: \$45,391,827) convertible bonds which are convertible into 16,049,276 (31 March 2012: 33,874,497) 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 2013, the Company's issued and paid-up ordinary share capital excluding treasury shares was 307,147,730 ordinary stock units (31 December 2012: 305,407,697).

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 2012.

- 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 2012/1 January 2013.

Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income

Revised FRS 19 Employee Benefits

FRS 113 Fair Value Measurement

Amendments to FRS 107: Disclosures – Offsetting Financial Assets and Financial Liabilities

Improvements to FRSs 2012

– Amendment to FRS 1 Presentation of Financial Statements

– Amendment to FRS 16 Property, Plant and Equipment

– Amendment to FRS 32 Financial Instruments: Presentation

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

	Group	
	31/3/2013	31/3/2012
(a) Basic*:	2.4¢	3.4¢
(b) Diluted**:	2.3¢	3.1¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	306,152,441	286,212,805
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	<u>323,038,635</u>	<u>320,881,858</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	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Net asset per ordinary stock unit based on the total number of issued shares	<u>\$4.05</u>	<u>\$4.06</u>	<u>\$2.88</u>	<u>\$2.85</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 2013 compared with Q1 2012

In **Q1 2013**, Revenue increased 17% from \$116.8 million in Q1 2012 to \$136.6 million in Q1 2013 mainly due to increased rental contribution from the Group's income producing properties *and* higher revenue contribution from the Group's listed subsidiary UE E&C Ltd. As a result of the increased revenue, Gross profit increased 17% to \$41.4 million in Q1 2013. Gross profit percentage decreased marginally to 30.3% as compared with 30.4% in Q1 2012.

Other income increased 82% from \$1.5 million in Q1 2012 to \$2.8 million in Q1 2013 mainly due to fees earned from *orchardgateway* project and fair value gains from held for trading investments.

Administrative expenses increased 77% from \$14.5 million in Q1 2012 to \$25.6 million in Q1 2013 mainly due to higher staff and operating costs arising from the commencement of operation of *UE Bizhub EAST* and *Park Avenue Changi* as well as higher write-back of staff bonus provision in Q1 2012.

Other expenses decreased 34% from \$2.8 million in Q1 2012 to \$1.9 million in Q1 2013 mainly due to the absence of forex exchange losses in Q1 2013.

Finance costs increased 38% from \$3.4 million in Q1 2012 to \$4.7 million in Q1 2013 mainly due to the cessation of the capitalisation of interest expense arising from the completion of *UE Bizhub EAST*, as well as higher borrowing to finance the acquisition of the commercial property at 79 Anson Road.

Income tax expense decreased 42% from \$4.4 million in Q1 2012 to \$2.5 million in Q1 2013 mainly due to lower operating profit.

The Group's **attributable profit** decreased 24% from \$9.7 million in Q1 2012 to \$7.4 million in Q1 2013.

Earnings per ordinary stock unit (EPS) was 2.4 cents in Q1 2013 compared with 3.4 cents in Q1 2012.

Net asset per ordinary stock unit stood at \$4.05 as at 31 March 2012 compared with \$4.06 as at 31 December 2012.

Financial position review

Properties development costs increased by \$22 million due to development expenditures incurred for *orchardgateway*.

Investment properties increased by \$424 million mainly due to the acquisition of the commercial property at 79 Anson Road.

Current trade and other receivables decreased by \$97 million mainly due to the collection of balance payment from *The Rochester* project upon obtaining the Certificate of Statutory Completion.

Total borrowings increased by \$398 million mainly due to new loan undertaken to finance the acquisition of commercial property at 79 Anson Road and additional drawdown of loans to finance the construction of *orchardgateway*.

Segment review

In the **Property Development** segment, no revenue was recorded in Q1 2013 for on-going projects. The executive condominium development project currently undertaken by the Group, *Austville Residences* will be recognised based on completion of construction (COC) method. This project is expected to be completed in 2014. Operating profit before interest was \$0.03 million compared with a loss of \$0.3 million in Q1 2012.

In the **Property Rental & Services** segment, revenue increased 5% to \$47.4 million in Q1 2013 mainly due to rental contribution from *UE Bizhub EAST* and *Park Avenue Changi*. The increase was partially offset by the expiry of the lease at *United Tech Park* which was not renewed. Operating profit before interest decreased 9% to \$13.2 million in Q1 2013 mainly due to higher write-back of staff bonus provision in Q1 2012.

In the **Engineering & Construction** segment, revenue increased 21% to \$98.6 million in Q1 2013 mainly due to higher contribution from the Group's listed subsidiary UE E&C Ltd., which was partially offset by lower contribution from the environmental engineering projects. Operating profit before interest increased 56% to \$3.6 million in Q1 2013 mainly due to higher revenue.

Cash flow review

As at 31 March 2013, the Group had cash and cash equivalents of \$489 million. In Q1 2013, the Group received the balance payment from *The Rochester* and progress billings from *Austville Residences* and *Eight Riversuites*. These were partially offset by development expenditure of \$46 million incurred for *orchardgateway*, *Austville Residences* and *Eight Riversuites*. In addition, the Group incurred \$424 million for the acquisition of the commercial property at 79 Anson Road, which was partially financed by bank borrowings. Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2012 to 31 March 2013 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 2013 results are in line with the prospect statement made in paragraph 10 of the Company's FY 2012 results announcement on 28 February 2013.

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.

Over the next 12 months, the Group will continue to execute a number of major development projects, namely *Eight Riversuites* at Bendemeer Road/Whampoa East, *Austville Residences* at Sengkang East Avenue/Buangkok Drive and *orchardgateway* at 277 Orchard Road (the former Specialists' Centre/Hotel Phoenix).

The newly-acquired commercial property at 79 Anson Road and the commencement of the integrated business park and hotel operations at *UE BizHub EAST* have added to the Group's portfolio of income producing properties. This is in line with the Group's strategy to broaden its recurring income base and to smoothen out the volatility associated with property development profits.

With the tight foreign workers policies implemented by the Singapore Government, the Group will strive to raise productivity through improving its work processes and introducing new technology in its operations and project execution.

In view of continued global uncertainties and the property cooling measures imposed by the Singapore Government, the Group will continue to adopt a cautious approach in bidding for property projects over the next 12 months.

The mandatory cash offers for WBL Corporation Limited (WBL) became unconditional on 13 May 2013. The financial performance of WBL will have an impact on the Group's performance going forward.

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 26 April 2013. There was no IPT for the period ended 31 March 2013.

14 Subsequent Events

On 12 March 2013, J.P. Morgan (S.E.A.) Limited (J.P. Morgan) made an announcement for and on behalf of UE Centennial Venture Pte. Ltd. (the Offeror), a wholly owned subsidiary of the Company, in relation to the mandatory conditional cash offers by the Offeror to acquire all the issued ordinary stock units and outstanding convertible bonds of WBL Corporation Limited (WBL), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (Offer Stock Units and Offer Convertible Bonds respectively) for \$4.15 in cash per WBL ordinary stock unit (the Offers).

On 24 April 2013, J.P. Morgan announced for and on behalf of the Offeror on the extension of the closing date of the Offers from 5.30 p.m. (Singapore time) on 24 April 2013 to 5.30 p.m. (Singapore time) on 10 May 2013 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

On 9 May 2013, J.P. Morgan announced for and on behalf of the Offeror the final revision of the offer price from S\$4.15 to S\$4.50 per WBL ordinary stock unit, and the final extension of the closing date for the Offers from 5.30 p.m. (Singapore time) on 10 May 2013 to 5.30 p.m. (Singapore time) on 29 May 2013.

On 13 May 2013, J.P. Morgan announced for and on behalf of the Offeror that the minimum acceptance condition of the Stock Unit Offer for WBL has been satisfied and the Offers have therefore become and been declared unconditional in all respects, as of the date of that announcement.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn

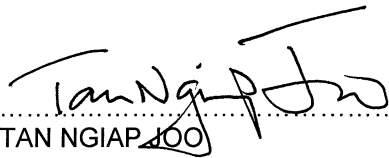
Secretary

15 May 2013

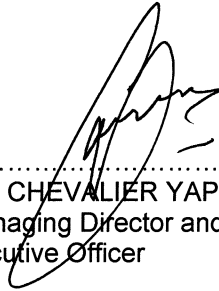
Confirmation by the Board

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 2013 financial results to be false or misleading in any material respect.

On behalf of the Board,



.....
TAN NGIAP JOO
Chairman



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