

Unaudited Third Quarter Financial Statement Announcement

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER RESULTS

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

	Group					
	3 months ended			9 months ended		
	30/09/2014	30/09/2013	Change	30/09/2014	30/09/2013	Change
	\$000	\$000	%	\$000	\$000	%
Revenue	83,845	112,990	(26)	266,447	305,862	(13)
Cost of sales	(63,056)	(90,251)	(30)	(214,649)	(247,151)	(13)
Gross profit	20,789	22,739	(9)	51,798	58,711	(12)
Other items of income						
Interest income	379	732	(48)	3,159	3,635	(13)
Other income	318	417	(24)	1,260	3,297	(62)
Other items of expense						
Distribution expenses	(2,800)	(1,986)	41	(8,230)	(5,988)	37
Administrative expenses	(3,704)	(4,635)	(20)	(11,243)	(11,083)	1
Finance costs	(331)	(185)	79	(979)	(569)	72
Other expenses	(921)	(1,292)	(29)	(3,172)	(3,151)	1
Operating profit	13,730	15,790	(13)	32,593	44,852	(27)
Share of results of associates and joint ventures	(876)	96	NM	7,371	820	799
Profit before tax	12,854	15,886	(19)	39,964	45,672	(12)
Income tax expense	(3,159)	(4,242)	(26)	(7,091)	(9,306)	(24)
Profit net of tax	9,695	11,644	(17)	32,873	36,366	(10)
Profit attributable to:						
Owners of the Company	9,543	11,855	(20)	32,727	36,296	(10)
Non-controlling interests	152	(211)	NM	146	70	109
	9,695	11,644	(17)	32,873	36,366	(10)

NM : Not meaningful

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

	Group			
	3 months ended		9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	\$000	\$000	\$000	\$000
Profit net of tax	9,695	11,644	32,873	36,366
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	91	(114)	79	(7)
Other comprehensive income for the period, net of tax	91	(114)	79	(7)
Total comprehensive income for the period	9,786	11,530	32,952	36,359
Total comprehensive income attributable to:				
Owners of the Company	9,627	11,739	32,805	36,280
Non-controlling interests	159	(209)	147	79
Total comprehensive income for the period	9,786	11,530	32,952	36,359

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

	Group			
	3 months ended		9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	\$000	\$000	\$000	\$000
<u>Revenue comprises:</u>				
Construction	51,399	75,434	181,476	228,922
M&E Engineering	19,498	33,058	56,654	68,659
Building Materials and Equipment	13,418	8,475	30,274	22,463
Gross revenue	84,315	116,967	268,404	320,044
Less : Inter-segment sales	(470)	(3,977)	(1,957)	(14,182)
Net revenue	83,845	112,990	266,447	305,862

1(a)(iv) Other information:

	Group			
	3 months ended		9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	\$000	\$000	\$000	\$000
Allowance for doubtful trade receivables	(75)	(115)	(551)	(416)
Write back of allowance for doubtful trade receivables	143	268	683	433
Allowance for doubtful other receivables	(23)	(76)	(97)	(93)
Write back of allowance for doubtful other receivables	—	209	509	231
Write back allowance for inventory obsolescence	—	—	—	19
Amortisation of receivables and payables	(2)	(1)	13	163
Depreciation of property, plant and equipment	(2,775)	(2,595)	(7,854)	(7,192)
Foreign exchange gain/(loss), net	231	(246)	(150)	294
Gain on disposal of property, plant and equipment	—	24	312	213
Gain on disposal of held-for-trading investments	—	—	—	507
(Loss)/Gain on fair value adjustment on held-for-trading investments	(27)	4	13	1,519

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

	Group		Company	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
	\$000	\$000	\$000	\$000
Assets				
Non-current assets				
Property, plant and equipment	53,908	53,020	16	16
Investment properties	5,222	5,192	—	—
Goodwill	229	229	—	—
Investments in subsidiaries	—	—	130,203	130,203
Investments in associates	14,955	11,270	—	—
Investments in joint ventures	281	295	—	—
Deferred tax assets	29	29	—	—
Trade and other receivables	107,489	105,014	623	1,823
Total non-current assets	182,113	175,049	130,842	132,042
Current assets				
Inventories	2,440	1,936	—	—
Income tax receivable	—	310	—	—
Trade and other receivables	129,150	144,601	1,426	2,488
Other investments	318	305	—	—
Gross amount due from customers for contract work-in-progress	18,436	15,344	—	—
Prepayments	952	501	31	36
Property held for sale	200	200	—	—
Cash and bank balances	164,223	164,615	29,024	37,739
Total current assets	315,719	327,812	30,481	40,263
Total assets	497,832	502,861	161,323	172,305
Equity and liabilities				
Equity				
Share capital	138,774	138,774	138,774	138,774
Retained earnings	179,669	165,842	20,595	30,961
Other reserves	(60,380)	(60,458)	—	—
Equity, attributable to owners of the Company	258,063	244,158	159,369	169,735
Non-controlling interests	1,597	1,450	—	—
Total equity	259,660	245,608	159,369	169,735
Non-current liabilities				
Deferred tax liabilities	4,847	4,873	—	—
Trade and other payables	5,569	5,984	—	—
Borrowings	2,044	2,058	—	—
Finance leases	1,828	2,540	—	—
Total non-current liabilities	14,288	15,455	—	—
Current liabilities				
Income tax payable	6,590	10,893	—	—
Trade and other payables	180,812	188,199	1,954	2,570
Borrowings	20,043	21,110	—	—
Finance leases	1,256	1,538	—	—
Gross amount due to customers for contract work-in-progress	15,183	20,058	—	—
Total current liabilities	223,884	241,798	1,954	2,570
Total liabilities	238,172	257,253	1,954	2,570
Total equity and liabilities	497,832	502,861	161,323	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 30/09/2014		As at 31/12/2013	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
1,326	19,973	2,418	20,230

- (b) Amount repayable after one year

As at 30/09/2014		As at 31/12/2013	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
3,872	–	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		9 months ended	
	30/09/2014 \$000	30/09/2013 \$000	30/09/2014 \$000	30/09/2013 \$000
Cash flows from operating activities				
Profit before tax	12,854	15,886	39,964	45,672
Adjustments:				
Allowance for doubtful trade receivables	75	115	551	416
Write back of allowance for doubtful trade receivables	(143)	(268)	(683)	(433)
Allowance for doubtful other receivables	23	76	97	93
Write back of allowance for doubtful other receivables	—	(209)	(509)	(231)
Write back of allowance for inventory obsolescence	—	—	—	(19)
Amortisation of receivables and payables	2	1	(13)	(163)
Depreciation of property, plant and equipment	2,775	2,595	7,854	7,192
Dividend income from investment securities	—	(4)	(3)	(6)
Gain on disposal of property, plant and equipment	—	(24)	(312)	(213)
Gain on disposal of held-for-trading investments	—	—	—	(507)
Loss/(Gain) on fair value adjustment on held-for-trading investments	27	(4)	(13)	(1,519)
Finance costs	331	185	979	569
Interest income	(379)	(732)	(3,159)	(3,635)
Share of results of associates and joint ventures	876	(96)	(7,371)	(820)
Operating cash flows before changes in working capital	16,441	17,521	37,382	46,396
(Increase)/Decrease in inventories	10	97	(501)	910
(Increase)/Decrease in gross amount due from customers for contract work-in-progress	(1,923)	1,332	(2,808)	(1,566)
(Decrease)/Increase in gross amount due to customers for contract work-in-progress	(6,900)	5,729	(4,881)	1,259
Decrease/(Increase) in trade and other receivables and prepayments	1,506	(15,917)	13,470	(7,681)
Increase/(Decrease) in trade and other payables and provisions	1,485	(385)	(7,544)	(4,213)
Cash flows from operations	10,619	8,377	35,118	35,105
Interest received	130	46	312	184
Interest paid	(313)	(102)	(975)	(604)
Income tax paid	(4,551)	(4,093)	(11,221)	(10,124)
Net cash flows from operating activities	5,885	4,228	23,234	24,561
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,860)	(3,303)	(10,515)	(7,855)
Proceeds from disposal of property, plant and equipment	—	57	1,841	470
Proceeds from disposal of held-for-trading investments	—	—	—	9,189
Dividends received from associates	3,700	—	3,700	5,000
Dividend income from investment securities	—	4	3	6
Investment in an associate	—	—	—	(300)
Loans to associates	(239)	(3,308)	(3,053)	(31,192)
Loans to a joint venture	(53)	(79)	(154)	(554)
Repayment of loans from associates	5,714	8,891	5,714	10,691
Repayment of loans from a joint venture	—	12,000	—	12,000
Net cash flows from/(used in) investing activities	4,262	14,262	(2,464)	(2,545)

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

	Group			
	3 months ended		9 months ended	
	30/09/2014 \$000	30/09/2013 \$000	30/09/2014 \$000	30/09/2013 \$000
Cash flows from financing activities				
Dividends paid on ordinary shares	–	–	(18,900)	(13,500)
(Repayment of)/proceeds from trust receipts and bills payable	(1,027)	1,907	(1,910)	(609)
Repayment of obligations under finance leases	(343)	(407)	(1,276)	(1,080)
Proceeds from bank loans	13	–	721	56
Repayment of bank loans	(355)	(109)	(1,007)	(264)
Decrease in revolving bank loans	(238)	–	(712)	–
Net cash flows (used in)/from financing activities	(1,950)	1,391	(23,084)	(15,397)
Net increase/(decrease) in cash and cash equivalents	8,197	19,881	(2,314)	6,619
Cash and cash equivalents at the beginning of period	143,781	90,676	154,271	103,918
Effect of exchange rate changes on cash and cash equivalents	62	(228)	83	(208)
Cash and cash equivalents at the end of period	152,040	110,329	152,040	110,329

Cash and cash equivalents comprise:

	Group	
	30/09/2014 \$000	30/09/2013 \$000
Cash and bank balances	164,223	118,032
Bank overdrafts	(12,183)	(7,703)
Cash and cash equivalents	152,040	110,329

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

Group	Attributable to owners of the Company				Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves	Total reserves			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 January 2014	138,774	165,842	(60,458)	105,384	244,158	1,450	245,608
Profit net of tax	–	23,184	–	23,184	23,184	(6)	23,178
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	(6)	(6)	(6)	(6)	(12)
Other comprehensive income for the period, net of tax	–	–	(6)	(6)	(6)	(6)	(12)
Total comprehensive income for the period	–	23,184	(6)	23,178	23,178	(12)	23,166
<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
Profit net of tax	–	9,543	–	9,543	9,543	152	9,695
<u>Other comprehensive income</u>							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	84	84	84	7	91
Other comprehensive income for the period, net of tax	–	–	84	84	84	7	91
Total comprehensive income for the period	–	9,543	84	9,627	9,627	159	9,786
At 30 September 2014	138,774	179,669	(60,380)	119,289	258,063	1,597	259,660

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

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 2013	138,774	119,171	(60,437)	58,734	197,508	1,853	199,361
Profit net of tax	–	24,441	–	24,441	24,441	281	24,722
Other comprehensive income							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	100	100	100	7	107
Other comprehensive income for the period, net of tax	–	–	100	100	100	7	107
Total comprehensive income for the period	–	24,441	100	24,541	24,541	288	24,829
Distributions to owners							
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
Profit net of tax	–	11,855	–	11,855	11,855	(211)	11,644
Other comprehensive income							
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	(116)	(116)	(116)	2	(114)
Other comprehensive income for the period, net of tax	–	–	(116)	(116)	(116)	2	(114)
Total comprehensive income for the period	–	11,855	(116)	11,739	11,739	(209)	11,530
At 30 September 2013	138,774	141,967	(60,453)	81,514	220,288	1,932	222,220

(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
Profit net of tax, representing total comprehensive income for the period	–	9,115	9,115	9,115	9,115
<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
Profit net of tax, representing total comprehensive income for the period	–	(581)	(581)	(581)	(581)
At 30 September 2014	138,774	20,595	20,595	159,369	159,369
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	–	9,314	9,314	9,314	9,314
<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
Loss net of tax, representing total comprehensive income for the period	–	(907)	(907)	(907)	(907)
At 30 September 2013	138,774	17,147	17,147	155,921	155,921

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 September 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.

	30/09/2014	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 consolidated financial information of the Group for the 9 months ended 30 September 2014 as set out in Sections 1(a), 1(b)(i) and 1(c) to 1(d)(i) of this announcement have been extracted from the interim condensed financial statements that has been prepared in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting*, which has been reviewed by the independent auditor in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("SSRE 2410"). The results for the 3rd Quarter ended 30 September 2014, 3rd Quarter ended 30 September 2013 and the 9 months ended 30 September 2013 have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please refer to the independent auditor's review report dated 13 November 2014 appended to this announcement.

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		9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
(a) Basic and fully diluted	3.5	4.4	12.1	13.4
(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	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
Net asset per ordinary share (\$)	0.96	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

Q3 2014 compared with Q3 2013 Performance

Despite the increase in revenue from new and on-going construction and M&E engineering projects, revenue decreased by \$29.1 million to \$83.8 million in Q3 2014 compared with \$113.0 million in Q3 2013 mainly due to substantially lower contribution from certain major completed projects.

Gross profit decreased to \$20.8 million from \$22.7 million in Q3 2013 mainly due to lower revenue in Q3 2014.

Share of results of associates and joint ventures was lower in Q3 2014 mainly due to share of losses from associates.

Income tax expense was lower at \$3.2 million mainly due to lower profit before tax offset by under-provision for prior year's tax.

9 months 2014 compared with 9 months 2013 Performance

Despite the increase in revenue from new and on-going construction and M&E engineering projects, revenue decreased by \$39.4 million to \$266.4 million in 9 months 2014 compared with \$305.9 million in 9 months 2013 mainly due to substantially lower contribution from certain major completed projects.

Gross profit decreased to \$51.8 million from \$58.7 million in 9 months 2013 mainly due to lower revenue in 9 months 2014 as well as lower write back of provisions upon the finalisation of accounts on completed projects.

Other income decreased substantially to \$1.3 million from \$3.3 million in 9 months 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 9 months 2013.

Distribution expenses was higher at \$8.2 million from \$6.0 million in 9 months 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 9 months 2014 mainly due to recognition of development profit from *Austville Residences* project which obtained TOP in Q2 2014.

Income tax expense was lower at \$7.1 million mainly due to lower profit before tax offset by under-provision for prior year's tax.

The Group's **attributable profit** for Q3 2014 decreased to \$9.5 million compared with \$11.9 million in Q3 2013. For 9 months 2014, the attributable profit was \$32.7 million compared with \$36.3 million in 9 months 2013.

Earnings per ordinary share (EPS) were 3.5 cents for Q3 2014 and 4.4 cents for Q3 2013 respectively. EPS for 9 months 2014 and 9 months 2013 were 12.1 cents and 13.4 cents respectively.

Net asset per ordinary share was \$0.96 as at 30 September 2014 compared with \$0.90 as at 31 December 2013.

Financial Position Review

Investments in associates increased by \$3.7 million mainly due to recognition of development profit from *Austville Residences* project which obtained TOP in Q2 2014 offset by payment of a dividend of \$3.7 million from an associate.

Non-current trade and other receivables increased by \$2.5 million mainly due to increase in loans receivable from associates.

Current trade and other receivables decreased by \$15.5 million mainly due to settlement of trade receivables and lower amounts due from associates and joint venture as well as repayment of loans by an associate.

Gross amount due from customers for contract work-in-progress increased by \$3.1 million mainly due to lower certification of work done.

Income tax payable decreased by \$4.3 million mainly due to payment of tax offset by provision for current's year tax.

Current trade and other payables decreased by \$7.4 million mainly due to lower accruals for staff and job costs.

Gross amount due to customers for contract work-in-progress decreased by \$4.9 million mainly due to higher certification of work done.

Cash Flow Review

As at 30 September 2014, the Group had cash of \$164.2 million. The Group generated net cash of \$23.2 million from operating activities, of which \$10.5 million was deployed in fixed assets and \$3.2 million in loans to associates and a joint venture for property development projects. The Group's components of cash flow and changes in these components from 31 December 2013 to 30 September 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 cautiously 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. Going forward, the Group will continue to adopt a cautious approach towards property development activities.

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 third quarter ended 30 September 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 30/09/2014 \$000	Group 30/09/2014 \$000
United Engineers Limited Group		
(A) Contract value ¹	–	128,391
(B) Revenue ¹	–	15,406

¹ Revenue forms part of the contract value.

On 3 October 2014, DMG & Partners Securities Pte Ltd, for and on behalf of Universal EC Investments Pte. Ltd, announced a possible offer (the "**Possible Offer Announcement**") for the shares of the Company (the "**Offer**"). The making of the Offer is subject to the satisfaction of certain pre-conditions as further particularised in the Possible Offer Announcement. It was announced on 15 October 2014 that the due diligence pre-condition has been satisfied and the making of the Offer is subject to the satisfaction of the remaining pre-condition, being the approval of the shareholders of United Engineers Limited to be obtained at an extraordinary general meeting.

In view of the foregoing, this announcement has been reported on in accordance with Rule 25 of the Code.

BY ORDER OF THE BOARD
Tan Ching Chek
Company Secretary
13 November 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 Q3 2014 and 9 months 2014 financial results to be false or misleading in any material aspect.

On behalf of the Board,

.....
Dr Tan Eng Liang
Chairman

.....
Chua Hock Tong
Chief Executive Officer

Responsibility Statement

The Directors of the Company (including those who have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

Independent Auditor's Review Report on Unaudited Interim Condensed Consolidated Financial Statements of UE E&C Ltd and its Subsidiaries for the nine months ended 30 September 2014

The Board of Directors
UE E&C Ltd.
12 Ang Mo Kio Street 64
#03-13 UE BizHub CENTRAL
Singapore 569088

Dear Sirs,

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of UE E&C Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as at 30 September 2014 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the period from 1 January 2014 to 30 September 2014 and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Singapore Financial Reporting Standard 34, *Interim Financial Reporting* ("FRS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

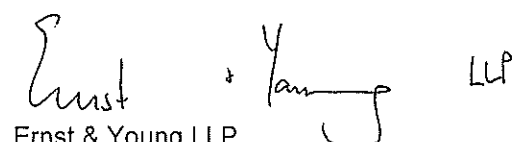
The interim consolidated statements of comprehensive income, changes in equity and cash flows for the corresponding period from 1 January 2013 to 30 September 2013 included in these interim condensed consolidated financial statements are based on management financial information of the Group. We have not performed an audit or a review of this comparative financial information.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FRS 34.



Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

13 November 2014