



Q1 2018 Financial Statement Announcement

Part I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement for the first quarter ended

	Group		
	31/3/2018	31/3/2017	Change
	\$000	(Restated)⁽¹⁾	%
Revenue	105,248	106,105	(1)
Cost of sales	(59,041)	(60,983)	(3)
Gross profit	46,207	45,122	2
Other items of income			
Interest income	868	847	2
Other income	439	887	(51)
Other items of expense			
Distribution costs	(6,379)	(7,054)	(10)
Administrative expenses	(23,299)	(22,720)	3
Finance costs	(5,441)	(6,377)	(15)
Other expenses	(935)	(2,058)	(55)
Operating profit	11,460	8,647	33
Share of profit from equity-accounted associates and joint ventures	940	553	70
Profit before tax	12,400	9,200	35
Income tax expense	(3,198)	(1,628)	96
Profit net of tax	9,202	7,572	22
Profit/(loss) attributable to:			
Owners of the Company	9,002	8,715	3
Non-controlling interests	200	(1,143)	NM
	9,202	7,572	22

NM: Not meaningful

⁽¹⁾ The 2017 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as detailed in paragraph 5 of this announcement.

1(a)(ii) Other information

	Group	
	31/3/2018	31/3/2017
	\$000	\$000
Depreciation and amortisation	(3,557)	(4,580)
Foreign exchange gain/(loss)	94	(670)
Net inventories written-back/(write-down)	108	(5)
Under provision of prior years' tax	(956)	(197)
Impairment loss on trade receivables	(227)	(413)

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

	Group	
	31/3/2018	31/3/2017
	\$000	(Restated)⁽¹⁾
	\$000	\$000
Profit net of tax for the period	9,202	7,572
Other comprehensive income		
Items that will not be reclassified to income statement:		
Financial assets, at fair value through other comprehensive income (FVOCI)		
- Fair value changes during the period	(1,485)	-
	(1,485)	-
Items that may be reclassified subsequently to income statement:		
Gains/(losses) on exchange differences on translation, net of tax	7,146	(14,222)
Gains on remeasuring available-for-sale financial assets, net of tax	-	1,188
Share of other comprehensive income from equity-accounted associates, net of tax	394	352
	7,540	(12,682)
Other comprehensive income for the period, net of tax	6,055	(12,682)
Total comprehensive income for the period	15,257	(5,110)
Attributable to:		
Owners of the Company	13,173	409
Non-controlling interests	2,084	(5,519)
	15,257	(5,110)

1(b)(i) Statements of financial position

	Group			Company	
	31/3/2018	31/12/2017 (Restated) ⁽¹⁾	01/01/2017 (Restated) ⁽¹⁾	31/3/2018	31/12/2017
	\$000	\$000	\$000	\$000	\$000
ASSETS					
Non-current assets					
Property, plant and equipment	146,636	148,277	162,909	21,800	22,094
Investment properties	1,909,297	1,908,627	1,859,418	722,400	722,400
Intangible assets	–	–	4,704	–	–
Investments in subsidiaries	–	–	–	874,263	968,731
Investments in associates	115,949	114,944	112,619	315	325
Investments in joint ventures	48,547	47,938	45,478	–	–
Deferred tax assets	25,673	29,263	46,162	–	–
Other investments	28,788	30,375	25,069	1,197	1,197
Total non-current assets	2,274,890	2,279,424	2,256,359	1,619,975	1,714,747
Current assets					
Inventories	27,769	27,163	31,146	–	–
Income tax receivables	349	346	352	–	–
Trade and other receivables	81,776	90,938	230,958	2,547	2,640
Prepayments	8,793	8,929	8,131	866	867
Properties held for sale	559,204	557,247	656,661	–	–
Bank balances and deposits	395,466	384,711	623,976	186,841	117,919
Total current assets	1,073,357	1,069,334	1,551,224	190,254	121,426
Total assets	3,348,247	3,348,758	3,807,583	1,810,229	1,836,173
EQUITY AND LIABILITIES					
Equity					
Share capital	745,717 ⁽²⁾	745,717 ⁽²⁾	745,625 ⁽²⁾	808,030	808,030
Retained earnings	1,167,533	1,158,499	1,138,060	819,213	785,789
Other reserves	1,342	(2,782)	1,319	(33)	(33)
Equity attributable to owners of the company	1,914,592	1,901,434	1,885,004	1,627,210	1,593,786
Non-controlling interests	308,235	306,136	311,885	–	–
Total equity	2,222,827	2,207,570	2,196,889	1,627,210	1,593,786
Non-current liabilities					
Provisions	45,311	46,779	70,204	–	–
Deferred tax liabilities	53,862	56,986	75,188	–	–
Trade and other payables	2,967	3,616	4,300	–	–
Borrowings	745,831	746,109	896,720	150,000	150,000
Total non-current liabilities	847,971	853,490	1,046,412	150,000	150,000
Current liabilities					
Provisions	11,474	12,967	17,005	–	–
Income tax payable	41,649	43,079	31,679	4,929	4,635
Trade and other payables	140,768	146,740	220,870	24,390	84,052
Borrowings	83,558	84,912	294,728	3,700	3,700
Total current liabilities	277,449	287,698	564,282	33,019	92,387
Total liabilities	1,125,420	1,141,188	1,610,694	183,019	242,387
Total equity and liabilities	3,348,247	3,348,758	3,807,583	1,810,229	1,836,173

⁽²⁾ This excludes 21,712,000 stock units held by a subsidiary.

1(b)(ii) Comparative figures of the Group's borrowings and debt securities

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

As at 31/3/2018		As at 31/12/2017	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
71,780	11,778	72,619	12,293

- (b) Amount repayable after one year

As at 31/3/2018		As at 31/12/2017	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
595,831	150,000	596,109	150,000

- (c) Details of any collaterals

The borrowings are generally secured on certain investment properties and properties held for sale and/or by fixed and floating charges over certain assets of certain subsidiaries.

1(c) Statement of cash flows

	Group	
	31/3/2018	31/3/2017
	\$000	(Restated)⁽¹⁾
		\$000
Cash flows from operating activities		
Profit before tax	12,400	9,200
Amortisation of intangible assets	–	457
Depreciation of property, plant and equipment	3,557	4,123
Dividend income from other investments	(552)	(307)
Finance costs	5,441	6,377
Impairment loss on intangible assets	–	73
Impairment loss on investment in associate	337	–
Interest income	(868)	(847)
Loss on disposal of property, plant and equipment	38	14
Net inventories (written-back)/written-down	(108)	5
Property, plant and equipment written-off	83	2
Share of profit from equity-accounted associates and joint ventures	(940)	(553)
Unrealised exchange (gain)/loss	(1,609)	4,899
Operating cash flows before changes in working capital	17,779	23,443
Decrease in properties held for sale	5,749	2,294
Decrease in trade and other receivables	4,756	119,823
Decrease in trade and other payables and provisions	(12,460)	(6,347)
Increase in inventories	(498)	(2,689)
Cash flows from operations	15,326	136,524
Income taxes paid	(3,734)	(1,308)
Interest paid	(2,326)	(8,934)
Interest received	877	1,549
Net cash flows from operating activities	10,143	127,831
Cash flows from investing activities		
Acquisition of intangible assets	–	(733)
Decrease in amounts due from associates and joint ventures	99	100
Distribution from dissolution of other investments	102	–
Dividends received from associates	106	789
Dividends received from other investments	552	307
Proceeds from disposal of property, plant and equipment	55	10
Proceeds from settlement of outstanding consideration	4,584	–
Purchase of property, plant and equipment	(3,122)	(2,048)
Subsequent expenditure on investment properties	(621)	(33)
Net cash flows from/(used in) investing activities	1,755	(1,608)
Cash flows from financing activities		
Decrease in short-term loans	(1,993)	(5,700)
Distribution to shareholders from liquidation of a joint venture	22	–
Final distribution to non-controlling interests of a subsidiary	–	(206)
(Decrease)/increase in trust receipts and bills payable	(515)	291
Proceeds from issuance of shares upon exercise of share options	–	76
Proceeds from long-term loans	275	–
Repayment of long-term loans	(198)	(246,773)
Net cash flows used in financing activities	(2,409)	(252,312)
Net increase/(decrease) in cash and cash equivalents	9,489	(126,089)
Cash and cash equivalents, beginning balance	384,711	623,976
Effect of exchange rate changes on cash and cash equivalents	1,266	(1,892)
Cash and cash equivalents, ending balance	395,466	495,995
Cash and cash equivalents comprise:		
Bank balances and deposits	395,466	504,804
Bank overdrafts	–	(8,809)
Cash and cash equivalents	395,466	495,995

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

GROUP

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Other reserves	
		\$000					
Opening balance at 1/1/2018, as previously reported	2,207,570	1,901,434	808,030	(62,313)	1,190,312	(34,595)	306,136
Effect of adopting SFRS(I)	–	–	–	–	(31,813)	31,813	–
Opening balance at 1/1/2018, restated	2,207,570	1,901,434	808,030	(62,313)	1,158,499	(2,782)	306,136
Profit for the period	9,202	9,002	–	–	9,002	–	200
Gains on exchange differences on translation, net of tax	7,146	5,262	–	–	–	5,262	1,884
Financial assets, at FVOCI							
- Fair value changes arising during the period	(1,485)	(1,485)	–	–	–	(1,485)	–
Share of other comprehensive income from equity-accounted associate, net of tax	394	394	–	–	–	394	–
Other comprehensive income for the period	6,055	4,171	–	–	–	4,171	1,884
Total comprehensive income for the period	15,257	13,173	–	–	9,002	4,171	2,084
Others							
Transfer of reserve upon dissolution of other investments	–	(15)	–	–	32	(47)	15
Total others	–	(15)	–	–	32	(47)	15
Closing balance at 31/3/2018	2,222,827	1,914,592	808,030	(62,313)	1,167,533	1,342	308,235
Opening balance at 1/1/2017, as previously reported	2,194,892	1,883,007	807,938	(62,313)	1,167,482	(30,100)	311,885
Effect of adopting SFRS(I)	1,997	1,997	–	–	(29,422)	31,419	–
Opening balance at 1/1/2017, restated	2,196,889	1,885,004	807,938	(62,313)	1,138,060	1,319	311,885
Profit/(loss) for the period	7,176	8,319	–	–	8,319	–	(1,143)
Losses on exchange differences on translation, net of tax	(14,222)	(9,846)	–	–	–	(9,846)	(4,376)
Gains on remeasuring available-for-sale financial assets, net of tax	1,188	1,188	–	–	–	1,188	–
Share of other comprehensive income from equity-accounted associate, net of tax	352	352	–	–	–	352	–
Other comprehensive income for the period	(12,682)	(8,306)	–	–	–	(8,306)	(4,376)
Total comprehensive income for the period	(5,506)	13	–	–	8,319	(8,306)	(5,519)
Contributions by and distributions to owners							
Ordinary shares issued on exercise of share options converted into ordinary stocks	76	76	76	–	–	–	–
Final cash distribution paid to non-controlling interests of a subsidiary	(206)	–	–	–	–	–	(206)
Total transactions with owners in their capacity as owners	(130)	76	76	–	–	–	(206)
Others							
Share of share option reserve from equity-accounted associates	21	21	–	–	–	21	–
Total others	21	21	–	–	–	21	–
Closing balance at 31/3/2017	2,191,274	1,885,114	808,014	(62,313)	1,146,379	(6,966)	306,160

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

COMPANY

	Total equity \$000	Share capital \$000	Retained earnings \$000	Other reserves \$000
Opening balance at 1/1/2018	1,593,786	808,030	785,789	(33)
Profit for the period	33,424	–	33,424	–
Total comprehensive income for the period	33,424	–	33,424	–
Closing balance at 31/3/2018	<u>1,627,210</u>	<u>808,030</u>	<u>819,213</u>	<u>(33)</u>
Opening balance at 1/1/2017	1,614,606	807,938	802,687	3,981
Profit for the period	3,777	–	3,777	–
Total comprehensive income for the period	3,777	–	3,777	–
Contributions by and distributions to owners				
Ordinary shares issued on exercise of share options converted into ordinary stocks	76	76	–	–
Closing balance at 31/3/2017	<u>1,618,459</u>	<u>808,014</u>	<u>806,464</u>	<u>3,981</u>

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

There was no change in the issued share capital of the Company since 31 December 2017.

As at 31 March 2018, there was no (31 March 2017: 165,721) outstanding share options in respect of unissued stock units under the United Engineers Share Option Scheme 2000.

<u>Share capital</u>	31/3/2018	31/3/2017
Number of issued stock units	637,520,399	637,508,148
Number of issued stock units (excluding subsidiary holdings)	615,808,399	615,796,148
Number of subsidiary holdings	21,712,000	21,712,000
Number of treasury shares	Nil	Nil
Percentage of the aggregate number of treasury shares and the subsidiary holdings held against the total number of shares outstanding	3.41%	3.41%

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2018, the Company's issued and paid-up ordinary share capital excluding treasury shares was 637,520,399 ordinary stock units (31 December 2017: 637,520,399).

1(d)(iv) A statement showing all sales, transfers, 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 period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current period reported on.

- 2 Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Group's auditors.

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

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Paragraph 5 below regarding the adoption of the Singapore Financial Reporting Standards (International), 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 2017.

- 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.

For annual financial period beginning on or after 1 January 2018, Singapore incorporated companies listed on the SGX-ST will apply Singapore Financial Reporting Standards (International) (SFRS(I)), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 January 2018.

The adoption of SFRS(I), amendments and interpretations did not result in any significant change to the Group's accounting policies or any significant impact on the financial statements of the Group except for the followings:

In adopting SFRS(I), the Group has elected the option to reset its cumulative foreign currency translation differences to zero at the date of transition on 1 January 2017. As a result, cumulative translation losses of \$31.4 million were reclassified from foreign currency translation reserve to set-off against the opening retained earnings as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 January 2017. In 2017, the Group has liquidated certain foreign subsidiaries. Consequently, the gains or losses on liquidation of these foreign subsidiaries were also restated.

SFRS(I) 15

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied the changes in accounting policies, using the full retrospective approach.

SFRS(I) 9

SFRS(I) 9 introduces new requirement for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristic and the business model under which they are held. The impairment requirement in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model. The Group applies the simplified approach and record lifetime expected losses on all trade and other receivables. The adoption of the expected credit loss model did not result in any significant impact on the financial statement.

The Group has adopted the new standard on 1 January 2018 without restating prior periods' information and recognised any differences between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings. The Group has accounted its available-for-sale equity securities at fair value through other comprehensive income, with gain and loss remaining in other comprehensive income, upon derecognition.

Impact on the comparatives for the Q1 2018 Financial Statement:

The effects on the comparatives arising from the adoption of SFRS(I)s, subject to year-end audit are as follows:

Income statement

Group	3 months ended	
	31/3/2017	
	\$000	
Increase in revenue	4,738	
Increase in cost of sales	(4,342)	
Increase in profit for the period	396	
Increase in earnings per stock (basic)	0.1¢	
Increase in earnings per stock (diluted)	0.1¢	

Statement of financial position

Group	31/12/2017		01/01/2017	
	\$000		\$000	
Increase in properties held for sale	–		2,346	
Decrease in retained earnings	(31,813)		(29,422)	
Increase in other reserves	31,813		31,419	
Increase in trade and other payables	–		349	

6 Earnings per stock unit (cents)

	Group	
	31/3/2018	31/3/2017 (Restated) ⁽¹⁾
(a) Basic*:	1.4	1.4
(b) Diluted**:	1.4	1.4
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,520,399	637,508,148
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	637,520,399	637,514,461

* Earnings per ordinary stock unit on existing issued share capital, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units in issue during the period.

** Earnings per ordinary stock unit on a fully diluted basis, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units during the period adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	31/3/2018	31/12/2017 (Restated) ⁽¹⁾	31/3/2018	31/12/2017
Net asset per ordinary stock unit based on the total number of issued stock units	<u>\$3.11⁽³⁾</u>	<u>\$3.09⁽³⁾</u>	<u>\$2.55</u>	<u>\$2.50</u>

⁽³⁾ Based on total number of issued stock units excluding the number of stock units held by a subsidiary.

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

Q1 2018 compared with Q1 2017

Revenue decreased marginally to \$105.2 million in Q1 2018 from \$106.1 million in Q1 2017. Gross profit increased 2% to \$46.2 million in Q1 2018.

Other income decreased 51% to \$0.4 million in Q1 2018 from \$0.9 million in Q1 2017 mainly due to the absence of license fee from the liquefied petroleum gas (LPG) business which was divested toward the end of 2017.

Distribution costs decreased 10% to \$6.4 million in Q1 2018 from \$7.1 million in Q1 2017 mainly due to the absence of expenses from the LPG business which was divested toward the end of 2017.

Finance costs decreased 15% to \$5.4 million in Q1 2018 from \$6.4 million in Q1 2017 mainly due to lower borrowings.

Other expenses decreased 55% to \$0.9 million in Q1 2018 from \$2.1 million in Q1 2017 mainly due to the absence of foreign exchange losses recorded in Q1 2017.

Share of profit from equity-accounted associates and joint ventures increased 70% to \$0.9 million in Q1 2018 from \$0.6 million in Q1 2017 mainly due to higher contributions from the overseas associates.

Income tax expense increased 96% to \$3.2 million in Q1 2018 from \$1.6 million in Q1 2017 mainly due to higher operating profit and under provision of prior years' income tax.

The Group's attributable profit increased 3% to \$9.0 million in Q1 2018 from \$8.7 million in Q1 2017.

Financial position review

Current trade and other receivables decreased by approximately \$9 million mainly due to collection of outstanding receivables and the receipt of the balance \$4.6 million proceed from the disposal of a business unit and liquidation of a subsidiary.

Cash flow review

As at 31 March 2018, the Group had cash and cash equivalents of \$395 million. In Q1 2018, the Group received the balance \$4.6 million proceed from the disposal of a business unit and liquidation of a subsidiary. Apart from this, the Group's components of cash flow and changes in these components from 31 December 2017 to 31 March 2018 were mainly due to the Group's ongoing operations.

Operation review

Property Rental & Hospitality

Revenue decreased 5% to \$31.3 million in Q1 2018 from \$32.8 million in Q1 2017. Operating profit before interest decreased 5% to \$16.4 million in Q1 2018 from \$17.2 million in Q1 2017 mainly due to lower revenue and profit contribution from *UE Bizhub WEST*.

Property Development

Revenue decreased 2% to \$12.7 million in Q1 2018 from \$12.9 million in Q1 2017. Operating loss before interest decreased 81% to \$0.5 million in Q1 2018 compared with operating loss of \$2.7 million in Q1 2017 mainly due to improved contribution from the sale of property units from completed phases of *Chengdu Orchard Villa*.

Engineering & Distribution

Revenue increased 7% to \$29.9 million in Q1 2018 from \$27.9 million in Q1 2017 mainly due to higher contribution from the systems integration business, O'Connor's. Operating profit before interest increased 200% to \$2.7 million in Q1 2018 from \$0.9 million in Q1 2017 mainly due to project completion with higher profit margin from the systems integration business.

Manufacturing

Revenue decreased 11% to \$19.0 million in Q1 2018 from \$21.4 million in Q1 2017. Operating profit before interest decreased 78% to \$0.2 million in Q1 2018 from \$0.9 million in Q1 2017. The decline in revenue and operating profit was mainly due to certain existing precision engineering manufacturing programs reaching their end-of-life, whereas new programs have yet to reach mass production volumes.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company did not make any forecast statement previously. The Group's Q1 2018 results are in line with the statement made in paragraph 10 of the Company's FY 2017 results announcement on 22 February 2018.

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 global economic environment has showed signs of strengthening and the Group believes that this improved outlook will continue to bode well for Singapore's property market. The Group intends to embark on asset enhancement initiatives for its investment properties in Singapore and may make selective acquisitions if and when such opportunities arise. In China, the property cooling measures have brought about a relative slowdown in activity in certain cities, but the demand for good quality housing remains and the property market may continue to see sustainable growth in the longer term.

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 had obtained a general mandate from shareholders for interested person transactions (“IPTs”) at the Annual General Meeting (“AGM”) held on 25 April 2017 (“IPT Mandate”). The IPT Mandate covers mandated transactions with Oversea-Chinese Banking Corporation Limited and its associates (which include Great Eastern Holdings Limited and its subsidiaries) (collectively, “OCBC group”) which were interested persons until 12 July 2017. Between 1 July 2017 and 12 July 2017, there was no IPT with an amount exceeding \$100,000 with OCBC group. For the period ended 31 March 2018, there was no IPT with an amount exceeding \$100,000 with any other interested persons other than OCBC group.

The IPT Mandate obtained from shareholders at the AGM held on 25 April 2017 had lapsed on 26 April 2018 (after the conclusion of the AGM held on 26 April 2018). The Company did not seek to renew the IPT Mandate at the AGM held on 26 April 2018 and hence, no general mandate has been obtained from shareholders for IPTs.

- 14 Confirmation that the Issuer has procured undertaking from all of its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD
Gn Jong Yuh Gwendolyn
Secretary
7 May 2018

Confirmation by the Board

We, Zhong Sheng Jian and Tan Chee Keong Roy, being two directors of United Engineers Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Q1 2018 financial results to be false or misleading in any material aspect.

On behalf of the Board,

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Zhong Sheng Jian
Executive Chairman

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Tan Chee Keong Roy
Group Managing Director