UNITED ENGINEERS LIMITED
(Company Registration No. 191200018G)

Q2 2013 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 AND HALF YEAR RESULTS

These figures have not been audited.

1(a)(i) Income statement

	Group					
	3 months ended			6 months ended		
	30/6/2013[1]	30/6/2012	Change	**30/6/2013**[1]	30/6/2012	Change
	$000	$000	(%)	**$000**	$000	(%)
Revenue	**303,393**	144,057	111	**439,976**	260,875	69
Cost of sales	**(243,691)**	(102,884)	137	**(338,859)**	(184,142)	84
Gross profit	**59,702**	41,173	45	**101,117**	76,733	32
Other items of income						
Interest income	**2,092**	808	159	**3,369**	1,636	106
Other income	**31,619**	938	3,271	**34,410**	2,468	1,294
Other items of expense						
Distribution costs	**(14,075)**	(3,212)	338	**(17,304)**	(6,251)	177
Administrative expenses	**(34,693)**	(21,700)	60	**(60,325)**	(36,186)	67
Finance costs	**(8,251)**	(3,905)	111	**(12,936)**	(7,293)	77
Other expenses	**(8,424)**	(3,785)	123	**(10,280)**	(6,601)	56
Operating profit	**27,970**	10,317	171	**38,051**	24,506	55
Share of profit from equity-accounted associates and joint ventures	**1,634**	1,825	(10)	**3,435**	2,944	17
Profit before tax	**29,604**	12,142	144	**41,486**	27,450	51
Income tax expense	**(6,254)**	(2,262)	176	**(8,799)**	(6,662)	32
Profit net of tax	**23,350**	9,880	136	**32,687**	20,788	57
Attributable to:						
Owners of the Company	**15,411**	7,429	107	**22,855**	17,171	33
Non-controlling interests	**7,939**	2,451	224	**9,832**	3,617	172
	23,350	9,880	136	**32,687**	20,788	57
Earnings per stock unit (cents)						
Basic	**5.0¢**	2.5¢		**7.4¢**	5.9¢	
Diluted	**4.8¢**	2.4¢		**7.2¢**	5.6¢	

[1] Include contribution from WBL Corporation Limited and its subsidiaries (WBL Group) for the month of June 2013 following the successful takeover offers for WBL Corporation Limited (WBL) which closed on 29 May 2013.

1(a)(ii) Other information

	Group			
	3 months ended		6 months ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	$000	$000	$000	$000
Depreciation and amortisation	**(12,296)**	(3,453)	**(16,775)**	(6,622)
Foreign exchange gain/(loss)	**699**	(549)	**1,468**	(2,766)
Gain on deemed disposal of investments arising from business combinations	**21,415**	–	**21,415**	–
Gain on disposal of held for trading investments	**507**	–	**507**	–
Gain on sale of subsidiaries	**3,020**	–	**3,020**	–
Gain/(loss) on fair value adjustment on held for trading investments	**160**	(897)	**1,515**	(118)

1(a)(iii) Statement of comprehensive income

	Group			
	3 months ended		6 months ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	$000	$000	$000	$000
Profit net of tax for the period	**23,350**	9,880	**32,687**	20,788
Other comprehensive income				
Items that may be reclassified subsequently to income statement:				
Gains on exchange differences on translation, net of tax	**2,392**	182	**2,751**	1,123
Losses/gains on remeasuring available-for-sale financial assets, net of tax	**(185)**	(466)	**198**	652
Share of other comprehensive income from equity-accounted associates, net of tax*	**1,036**	(3,636)	**(5,608)**	5,802
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets, net of tax	**(1,895)**	–	**(1,895)**	–
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets held through associates, net of tax	**(19,520)**	–	**(19,520)**	–
Other comprehensive income for the period, net of tax	**(18,172)**	(3,920)	**(24,074)**	7,577
Total comprehensive income for the period	**5,178**	5,960	**8,613**	28,365
Attributable to:				
Owners of the Company	**(3,732)**	3,438	**(2,251)**	24,701
Non-controlling interests	**8,910**	2,522	**10,864**	3,664
	5,178	5,960	**8,613**	28,365

* 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) Statements of financial position

	Group		Company	
	30/6/2013	31/12/2012	**30/6/2013**	31/12/2012
	$000	$000	**$000**	$000
ASSETS				
Non-current assets				
Property, plant and equipment	**762,770**	164,394	**24,904**	26,300
Properties development cost	**222,771**	156,253	**–**	–
Investment properties	**1,661,502**	1,203,765	**675,000**	675,000
Intangible assets	**234,873**	24,581	**–**	–
Investments in subsidiaries	**–**	–	**1,012,205**	657,403
Investments in associates	**179,994**	148,510	**315**	315
Investments in joint ventures	**139,012**	64,206	**–**	–
Deferred tax assets	**53,974**	3,395	**–**	–
Trade and other receivables	**19,304**	24,653	**–**	–
Other investments	**9,353**	7,160	**7,077**	7,077
Total non-current assets	**3,283,553**	1,796,917	**1,719,501**	1,366,095
Current assets				
Inventories	**268,653**	4,660	**–**	–
Income tax receivables	**3,426**	85	**–**	–
Trade and other receivables	**478,053**	341,086	**47,607**	42,191
Other investments	**260**	11,652	**–**	–
Gross amount due from customers for contract work	**21,955**	18,649	**–**	–
Prepayments	**14,656**	3,259	**1,963**	2,279
Properties held for sale	**1,367,779**	819,671	**–**	–
Bank balances and deposits	**769,573**	452,001	**24,422**	17,950
	2,924,355	1,651,063	**73,992**	62,420
Assets of disposal group classified as held for sale	**4,434**	3,198	**–**	–
Total current assets	**2,928,789**	1,654,261	**73,992**	62,420
Total assets	**6,212,342**	3,451,178	**1,793,493**	1,428,515
EQUITY AND LIABILITIES				
Equity				
Share capital	**333,003**	327,989	**333,003**	327,989
Treasury shares#	**(62,313)**	–	**–**	–
Retained earnings	**846,672**	854,713	**582,357**	517,118
Other reserves	**30,815**	56,149	**24,433**	24,427
Equity attributable to owners of the Company	**1,148,177**	1,238,851	**939,793**	869,534
Non-controlling interests	**774,384**	67,088	**–**	–
Total equity	**1,922,561**	1,305,939	**939,793**	869,534
Non-current liabilities				
Deferred tax liabilities	**47,385**	25,825	**125**	205
Trade and other payables	**19,261**	14,505	**–**	–
Borrowings	**2,367,251**	1,091,350	**496,785**	350,829
Total non-current liabilities	**2,433,897**	1,131,680	**496,910**	351,034
Current liabilities				
Income tax payable	**53,665**	30,010	**5,857**	6,382
Trade and other payables	**970,860**	502,621	**20,988**	16,030
Borrowings	**807,918**	448,168	**329,945**	185,535
Gross amount due to customers for contract work	**23,441**	29,562	**–**	–
	1,855,884	1,010,361	**356,790**	207,947
Liabilities of disposal group classified as held for sale	**–**	3,198	**–**	–
Total current liabilities	**1,855,884**	1,013,559	**356,790**	207,947
Total liabilities	**4,289,781**	2,145,239	**853,700**	558,981
Total equity and liabilities	**6,212,342**	3,451,178	**1,793,493**	1,428,515

Please refer to paragraph 1d(ii) for further details on the treasury shares.

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 30/6/2013		As at 31/12/2012	
$000	$000	$000	$000
Secured	Unsecured	Secured	Unsecured
209,065	598,853	192,244	255,924

(b) Amount repayable after one year

As at 30/6/2013		As at 31/12/2012	
$000	$000	$000	$000
Secured	Unsecured	Secured	Unsecured
1,813,671	553,580	820,637	270,713

(c) Details of any collaterals

The borrowings are secured by fixed and floating charges over certain assets of certain subsidiaries.

A term loan facility of a subsidiary was secured by a charge over the stock units and convertible bonds of WBL.

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			
	3 months ended		6 months ended	
	30/6/2013	30/6/2012	**30/6/2013**	30/6/2012
	\$000	\$000	**\$000**	\$000
Cash flows from operating activities				
Profit before tax	**29,604**	12,142	**41,486**	27,450
Depreciation of property, plant and equipment	**11,947**	3,187	**16,161**	6,099
Interest income	**(2,092)**	(808)	**(3,369)**	(1,636)
Finance costs	**8,251**	3,905	**12,936**	7,293
Amortisation of intangible assets	**349**	266	**614**	523
Currency realignment	**1,118**	(1,871)	**566**	(1,889)
Dividend income from other investment	**(458)**	(300)	**(629)**	(300)
Gain on deemed disposal of investments arising from business combinations	**(21,415)**	–	**(21,415)**	–
Gain on disposal of held for trading investments	**(507)**	–	**(507)**	–
Gain on disposal of property, plant and equipment	**(701)**	(21)	**(718)**	(32)
Gain on disposal of subsidiaries	**(3,020)**	–	**(3,020)**	–
(Gain)/loss on fair value adjustment on held for trading investments	**(160)**	897	**(1,515)**	118
Reversal of write-down of inventories	**(10)**	(29)	**–**	(19)
Share of profit from equity-accounted associates and joint ventures	**(1,634)**	(1,825)	**(3,435)**	(2,944)
Unrealised exchange (gain)/loss	**(1,332)**	2,049	**(2,139)**	3,652
Operating cash flows before changes in working capital	**19,940**	17,592	**35,016**	38,315
Properties held for sale				
- Development expenditure	**(53,167)**	(9,667)	**(77,015)**	(37,271)
- Proceeds from progress billings	**23,882**	13,868	**56,816**	22,009
(Decrease)/increase in trade and other payables and provisions	**(253)**	3,736	**(7,696)**	(12,712)
Decrease in trade and other receivables	**76,984**	48,389	**171,300**	13,223
Increase in gross amount due from customers for contract work	**(9,710)**	(1,826)	**(2,822)**	(1,024)
(Decrease)/increase in gross amount due to customers for contract work	**(6,698)**	(5,700)	**(6,121)**	10,602
(Increase)/decrease in inventories	**(7,377)**	4,520	**(7,241)**	3,499
Cash flows from operations	**43,601**	70,912	**162,237**	36,641
Income taxes paid	**(10,733)**	(24,531)	**(14,131)**	(26,663)
Interest paid	**(2,758)**	(5,363)	**(12,273)**	(13,579)
Interest received	**1,669**	767	**2,947**	1,599
Net cash flows from/(used in) operating activities	**31,779**	41,785	**138,780**	(2,002)

1(c) Statement of cash flows *(continued)*

	Group			
	3 months ended		6 months ended	
	30/6/2013	30/6/2012	**30/6/2013**	30/6/2012
	$000	$000	**$000**	$000
Cash flows from investing activities				
Addition to investment properties	**–**	–	**(424,061)**	–
Acquisition of intangible assets	**(8,298)**	(386)	**(8,298)**	(386)
Acquisition of subsidiaries, net of cash acquired (Note A)	**(307,249)**	–	**(307,249)**	–
Disposal of subsidiaries, net of cash disposed of (Note B)	**4,471**	–	**4,471**	–
Dividends received from other investments	**458**	300	**629**	300
Decrease/(increase) in amounts due from associates and joint ventures	**5,880**	(914)	**2,919**	(1,486)
Increase in loans to associates	**(22,074)**	(36,900)	**(25,419)**	(36,900)
Increase in loans to joint ventures	**–**	(1,050)	**–**	(3,273)
Investment in associates	**–**	–	**(300)**	–
Investment in joint venture	**–**	(3,000)	**–**	(3,000)
Proceeds from disposal of other investments	**9,189**	–	**9,189**	–
Proceeds from disposal of property, plant and equipment	**1,518**	1,449	**1,979**	3,597
Purchase of property, plant and equipment	**(11,290)**	(8,462)	**(14,116)**	(13,295)
Properties development expenditure	**(39,951)**	(26,885)	**(61,739)**	(45,970)
Net cash flows used in investing activities	**(367,346)**	(75,848)	**(821,995)**	(100,413)
Cash flows from financing activities				
Contribution from non-controlling interests	**–**	–	**–**	150
(Decrease)/increase in trust receipts and bills payable	**(327)**	1,621	**(1,697)**	661
Dividends paid	**(30,896)**	(44,175)	**(30,896)**	(44,175)
Dividends paid to non-controlling interests of subsidiaries	**(4,293)**	(5,152)	**(4,293)**	(5,152)
Increase/(decrease) in short-term loans	**35,683**	12,313	**37,128**	(35,591)
Issuance of shares upon exercise of share options	**393**	610	**1,227**	825
Proceeds from issuance of medium term notes	**101,830**	–	**101,830**	150,000
Proceeds from long-term loans	**507,397**	47,332	**898,978**	120,669
Repayment of long-term loans	**(3,250)**	(10,509)	**(4,693)**	(100,133)
Net cash flows from financing activities	**606,537**	2,040	**997,584**	87,254
Net increase/(decrease) in cash and cash equivalents	**270,970**	(32,023)	**314,369**	(15,161)
Cash and cash equivalents, beginning balance	**489,013**	456,028	**445,614**	439,166
Cash and cash equivalents, ending balance	**759,983**	424,005	**759,983**	424,005
Cash and cash equivalents comprise:				
Bank balances and deposits	**769,573**	430,873	**769,573**	430,873
Bank overdrafts	**(9,590)**	(6,868)	**(9,590)**	(6,868)
Cash and cash equivalents	**759,983**	424,005	**759,983**	424,005

1(c) Statement of cash flows *(continued)*

Note A: The net assets arising from the acquisition of subsidiary companies are computed based on provisional values and the cash flow effects of the acquisition were as follows:-

	Group			
	3 months ended		**6 months ended**	
	30/6/2013	30/6/2012	**30/6/2013**	30/6/2012
	$000	$000	**$000**	$000
Property, plant and equipment	**601,606**	–	**601,606**	–
Investment properties	**38,455**	–	**38,455**	–
Intangible assets	**54,929**	–	**54,929**	–
Investments in associates	**38,549**	–	**38,549**	–
Investments in joint ventures	**78,771**	–	**78,771**	–
Deferred tax assets	**45,392**	–	**45,392**	–
Inventories	**257,889**	–	**257,889**	–
Trade and other receivables	**335,512**	–	**335,512**	–
Other investments	**64,503**	–	**64,503**	–
Properties held for sale	**499,786**	–	**499,786**	–
Bank balances and deposits	**400,669**	–	**400,669**	–
Assets of disposal group classified as held for sale	**4,540**	–	**4,540**	–
Deferred tax liabilities	**(23,106)**	–	**(23,106)**	–
Other long term liabilities	**(4,035)**	–	**(4,035)**	–
Income tax payable	**(25,319)**	–	**(25,319)**	–
Trade and other payables	**(444,722)**	–	**(444,722)**	–
Borrowings	**(604,876)**	–	**(604,876)**	–
Net assets acquired	**1,318,543**	–	**1,318,543**	–
Less: Non-controlling interests	**(756,102)**	–	**(756,102)**	–
Net identifiable assets acquired	**542,441**	–	**542,441**	–
Goodwill on acquisition	**145,477**	–	**145,477**	–
Cash flow arising from acquisition of subsidiaries	**707,918**	–	**707,918**	–
Less: Cash and cash equivalents in subsidiaries acquired	**(400,669)**	–	**(400,669)**	–
Cash flow arising on acquisition, net of cash acquired	**307,249**	–	**307,249**	–

Note B: The net assets and liabilities arising from the disposal of subsidiary companies and the cash flow effects of the disposal were as follows:-

	Group			
	3 months ended		**6 months ended**	
	30/6/2013	30/6/2012	**30/6/2013**	30/6/2012
	$000	$000	**$000**	$000
Property, plant and equipment	**425**	–	**425**	–
Inventories	**1,615**	–	**1,615**	–
Trade and other receivables	**2,187**	–	**2,187**	–
Gross amount due from customers for contract work	**1,276**	–	**1,276**	–
Bank balances and deposits	**1,214**	–	**1,214**	–
Trade and other payables	**(2,790)**	–	**(2,790)**	–
Borrowings	**(1,323)**	–	**(1,323)**	–
Net assets disposed	**2,604**	–	**2,604**	–
Foreign currency translation reserve gain realised	**61**	–	**61**	–
Net gain on disposal of subsidiaries	**3,020**	–	**3,020**	–
Total consideration	**5,685**	–	**5,685**	–
Cash and cash equivalents in subsidiaries disposed	**(1,214)**	–	**(1,214)**	–
Cash flow arising from disposal of subsidiaries	**4,471**	–	**4,471**	–

1(d)(i) Statements of Changes in Equity

GROUP

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares#	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
		Attributable to owners of the Company								
	$000	$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

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares*	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
		Attributable to owners of the Company								
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Profit for the period	23,350	15,411	–	–	15,411	–	–	–	–	7,939
Gains on exchange differences on translation, net of tax	2,392	1,421	–	–	–	–	–	1,421	–	971
Losses on remeasuring available-for-sale financial assets, net of tax	(185)	(185)	–	–	–	(185)	–	–	–	–
Share of other comprehensive income from equity-accounted associate, net of tax	1,036	1,036	–	–	–	1,036	–	–	–	–
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets, net of tax	(1,895)	(1,895)	–	–	–	(1,895)	–	–	–	–
Realisation of reserves to income statement on deemed disposal of available-for-sale financial assets held through associates, net of tax,	(19,520)	(19,520)	–	–	–	(19,520)	–	–	–	–
Other comprehensive income for the period	(18,172)	(19,143)	–	–	–	(20,564)	–	1,421	–	971
Total comprehensive income for the period	5,178	(3,732)	–	–	15,411	(20,564)	–	1,421	–	8,910
Contributions by and distributions to owners										
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	2,149	2,149	2,149	–	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	393	393	393	–	–	–	–	–	–	–
Acquisition of treasury shares arising from business combinations	(62,313)	(62,313)	–	(62,313)	–	–	–	–	–	–
Equity portion of convertible bonds	4	4	–	–	–	–	–	–	4	–
Dividends paid	(35,189)	(30,896)	–	–	(30,896)	–	–	–	–	(4,293)
Interim dividend FY2013	(5,996)	–	–	–	–	–	–	–	–	(5,996)
Total contribution to and distribution to owners	(100,952)	(90,663)	2,542	(62,313)	(30,896)	–	–	–	4	(10,289)

1(d)(i) Statements of Changes in Equity *(continued)*

GROUP

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares#	Retained earnings	AFS reserve	Share option reserve	Translation reserve	Other reserves	Non-controlling interests
		Attributable to owners of the Company								
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries	755,868	(234)	–	–	–	–	–	–	(234)	756,102
Movement in non-controlling interests arising from business combination	(49,381)	–	–	–	–	–	–	–	–	(49,381)
Total changes in ownership interests in subsidiaries	706,487	(234)	–	–	–	–	–	–	(234)	706,721
Total transactions with owners in their capacity as owners	605,535	(90,897)	2,542	(62,313)	(30,896)	–	–	–	(230)	696,432
Closing balance at 30/6/2013	1,922,561	1,148,177	333,003	(62,313)	846,672	6,683	4,081	(2,423)	22,474	774,384

Please refer to paragraph 1d(ii) for further details on the treasury shares.

1(d)(i) Statements of Changes in Equity *(continued)*

GROUP

	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
		Attributable to owners of the Company							
	$000	$000	$000	$000	$000	$000	$000	$000	$000
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 in Equity *(continued)*

GROUP

	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
		Attributable to owners of the Company							
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Profit for the period	9,880	7,429	–	7,429	–	–	–	–	2,451
Gains on exchange differences on translation, net of tax	182	111	–	–	–	–	111	–	71
Losses on remeasuring available-for-sale financial assets, net of tax	(466)	(466)	–	–	(466)	–	–	–	–
Share of other comprehensive income from equity-accounted associate, net of tax	(3,636)	(3,636)	–	–	(3,636)	–	–	–	–
Other comprehensive income for the period	(3,920)	(3,991)	–	7,429	(4,102)	–	111	–	71
Total comprehensive income for the period	5,960	3,438	–	7,429	(4,102)	–	111	–	2,522
Contributions by and distributions to owners									
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	11,106	11,106	11,106	–	–	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	610	610	610	–	–	–	–	–	–
Equity portion of convertible bonds	55	55	–	–	–	–	–	55	–
Dividends paid	(49,327)	(44,175)	–	(44,175)	–	–	–	–	(5,152)
Total transactions with owners in their capacity as owners	(37,556)	(32,404)	11,716	(44,175)	–	–	–	55	(5,152)
Closing balance at 30/6/2012	1,234,919	1,181,533	317,504	801,290	40,434	4,081	(3,799)	22,023	53,386

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
Profit for the period	84,746	–	84,746	–	–	–
Total comprehensive income for the period	84,746	–	84,746	–	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	2,149	2,149	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	393	393	–	–	–	–
Equity portion of convertible bonds	4	–	–	–	–	4
Dividends paid	(30,896)	–	(30,896)	–	–	–
Total transactions with owners in their capacity as owners	(28,350)	2,542	(30,896)	–	–	4
Closing balance at 30/6/2013	939,793	333,003	582,357	5,709	4,081	14,643
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
Profit for the period	27,453	–	27,453	–	–	–
Total comprehensive income for the period	27,453	–	27,453	–	–	–
Contributions by and distributions to owners						
Ordinary shares issued on conversion of convertible bonds converted into ordinary stocks	11,106	11,106	–	–	–	–
Ordinary shares issued on exercise of share options converted into ordinary stocks	610	610	–	–	–	–
Equity portion of convertible bonds	55	–	–	–	–	55
Dividends paid	(44,175)	–	(44,175)	–	–	–
Total transactions with owners in their capacity as owners	(32,404)	11,716	(44,175)	–	–	55
Closing balance at 30/6/2012	851,552	317,504	510,031	5,349	4,081	14,587

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

During Q2 2013, the Company issued 1,645,476 ordinary shares on conversion of $2,204,941 convertible bonds and 235,300 ordinary shares arising from the exercising of the options under the United Engineers Share Option Scheme 2000 (Scheme 2000).

During the six months, the Company issued 2,905,609 ordinary shares on conversion of $3,893,524 convertible bonds and 715,200 ordinary shares arising from the exercising of the options under the Scheme 2000.

As at 30 June 2013, there were 3,187,850 (30 June 2012: 4,542,950) unexercised options for ordinary shares under Scheme 2000 and $19,301,090 (30 June 2012: $33,598,621) convertible bonds which are convertible into 14,403,798 (30 June 2012: 25,073,598) shares at the conversion price of $1.34 per share.

Deemed treasury shares arising from acquisition of WBL

WBL has a shareholding of 21,712,000 ordinary stock units in the capital of United Engineers Limited (UEL). As a result of the successful completion of the Group's takeover offers for WBL (which closed on 29 May 2013), WBL has become a subsidiary of UEL.

Under FRS 103 Business Combinations, the purchase consideration for WBL will be reduced by the fair value of UEL ordinary stock units held by WBL as at the date of acquisition. This will be deemed and provisionally classified as treasury shares under the consolidated group. Under the Singapore Companies Act, Chapter 50, WBL is required to dispose of its shareholding in UEL within 12 months of becoming subsidiary of UEL.

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 30 June 2013, the Company's issued and paid-up ordinary share capital including treasury shares (include 21,712,000 ordinary stock units held by WBL) was 309,028,506 ordinary stock units (31 December 2012: 305,407,697).

As at 30 June 2013, the Group's issued and paid-up ordinary share capital excluding treasury shares was 287,316,506 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 (except as disclosed in section 1d(ii) above in relation to the 21,712,000 ordinary stock units of the Company held by WBL).

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 auditors' 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 <u>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.</u>

The Group adopted the amendments to the Financial Reporting Standards ("FRS") that are effective for annual financial periods beginning on or after 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 (cents)

	3 months ended		6 months ended	
	30/6/2013	30/6/2012	**30/6/2013**	30/6/2012
(a) Basic*:	**5.0¢**	2.5¢	**7.4¢**	5.9¢
(b) Diluted**:	**4.8¢**	2.4¢	**7.2¢**	5.6¢
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	**308,714,842**	294,731,024	**307,433,642**	290,471,914
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	**323,634,332**	320,518,950	**322,453,472**	316,221,363

* 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	
	30/6/2013	31/12/2012	**30/6/2013**	31/12/2012
Net asset per ordinary stock unit based on the total number of issued shares	**$4.00**[1]	$4.06	**$3.04**	$2.85

[1] Based on total number of issued stock units excluding the number of stock units held by WBL.

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 (excluding WBL Group) core businesses comprise Property Development, Property Rental & Services and Engineering & Construction.

Following the successful takeover offers for WBL which closed on 29 May 2013, WBL has become a 56.75%[1] subsidiary of the Company. The WBL Group's results were consolidated with the UE Group's result thereafter.

WBL Group's core businesses comprise Automotive, Property, Technology and Engineering, Manufacturing & Distribution.

Q2 2013 compared with Q2 2012 performance

Revenue increased 111% to $303.4 million in Q2 2013 from $144.1 million in Q2 2012. The increase was mainly due to the consolidation of WBL Group's maiden revenue contribution of approximately $149.5 million. The higher revenue was also attributable to the rental contribution from the Group's income producing properties and contribution from the Group's listed subsidiary UE E&C Ltd. Gross profit increased 45% to $59.7 million in Q2 2013 in line with the increase in revenue. Gross profit margin dropped to 19.7% in Q2 2013 as compared with 28.6% in Q2 2012 mainly attributable to the gross losses incurred by one of the listed subsidiaries of WBL Group, Multi-Fineline Electronix, Inc. (MFLEX).

Other income increased to $31.6 million in Q2 2013 from $0.9 million in Q2 2012 mainly due to the deemed disposal gain from available-for-sale financial assets (previously held directly and indirectly through an associated company by UE Group) now accounted for as subsidiaries arising from the acquisition of WBL. The increase was also due to gain on the sale of a non-core subsidiary in Hong Kong in Q2 2013.

Distribution costs increased to $14.1 million in Q2 2013 from $3.2 million in Q2 2012 mainly due to inclusion of WBL Group's distribution costs of approximately $10.9 million.

Administrative expenses increased 60% to $34.7 million in Q2 2013 from $21.7 million in Q2 2012 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 professional fee and related expenses incurred for the takeover offers for WBL. The increase was also due to the consent fees paid to UEL's Multicurrency Medium Term Note bondholders pursuant to the approval of amendments made to the MTN Trust Deed in Q2 2013.

Finance costs increased 111% to $8.3 million in Q2 2013 from $3.9 million in Q2 2012 mainly due to the cessation of the capitalisation of interest expense arising from the completion of *UE Bizhub EAST*, as well as higher borrowings to finance the acquisition of WBL and the property at 79 Anson Road.

Other expenses increased 123% to $8.4 million in Q2 2013 from $3.8 million in Q2 2012 mainly due to inclusion of WBL Group's other expenses of approximately $4.6 million.

Income tax expense increased 176% from $2.3 million in Q2 2012 to $6.3 million in Q2 2013 mainly due to higher operating profit.

H1 2013 compared with H1 2012 performance

Revenue increased 69% to $440.0 million in H1 2013 from $260.9 million in H1 2012. The increase was mainly due to the consolidation of WBL Group's maiden revenue contribution of approximately $149.5 million. The higher revenue was also attributable to the rental contribution from the Group's income producing properties and contribution from the Group's listed subsidiary UE E&C Ltd. Gross profit increased 32% to $101.1 million in H1 2013 in line with the increase in revenue. Gross profit margin dropped to 23.0% in H1 2013 as compared with 29.4% in H1 2012 mainly attributable to the gross losses incurred by one of the listed subsidiaries of WBL Group, MFLEX.

1 As at 30 June 2013

Other income increased to $34.4 million in H1 2013 from $2.5 million in H1 2012 mainly due to the deemed disposal gain from available-for-sale financial assets (previously held directly and indirectly through an associated company by UE Group) now accounted for as subsidiaries arising from the acquisition of WBL. The increase was also due to gain on sale on the non-core subsidiary in Hong Kong and fair value gains from held for trading investments in H1 2013.

Distribution costs increased 177% to $17.3 million in H1 2013 from $6.3 million in H1 2012 mainly due to inclusion of WBL Group's distribution costs of approximately $10.9 million.

Administrative expenses increased 67% to $60.3 million in H1 2013 from $36.2 million in H1 2012 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 professional fee and related expense incurred for the takeover offers for WBL. The increase was also due to the consent fees paid to UEL's Multicurrency Medium Term Note bondholders pursuant to the approval of amendments made to the MTN Trust Deed in H1 2013.

Finance costs increased 77% to $12.9 million in H1 2013 from $7.3 million in H1 2012 mainly due to the cessation of the capitalisation of interest expense arising from the completion of *UE Bizhub EAST*, as well as higher borrowings to finance the acquisition of WBL and the property at 79 Anson Road.

Other expenses increased 56% to $10.3 million in H1 2013 from $6.6 million in H1 2012 mainly due to inclusion of WBL Group's other expenses of approximately $4.6 million.

Income tax expense increased 32% to $8.8 million in H1 2013 from $6.7 million in H1 2012 mainly due to higher operating profit.

The Group's **attributable profit** increased to $15.4 million in Q2 2013 compared with $7.4 million in Q2 2012. For H1 2013 attributable profit was $22.9 million in H1 2013 compared with $17.2 million in H1 2012.

Earnings per ordinary stock unit (EPS) increased to 5.0 cents compared with 2.5 cents in Q2 2012. EPS for the half-year ended 30 June 2013 and 30 June 2012 were 7.4 cents and 5.9 cents respectively.

Net asset per ordinary stock unit stood at $4.00 as at 30 June 2013 compared with $4.06 as at 31 December 2012.

Financial position review

The Group's properties, plant and equipment, inventories and properties held for sale increased by $598 million, $264 million and $548 million respectively as compared with FY 2012 mainly due to the consolidation of WBL Group.

Properties development costs increased by $67 million mainly due to development expenditures incurred for *orchardgateway.*

Investment properties increased by $458 million mainly due to the acquisition of the commercial property at 79 Anson Road.

Intangible assets increased by $210 million mainly due to the provisional goodwill recognised on the acquisition of WBL Group and the consolidation of WBL Group's intangible assets. The determination of the goodwill on the acquisition of WBL Group will be further subject to a Purchase Price Allocation exercise to be carried out by UE Group.

Current trade and other receivables increased by $138 million mainly due to the consolidation of WBL Group's trade and other receivables of $294 million, which was partially offset by collection of the balance payment from *The Rochester* project upon obtaining the Certificate of Statutory Completion.

Current trade and other payable increased by $468 million mainly due to consolidation of WBL Group.

Total borrowings increased by $1.6 billion mainly due to the drawdowns of loans to finance the acquisition of WBL and the consolidation of WBL Group's borrowings of $575 million. The increase was also due to the drawdowns of loans to finance the acquisition of property at 79 Anson Road and the construction of *orchardgateway.*

Segment review

Property Development

($'000)	Q2 2013	Q2 2012	Change (%)	H1 2013	H1 2012	Change (%)
Revenue	**120***	–	NM	**120***	–	NM
Operating (loss)/profit before interest	**(35)**	559	NM	**(2)**	282	NM

NM: Not meaningful

*: Related to dividend income received from an investment.

No revenue was recorded in Q2 2013 and H1 2013 for on-going projects. The executive condominium development project currently undertaken by the Group, *Austville Residences* is accounted for based on completion of construction (COC) method. This project is expected to be completed in 2014. The private condominium development *8 Riversuites* is in the early stage of construction and will start contributing to development revenue in second half of the year. The Group incurred a marginal operating loss before interest in Q2 2013 and H1 2013 compared with an operating profit before interest of $0.6 million and $0.3 million in Q2 2012 and H1 2012 respectively.

Property Rental & Services

($'000)	Q2 2013	Q2 2012	Change (%)	H1 2013	H1 2012	Change (%)
Revenue	**50,637**	42,041	20	**98,000**	86,949	13
Operating profit before interest	**15,350**	9,462	62	**28,513**	23,946	19

Revenue increased 20% to $50.6 million in Q2 2013 and 13% to $98.0 million in H1 2013 mainly due to rental contribution from *UE Bizhub EAST, Park Avenue Changi* and 79 Anson Road. The increase was partially offset by the expiry of the lease at *United Tech Park* in April 2012 which was not renewed. Operating profit before interest increased 62% to $15.4 million in Q2 2013 and 19% to $28.5 million in H1 2013 mainly due to higher revenue.

Engineering & Construction

($'000)	Q2 2013	Q2 2012	Change (%)	H1 2013	H1 2012	Change (%)
Revenue	**115,653**	111,735	4	**214,291**	193,133	11
Operating profit before interest	**17,230**	6,615	160	**20,841**	8,935	133

Revenue increased 4% to $115.7 million in Q2 2013 and 11% to $214.3 million in H1 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 Group's environmental engineering projects. Operating profit before interest increased 160% to $17.2 million in Q2 2013 and 133% to $20.8 million in H1 2013 mainly due to cost saving from certain completed projects.

WBL Group

($'000)	Q2 2013	Q2 2012	Change (%)	H1 2013	H1 2012	Change (%)
Revenue	**149,459**	–	NM	**149,459**	–	NM
Operating loss before interest	**(9,997)**	–	NM	**(9,997)**	–	NM

NM: Not meaningful

This represents WBL Group's results for the month of June 2013 following the successful takeover offers of WBL which closed on 29 May 2013. Revenue contribution for Q2 2013 and H1 2013 was primarily from the Group's Automotive and Technology businesses. Operating loss before interest was mainly due to losses incurred by it's listed Technology subsidiary, MFLEX.

Cash flow review

As at 30 June 2013, the Group had cash and cash equivalents of $760 million of which $368 million was contributed by WBL Group. In H1 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 $139 million incurred for *orchardgateway, Austville Residences* and *Eight Riversuites.*

The Group utilised $822 million in investing activities of which mainly $424 million was for the acquisition of the property at 79 Anson Road and $307 million (net of cash acquired) for the acquisition of WBL Group. Majority of these acquisitions were 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 30 June 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 Group's Q2 2013 results are in line with the commentaries made in the announcements of 15 May 2013 and 26 July 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.

The Group will continue to execute a number of major developments in Singapore and China, which include the *orchardgateway* in Singapore and Orchard Summer Palace in Shenyang, China.

The Group expects the uneven performance of property development business to continue given that the executive condominium project in Singapore and development projects in China are accounted for using the completion-of-construction method. The on-going cooling measures by the Singapore and Chinese Governments will continue to weigh on the sentiment of home buyers. In view of the continued global economic uncertainties and the slowing Chinese economy, while the Group will seek out opportunities as and when they arise, it will continue to adopt a cautious approach when bidding for new property projects in the next 12 months.

The Group has announced on 4 July 2013 the proposed divestment of the built-to-suit mixed used development at Changi Business Park (known as *UE BizHub EAST*) to the trustee of the proposed Viva Industrial Real Estate Investment Trust for $518 million, subject to certain conditions. The divestment represents the Group's ongoing strategy to unlock value from the Group's various investments in properties. Completion shall take place no later than 29 November 2013 unless otherwise agreed by the parties. Please refer to the Group's announcement dated 4 July 2013 for more detail on the proposed divestment.

Against a backdrop of a strong construction demand in 2013 as projected by the Building and Construction Authority of Singapore at between $26 billion to $32 billion, the Group remains optimistic about its construction and engineering businesses. However, with the tight foreign labour policies implemented by the Singapore Government, the Group will continue to strive to raise productivity through improving its work processes and introducing new technology in its operations and project execution.

With WBL's portfolio of diverse automotive brands and products, the Group is well placed to mitigate demand downsize risks posted by the introduction of the tiered system of ARF and the revisions to the quantum and tenure of car loans in Singapore. The Group will continue to build on its brand portfolio and its position as a leading premium car distributor in the Asia Pacific region.

The Group's technology business (MFS Technology Ltd and MFLEX) will continue to focus on managing cost and inventory levels and further diversifying its customer and product base to support its longer term growth objectives.

On 13 August 2013, the shareholders of the Company have approved the proposed renounceable underwritten 1-for-1 Rights Issue to raise gross proceeds of up to approximately $489.9 million. The Rights Issue has been proposed to further strengthen the balance sheet and enhance the financial flexibility of the Group.

Following the acquisition of WBL, the Group immediate priority is to improve on its existing businesses. The Group will continue to enhance efficiencies across its businesses by extracting synergies, improving operational effectiveness, rigorously reviewing its costs structure, and to stay on track to deliver its high quality growth projects. The Group is presently undertaking a strategic review in relation to WBL, and as part of its on-going strategies, the Group may from time to time review investment and divestment opportunities as well as streamline its activities.

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 30 June 2013.

BY ORDER OF THE BOARD
Heng Fook Pyng, Jeslyn
Secretary
14 August 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 Q2 2013 and H1 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