

Unaudited Second Quarter Financial Statement Announcement

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF SECOND QUARTER AND HALF YEAR RESULTS

1(a)(i) Income Statement for the second quarter ended:

	Group					
	3 months ended			6 months ended		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	\$000	\$000	%	\$000	\$000	%
Revenue	111,566	105,242	6	182,602	192,872	(5)
Cost of sales	(89,627)	(78,745)	14	(151,593)	(156,900)	(3)
Gross profit	21,939	26,497	(17)	31,009	35,972	(14)
Other items of income						
Interest income	1,782	1,682	6	2,780	2,903	(4)
Other income	306	1,323	(77)	942	2,880	(67)
Other items of expense						
Distribution expenses	(2,651)	(1,965)	35	(5,430)	(4,002)	36
Administrative expenses	(3,613)	(3,143)	15	(7,539)	(6,448)	17
Finance costs	(315)	(178)	77	(648)	(384)	69
Other expenses	(1,407)	(1,192)	18	(2,251)	(1,859)	21
Operating profit	16,041	23,024	(30)	18,863	29,062	(35)
Share of results of associates and joint ventures	8,493	(161)	NM	8,247	724	1,039
Profit before tax	24,534	22,863	7	27,110	29,786	(9)
Income tax expense	(3,077)	(3,119)	(1)	(3,932)	(5,064)	(22)
Profit net of tax	21,457	19,744	9	23,178	24,722	(6)
Profit attributable to:						
Owners of the Company	21,526	19,667	9	23,184	24,441	(5)
Non-controlling interests	(69)	77	NM	(6)	281	NM
	21,457	19,744	9	23,178	24,722	(6)

NM : Not meaningful

1(a)(ii) Statement of Comprehensive Income:

	Group			
	3 months ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$000	\$000	\$000	\$000
Profit net of tax	21,457	19,744	23,178	24,722
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Net effect of exchange differences arising from translation of financial statements of foreign operations	(74)	30	(12)	107
Other comprehensive income for the period, net of tax	(74)	30	(12)	107
Total comprehensive income for the period	21,383	19,774	23,166	24,829
Total comprehensive income attributable to:				
Owners of the Company	21,455	19,690	23,178	24,541
Non-controlling interests	(72)	84	(12)	288
Total comprehensive income for the period	21,383	19,774	23,166	24,829

1(a)(iii) Note to Income Statement:

	Group			
	3 months ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$000	\$000	\$000	\$000
<u>Revenue comprises:</u>				
Construction	86,172	75,989	130,077	153,488
M&E Engineering	16,495	29,725	37,156	35,601
Building Materials and Equipment	9,532	7,770	16,856	13,988
Gross revenue	112,199	113,484	184,089	203,077
Less : Inter-segment sales	(633)	(8,242)	(1,487)	(10,205)
Net revenue	111,566	105,242	182,602	192,872

1(a)(iv) Other information:

	Group			
	3 months ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$000	\$000	\$000	\$000
Allowance for doubtful trade receivables	(449)	(108)	(476)	(301)
Write back of allowance for doubtful trade receivables	351	51	540	165
Allowance for doubtful other receivables	(74)	(17)	(74)	(17)
Write back of allowance for doubtful other receivables	509	22	509	22
Write back allowance for inventory obsolescence	–	19	–	19
Amortisation of receivables and payables	(35)	64	15	164
Depreciation of property, plant and equipment	(2,539)	(2,349)	(5,079)	(4,597)
Foreign exchange (loss)/gain, net	(453)	201	(381)	540
Gain on disposal of property, plant and equipment	16	172	312	189
Gain on disposal of held-for-trading investments	–	507	–	507
Gain on fair value adjustment on held-for-trading investments	4	160	40	1,515

1(b)(i) Statements of Financial Position:

	Group		Company	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
	\$000	\$000	\$000	\$000
Assets				
Non-current assets				
Property, plant and equipment	51,676	53,020	18	16
Investment properties	5,179	5,192	—	—
Goodwill	229	229	—	—
Investments in subsidiaries	—	—	130,203	130,203
Investments in associates	19,526	11,270	—	—
Investments in joint ventures	287	295	—	—
Deferred tax assets	29	29	—	—
Trade and other receivables	105,948	105,014	1,823	1,823
Total non-current assets	182,874	175,049	132,044	132,042
Current assets				
Inventories	2,427	1,936	—	—
Income tax receivable	374	310	—	—
Trade and other receivables	137,987	144,601	2,484	2,488
Other investments	345	305	—	—
Gross amount due from customers for contract work-in-progress	15,955	15,344	—	—
Prepayments	505	501	28	36
Property held for sale	198	200	—	—
Cash and bank balances	155,750	164,615	26,894	37,739
Total current assets	313,541	327,812	29,406	40,263
Total assets	496,415	502,861	161,450	172,305
Equity and liabilities				
Equity				
Share capital	138,774	138,774	138,774	138,774
Retained earnings	170,126	165,842	21,176	30,961
Other reserves	(60,464)	(60,458)	—	—
Equity, attributable to owners of the Company	248,436	244,158	159,950	169,735
Non-controlling interests	1,438	1,450	—	—
Total equity	249,874	245,608	159,950	169,735
Non-current liabilities				
Deferred tax liabilities	4,841	4,873	—	—
Trade and other payables	5,180	5,984	—	—
Borrowings	2,039	2,058	—	—
Finance leases	2,052	2,540	—	—
Total non-current liabilities	14,112	15,455	—	—
Current liabilities				
Income tax payable	8,232	10,893	—	—
Trade and other payables	179,374	188,199	1,500	2,570
Borrowings	21,407	21,110	—	—
Finance leases	1,342	1,538	—	—
Gross amount due to customers for contract work-in-progress	22,074	20,058	—	—
Total current liabilities	232,429	241,798	1,500	2,570
Total liabilities	246,541	257,253	1,500	2,570
Total equity and liabilities	496,415	502,861	161,450	172,305

1(b)(ii) Aggregate amount of Group's borrowings and debt securities:

- (a) Amount repayable in one year or less, or on demand

As at 30/06/2014		As at 31/12/2013	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
2,208	20,541	2,418	20,230

- (b) Amount repayable after one year

As at 30/06/2014		As at 31/12/2013	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
4,091	–	4,598	–

- (c) Details of any collaterals

A term loan facility of a subsidiary is secured by a first party registered charge as well as assignment of rental proceeds in respect of its investment property. Bank borrowings of a subsidiary are secured by a fixed and floating charge over the assets of that subsidiary. Finance leases of subsidiaries are secured by a fixed and floating charge over the assets of the respective subsidiaries.

1(c) Statement of Cash Flows:

	Group			
	3 months ended		6 months ended	
	30/06/2014 \$000	30/06/2013 \$000	30/06/2014 \$000	30/06/2013 \$000
Cash flows from operating activities				
Profit before tax	24,534	22,863	27,110	29,786
Adjustments:				
Allowance for doubtful trade receivables	449	108	476	301
Write back of allowance for doubtful trade receivables	(351)	(51)	(540)	(165)
Allowance for doubtful other receivables	74	17	74	17
Write back of allowance for doubtful other receivables	(509)	(22)	(509)	(22)
Write back of allowance for inventory obsolescence	–	(19)	–	(19)
Amortisation of receivables and payables	35	(64)	(15)	(164)
Depreciation of property, plant and equipment	2,707	2,575	5,400	5,075
Dividend income from investment securities	(3)	(2)	(3)	(2)
Gain on disposal of property, plant and equipment	(16)	(172)	(312)	(189)
Gain on disposal of held-for-trading investments	–	(507)	–	(507)
Gain on fair value adjustment on held-for-trading investments	(4)	(160)	(40)	(1,515)
Finance costs	315	178	648	384
Interest income	(1,782)	(1,682)	(2,780)	(2,903)
Share of results of associates and joint ventures	(8,493)	161	(8,247)	(724)
Operating cash flows before changes in working capital	16,956	23,223	21,262	29,353
(Increase)/Decrease in inventories	(713)	496	(511)	813
Increase in gross amount due from customers for contract work-in-progress	(7,104)	(12,270)	(1,206)	(3,376)
Increase/(Decrease) in gross amount due to customers for contract work-in-progress	(4,843)	(5,330)	2,019	(4,470)
Decrease in trade and other receivables and prepayments	8,867	7,747	11,964	8,236
(Decrease)/Increase in trade and other payables and provisions	(1,701)	2,485	(9,029)	(3,828)
Cash flows from operations	11,462	16,351	24,499	26,728
Interest received	106	83	182	138
Interest paid	(344)	(290)	(662)	(502)
Income tax paid	(5,891)	(5,376)	(6,670)	(6,031)
Net cash flows from operating activities	5,333	10,768	17,349	20,333
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,385)	(2,891)	(5,655)	(4,552)
Proceeds from disposal of property, plant and equipment	1,512	191	1,841	413
Proceeds from disposal of held-for-trading investments	–	9,189	–	9,189
Dividends received from associates	–	–	–	5,000
Dividend income from investment securities	3	2	3	2
Investment in an associate	–	–	–	(300)
Loans to associates	(1,139)	(6,659)	(2,814)	(27,884)
Loans to a joint venture	(51)	(241)	(101)	(475)
Repayment of loans from associates	–	1,554	–	1,800
Net cash flows (used in)/from investing activities	(3,060)	1,145	(6,726)	(16,807)

1(c) Statement of Cash Flows (continued):

	Group			
	3 months ended		6 months ended	
	30/06/2014 \$000	30/06/2013 \$000	30/06/2014 \$000	30/06/2013 \$000
Cash flows from financing activities				
Dividends paid	(18,900)	(13,500)	(18,900)	(13,500)
Repayment of trust receipts and bills payable	(644)	(95)	(883)	(2,516)
Repayment of obligations under finance leases	(446)	(393)	(933)	(673)
Proceeds from bank loans	683	56	708	56
Repayment of bank loans	(26)	(55)	(652)	(155)
Increase/(Decrease) in revolving bank loans	8	—	(474)	—
Net cash flows used in financing activities	(19,325)	(13,987)	(21,134)	(16,788)
Net decrease in cash and cash equivalents	(17,052)	(2,074)	(10,511)	(13,262)
Cash and cash equivalents at the beginning of period	160,957	92,718	154,271	103,918
Effect of exchange rate changes on cash and cash equivalents	(124)	32	21	20
Cash and cash equivalents at the end of period	143,781	90,676	143,781	90,676

Cash and cash equivalents comprise:

	Group	
	30/06/2014 \$000	30/06/2013 \$000
Cash and bank balances	155,750	96,192
Bank overdrafts	(11,969)	(5,516)
Cash and cash equivalents	143,781	90,676

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

Group	Attributable to owners of the Company				Equity attributable to owners of the Company \$000	Non-controlling interests \$000	Total equity \$000
	Share capital \$000	Retained earnings \$000	Other reserves \$000	Total reserves \$000			
At 1 January 2014	138,774	165,842	(60,458)	105,384	244,158	1,450	245,608
Profit net of tax	–	1,658	–	1,658	1,658	63	1,721
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	65	65	65	(3)	62
Other comprehensive income for the period, net of tax	–	–	65	65	65	(3)	62
Total comprehensive income for the period	–	1,658	65	1,723	1,723	60	1,783
At 31 March 2014	138,774	167,500	(60,393)	107,107	245,881	1,510	247,391
Profit net of tax	–	21,526	–	21,526	21,526	(69)	21,457
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	(71)	(71)	(71)	(3)	(74)
Other comprehensive income for the period, net of tax	–	–	(71)	(71)	(71)	(3)	(74)
Total comprehensive income for the period	–	21,526	(71)	21,455	21,455	(72)	21,383
<u>Distributions to owners</u>							
Dividends on ordinary shares	–	(18,900)	–	(18,900)	(18,900)	–	(18,900)
Total transactions with owners in their capacity as owners	–	(18,900)	–	(18,900)	(18,900)	–	(18,900)
At 30 June 2014	138,774	170,126	(60,464)	109,662	248,436	1,438	249,874

(d)(i) Statements of Changes in Equity (continued):

Group	Attributable to owners of the Company					Non-controlling interests \$000	Total equity \$000
	Share capital \$000	Retained earnings \$000	Other reserves \$000	Total reserves \$000	Equity attributable to owners of the Company \$000		
At 1 January 2013	138,774	119,171	(60,437)	58,734	197,508	1,853	199,361
Profit net of tax	–	4,774	–	4,774	4,774	204	4,978
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	77	77	77	–	77
Other comprehensive income for the period, net of tax	–	–	77	77	77	–	77
Total comprehensive income for the period	–	4,774	77	4,851	4,851	204	5,055
At 31 March 2013	138,774	123,945	(60,360)	63,585	202,359	2,057	204,416
Profit net of tax	–	19,667	–	19,667	19,667	77	19,744
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	23	23	23	7	30
Other comprehensive income for the period, net of tax	–	–	23	23	23	7	30
Total comprehensive income for the period	–	19,667	23	19,690	19,690	84	19,774
<u>Distributions to owners</u>							
Dividends on ordinary shares	–	(13,500)	–	(13,500)	(13,500)	–	(13,500)
Total transactions with owners in their capacity as owners	–	(13,500)	–	(13,500)	(13,500)	–	(13,500)
At 30 June 2013	138,774	130,112	(60,337)	69,775	208,549	2,141	210,690

(d)(i) Statements of Changes in Equity (continued):

Company	Share capital \$000	Retained earnings \$000	Total reserves \$000	Equity attributable to owners of the Company \$000	Total equity \$000
At 1 January 2014	138,774	30,961	30,961	169,735	169,735
Loss net of tax, representing total comprehensive income for the period	—	(599)	(599)	(599)	(599)
At 31 March 2014	138,774	30,362	30,362	169,136	169,136
Profit net of tax, representing total comprehensive income for the period	—	9,714	9,714	9,714	9,714
<u>Distributions to owners</u>					
Dividends on ordinary shares	—	(18,900)	(18,900)	(18,900)	(18,900)
Total transactions with owners in their capacity as owners	—	(18,900)	(18,900)	(18,900)	(18,900)
At 30 June 2014	138,774	21,176	21,176	159,950	159,950
At 1 January 2013	138,774	22,240	22,240	161,014	161,014
Profit net of tax, representing total comprehensive income for the period	—	9,256	9,256	9,256	9,256
At 31 March 2013	138,774	31,496	31,496	170,270	170,270
Profit net of tax, representing total comprehensive income for the period	—	58	58	58	58
<u>Distributions to owners</u>					
Dividends on ordinary shares	—	(13,500)	(13,500)	(13,500)	(13,500)
Total transactions with owners in their capacity as owners	—	(13,500)	(13,500)	(13,500)	(13,500)
At 30 June 2013	138,774	18,054	18,054	156,828	156,828

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

There were no changes in the Company's share capital for the period ended 30 June 2014.

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.

	30/06/2014	31/12/2013
Number of ordinary shares	270,000,000	270,000,000

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 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 2013.

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 January 2014.

Revised FRS 27 Separate Financial Statements
Revised FRS 28 Investments in Associates and Joint Ventures
FRS 110 Consolidated Financial Statements
FRS 111 Joint Arrangements
FRS 112 Disclosure of Interests in Other Entities
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

The adoption of the above amendments to 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 ordinary share (cents)

	Group			
	3 months ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
(a) Basic and fully diluted	8.0	7.3	8.6	9.1
(b) Based on weighted average number of shares applicable to basic and fully diluted earnings per share	270,000,000	270,000,000	270,000,000	270,000,000

7 Net asset value per ordinary share

	Group		Company	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset per ordinary share (\$)	0.92	0.90	0.59	0.63

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

Q2 2014 compared with Q2 2013 Performance

Revenue increased by \$6.0 million to \$111.6 million in Q2 2014 compared with \$105.2 million in Q2 2013 mainly due to recognition of construction revenue associated with the *Austville Residences* project which obtained TOP in Q2 2014, as well as revenue from new and on-going construction and M&E engineering projects. This was partially offset by completion of certain major construction projects in 2013.

Gross profit decreased to \$21.9 million from \$26.5 million in Q2 2013 mainly due to the absence of write back of provisions upon the finalisation of accounts on completed projects in Q2 2013.

Other income decreased to \$0.3 million from \$1.3 million in Q2 2013 mainly due to the absence of gain on disposal of held-for-trading investments as well as gain on fair value adjustment on held-for-trading investments in Q2 2013.

Distribution expenses was higher at \$2.7 million from \$2.0 million in Q2 2013 mainly due to higher depreciation of property, plant and equipment as well as repair and maintenance costs for machinery.

Share of results of associates and joint ventures was higher in Q2 2014 mainly due to recognition of development profit from *Austville Residences* project which obtained TOP in Q2 2014.

H1 2014 compared with H1 2013 Performance

Revenue decreased by \$10.3 million to \$182.6 million in H1 2014 compared with \$192.9 million in H1 2013 mainly due to completion of certain major construction projects in 2013. This was partially offset by recognition of construction revenue associated with the *Austville Residences* project which obtained TOP in Q2 2014, as well as revenue from new and on-going construction and M&E engineering projects.

Gross profit decreased to \$31.0 million from \$36.0 million in H1 2013 due to lower revenue in H1 2014 as well as the absence of write back of provisions upon the finalisation of accounts on completed projects in H1 2013.

Other income decreased substantially to \$0.9 million from \$2.9 million in H1 2013 mainly due to higher gain on fair value adjustment on held-for-trading investments as well as the absence of gain on disposal of held-for-trading investments in H1 2013.

Distribution expenses was higher at \$5.4 million from \$4.0 million in H1 2013 mainly due to higher depreciation of property, plant and equipment as well as repair and maintenance costs for machinery.

Administrative expenses was higher at \$7.5 million from \$6.4 million in H1 2013 mainly due to higher staff costs.

Share of results of associates and joint ventures was higher in H1 2014 mainly due to recognition of development profit from *Austville Residences* project which obtained TOP in Q2 2014.

Income tax expense was lower at \$3.9 million mainly due to lower profit before tax.

The Group's **attributable profit** for Q2 2014 increased to \$21.5 million compared with \$19.7 million in Q2 2013. For H1 2014, the attributable profit was \$23.2 million compared with \$24.4 million in H1 2013.

Earnings per ordinary share (EPS) were 8.0 cents for Q2 2014 and 7.3 cents for Q2 2013 respectively. EPS for H1 2014 and H1 2013 were 8.6 cents and 9.1 cents respectively.

Net asset per ordinary share was \$0.92 as at 30 June 2014 compared with \$0.90 as at 31 December 2013.

Financial Position Review

Investments in associates increased by \$8.3 million mainly due to recognition of development profit from *Austville Residences* project which obtained TOP in Q2 2014.

Current trade and other receivables decreased by \$6.6 million mainly due to settlement of trade receivables as well as lower amounts due from associates and joint venture.

Income tax payable decreased by \$2.7 million mainly due to payment of tax.

Current trade and other payables decreased by \$8.8 million mainly due to settlement of trade payables as well as lower accruals for staff and job costs.

Gross amount due to customers for contract work-in-progress increased by \$2.0 million mainly due to lower certification of work done.

Cash Flow Review

As at 30 June 2014, the Group had cash of \$155.8 million. The Group generated net cash of \$17.3 million from operating activities, of which \$5.7 million was deployed in fixed assets and \$2.8 million in loans to associates for property development projects. The Group's components of cash flow and changes in these components from 31 December 2013 to 30 June 2014 were due to the Group's other on-going operations.

As at the date of this report, the Company has utilised a total of \$18.2 million of the net IPO proceeds of approximately \$28.7 million. As of to-date \$5.0 million was injected into its wholly-owned subsidiary UE Power & Resources Pte Ltd to expand its power solutions business; and \$13.2 million for the property development project in Pasir Ris Drive 3/Pasir Ris Link.

The Company will make periodic announcements via SGXNET as and when the remaining net proceeds from the Company's IPO are materially disbursed.

- 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 or a prospect statement previously.

- 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.

We remain optimistic about the construction and engineering businesses as the construction demand in 2014 could reach between \$31 billion and \$38 billion based on forecast by the Building and Construction Authority of Singapore. With this high level of construction activities, we expect continued pressures from rising labour costs due to the current tight labour market. The Group will continue to strive for productivity enhancement initiatives to stay competitive.

The demand for private residential properties continues to be dampened by the property cooling measures. Hence the Group will continue to adopt a cautious approach towards property development activities going forward.

11 Dividend

- (a) Current Financial Period Reported on
Any dividend recommended for the current financial period reported on?

No.

- (b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

- (c) Date Payable

Not applicable.

- (d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend is declared for the second quarter ended 30 June 2014.

13 Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	Group 30/06/2014 \$000	Group 30/06/2014 \$000
United Engineers Limited Group		
(A) Contract value ¹	—	128,391
(B) Revenue ¹	—	15,123

¹ Revenue forms part of the contract value.

BY ORDER OF THE BOARD
Tan Ching Chek
Company Secretary
13 August 2014

Confirmation by the Board

We, Dr Tan Eng Liang and Chua Hock Tong, being two directors of UE E&C Ltd. (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 2014 and half year 2014 financial results to be false or misleading in any material aspect.

On behalf of the Board,

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Dr Tan Eng Liang
Chairman

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Chua Hock Tong
Chief Executive Officer