



(Company Registration No. 191200018G)
(Incorporated in Singapore)

DISPOSAL OF SHAREHOLDING INTERESTS IN UE MANAGED SOLUTIONS PTE. LTD. AND UE SERVICECORP (TAIWAN) LIMITED

1. **BACKGROUND**

United Engineers Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that United Engineers Developments Pte Ltd ("**UED**"), a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement ("**SPA**") with Asia Facility Solutions Pte. Ltd. (the "**Purchaser**"), to dispose of (a) its entire 51% shareholding interest of 1,683,000 ordinary shares in the share capital of UE Managed Solutions Pte. Ltd. ("**UEMS**"), a company incorporated in Singapore (the "**UEMS Sale**"); and (b) its entire 100% shareholding interest of 500,000 shares in the share capital of UE ServiceCorp (Taiwan) Limited ("**UESC Taiwan**"), a company incorporated in the Republic of China (the "**UESC Taiwan Sale**"). The conditions precedent under the SPA have been satisfied and/or waived as of today.

The principal business activity of UEMS is an investment holding company. As at the date of this announcement, the wholly-owned subsidiaries of UEMS are as follows:

- (a) UE Managed Solutions Singapore Pte. Ltd. ("**UEMS Singapore**");
- (b) UE Managed Solutions Malaysia Sdn. Bhd. ("**UEMS Malaysia**");
- (c) UE Managed Solutions Taiwan Limited ("**UEMS Taiwan**"); and
- (d) ServiceMaster Hong Kong Limited ("**UEMS Hong Kong**"),

(collectively, the "**UEMS Subsidiaries**").

The principal business activities of the UEMS Subsidiaries are the provision of facilities management services.

UESC Taiwan is a wholly-owned subsidiary of UED. The principal business activity of UESC Taiwan is the provision of facilities management services.

As the relative figures computed pursuant to Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") in respect of the UEMS Sale and the UESC Taiwan Sale do not exceed 5%, the UEMS Sale and the UESC Taiwan Sale do not constitute a discloseable transaction under Chapter 10 of the Listing Manual.

The Purchaser is an investment holding company backed by Dymon Asia Private Equity (S.E. Asia) Fund, L.P. a private equity fund focused on investing in small and medium-sized enterprises in Singapore and Southeast Asia.

2. CONSIDERATION

(a) **UEMS Sale**

The consideration for the UEMS Sale is S\$12,240,000, and is arrived at on a willing-buyer willing-seller basis taking into account, *inter alia*, the net asset value and business prospects of UEMS and the UEMS Subsidiaries as at 30 September 2014. Based on the unaudited consolidated financial statements of UEMS for the nine (9)-month period ended 30 September 2014, the net tangible asset value attributable to UED's 51% shareholding interest in UEMS amounted to approximately S\$7.84 million.

The consideration for the UEMS Sale will be satisfied by the Purchaser by payment thereof in cash.

(b) **UESC Taiwan Sale**

The consideration for the UESC Taiwan Sale is S\$488,000, and is arrived at on a willing-buyer willing-seller basis taking into account, *inter alia*, the net asset value and business prospects of UESC Taiwan as at 30 September 2014. Based on the unaudited consolidated financial statements of UESC Taiwan for the nine (9)-month period ended 30 September 2014, the net tangible asset value of UESC Taiwan amounted to approximately S\$0.49 million.

The consideration for the UESC Taiwan Sale will be satisfied by the Purchaser by payment thereof in cash.

3. COMPLETION DATE AND EFFECTS OF THE UEMS SALE AND THE UESC TAIWAN SALE

Completion of the UEMS Sale and the UESC Taiwan Sale is currently scheduled to take place on 30 January 2015. Following completion of the UEMS Sale and the UESC Taiwan Sale, UEMS, the UEMS Subsidiaries and UESC Taiwan will cease to be subsidiaries of the Company.

The UEMS Sale and the UESC Taiwan Sale are not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2014.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the UEMS Sale and the UESC Taiwan Sale.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary

29 December 2014