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**United Engineers H1 2015
Net Profit on Continuing Operations
Increased 32% to \$42.5 million**

MFLEX's turnaround led to higher profit contribution

SINGAPORE, 14 August 2015 – United Engineers Limited (the “Group”) today announced revenue for the first half ended 30 June 2015 (“H1 2015”) fell 46% to \$983.4 million mainly due to the absence of revenue contribution from the sale of apartments at *Austville Residences* despite higher contribution from Multi-Fineline Electronix, Inc. (“MFLEX”). The decrease in revenue was also attributable to the absence of contributions mainly from the Automotive and MFS Technology (S) Pte Ltd businesses, which were divested towards the end of 2014.

As a result of the revenue decrease, gross profit decreased 19% to \$161.3 million in H1 2015. However, net profit on continuing operations increased 32% to \$42.5 million in H1 2015 as compared with \$32.1 million in H1 2014 mainly due to positive contribution from MFLEX.

“Following the successful completion of its restructuring plans, MFLEX’s turnaround has led to higher profit contribution. However, the completion-of-construction method of accounting for its property development projects continues to create volatility in the Group’s performance. We will focus on strengthening the recurring income base from our portfolio of investment properties and other operating businesses to achieve a more sustainable income stream in the longer term,” said Mr Norman Ip, Chairman of the Corporate Office.

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Segment Review

Property Rental & Services revenue decreased 5% to \$68.6 million in H1 2015 as compared with \$72.5 million in H1 2014. Operating profit before interest decreased 18% to \$33.8 million in H1 2015 as compared with \$41.4 million in H1 2014 mainly due to the absence of project management fees.

Property Development revenue decreased 55% to \$292.8 million in H1 2015 as compared with \$657.0 million in H1 2014 mainly due to the absence of contribution from property sales of *Austville Residences* which was recorded in the second quarter of 2014. As a result of the revenue decrease, operating profit before interest decreased 79% to \$9.8 million in H1 2015 as compared with \$46.7 million in H1 2014.

Engineering & Distribution revenue increased marginally to \$124.8 million in H1 2015 from \$123.9 million in H1 2014 mainly due to higher contributions from the Group's environmental engineering projects. The increase was partially offset by lower revenue contribution from the liquefied petroleum gas distribution business. Operating profit before interest decreased 51% to \$2.6 million in H1 2015 as compared with \$5.3 million in H1 2014 mainly as a result of lower margins recorded for certain ongoing environmental engineering projects.

Technology & Manufacturing revenue increased 31% to \$457.3 million in H1 2015 as compared with \$349.4 million in H1 2014 mainly due to higher contribution from MFLEX. Operating profit before interest was \$29.4 million in H1 2015 as compared with an operating loss before interest of \$51.5 million in H1 2014.

Outlook

Market sentiments continue to be weighed down by ongoing property cooling measures implemented by the Singapore Government, the likely rise in interest rates as well as near-term global economic uncertainties. The Group will be focusing on strengthening its portfolio of investment properties to enhance the recurring rental income.

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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 physical and economic transformation of Singapore. Building on its early engineering roots, the Group has evolved into a dynamic corporation with key businesses in property services and environmental engineering today. On 29 May 2013, the Group acquired a 56.8% stake in another centennial company, WBL Corporation Limited ("WBL") and subsequently increased its shareholding to 67.6%. Following this acquisition, the Group's businesses now include Manufacturing, Distribution and Technology. The Group's flagship building *UE Square* 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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