



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

ANNOUNCEMENT

PRE-CONDITIONAL VOLUNTARY OFFERS FOR WBL CORPORATION LIMITED

1. INTRODUCTION

1.1 The Offers

The Board of Directors of United Engineers Limited (the “**Company**” or “**UE**”) wishes to announce that J.P. Morgan (S.E.A.) Limited (“**J.P. Morgan**”) has today announced for and on behalf of the Company’s wholly-owned subsidiary, UE Centennial Venture Pte. Ltd., (the “**Offeror**”) that, subject to and contingent upon the satisfaction of the Pre-Condition (as defined in paragraph 1.4 below), the Offeror intends to make voluntary conditional offers to acquire:

- (a) all the issued ordinary stock units (the “**WBL Stock Units**”) in the capital of WBL Corporation Limited (“**WBL**”) other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the “**Stock Unit Offer**”) in accordance with Rule 15 of The Singapore Code on Take-overs and Mergers (the “**Code**”); and
- (b) all the outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009 (the “**Convertible Bonds**”), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the “**Convertible Bonds Offer**”), in accordance with Rule 19 of the Code,

(collectively, the “**Offers**”).

The Offers will not be made unless and until the Pre-Condition is satisfied or waived. Accordingly, all references to the Offers in this Announcement refer to the possible Offers which will only be made if and when such Pre-Condition is satisfied or waived.

Stockholders of WBL (the “WBL Stockholders”) and holders of the Convertible Bonds (the “Bondholders”) should exercise caution and seek appropriate independent advice when dealing in the WBL Stock Units and the Convertible Bonds.

1.2 Pre-Conditional Offer Announcement

A copy of the announcement dated today released by J.P. Morgan, for and on behalf of the Offeror, in relation to the Offers (the “**Pre-Conditional Offer Announcement**”) is available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at www.sgx.com. A copy of the Pre-Conditional Offer Announcement is also attached to this

Announcement. This Announcement should be read in conjunction with the full text of the Pre-Conditional Offer Announcement.

1.3 Major Transaction

Based on the relative figures computed on the basis of Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**") as more particularly described in paragraph 7 below, the Offers will constitute a "Major Transaction" under Chapter 10 of the Listing Manual. Accordingly the approval of stockholders of the Company (the "**UE Stockholders**", which expression shall include the holders of 7.5 cents cumulative preference shares of the Company) will be sought for the Offers. The Company intends to convene an extraordinary general meeting (the "**EGM**") to seek the approval of UE Stockholders for the Acquisition Resolution (as defined below).

1.4 Pre-Condition to Making of Formal Offers

The making of the Offers to WBL Stockholders and the Bondholders, respectively, will be subject to and contingent upon the pre-condition (the "**Pre-Condition**") that all resolution(s) (the "**Acquisition Resolution**") as may be necessary or incidental to approve and undertake the Offers and the acquisition of any WBL Stock Units and Convertible Bonds pursuant to or in connection with the Offers or otherwise shall have been passed at a general meeting of the Company (or any adjournment thereof).

If and when the Pre-Condition is satisfied or waived, J.P. Morgan, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror to make the Offers. In the event that the Pre-Condition is not satisfied or waived by the Offeror on or before 31 May 2013 or such later date as the Company may determine in consultation with the Securities Industry Council (the "**SIC**"), the Offers will not be made and J.P. Morgan will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable.

2. THE OFFERS

2.1 Certain Proposed Principal Terms of the Stock Unit Offer

2.1.1 Voluntary Offer. Subject to and contingent upon the satisfaction or waiver of the Pre-Condition, the Offeror will make the Stock Unit Offer for all the WBL Stock Units other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the "**Offer Stock Units**") in accordance with Rule 15 of the Code and subject to and upon the principal terms and conditions set out in the Pre-Conditional Offer Announcement including those set out below.

2.1.2 Stock Unit Offer Price. S\$4.00 in cash for each Offer Stock Unit (the "**Stock Unit Offer Price**").

2.1.3 Conversion Stock Units. The Stock Unit Offer, if and when made, will be extended on the same terms and conditions to:

- (a) all new WBL Stock Units unconditionally issued or to be issued pursuant to the valid conversion prior to the close of the Stock Unit Offer of any of the Convertible Bonds; and

- (b) all new WBL Stock Units unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Stock Unit Offer of any options to subscribe for new WBL Stock Units granted under any employee share scheme of WBL (the “**Options**”),

(collectively, the “**Conversion Stock Units**”).

For the purposes of the Stock Unit Offer, the expression “**Offer Stock Units**” shall include such Conversion Stock Units.

- 2.1.4 Minimum Acceptance Condition.** The Stock Unit Offer, if and when made, will be conditional upon the Offeror having received, by the close of the Stock Unit Offer, valid acceptances in respect of such number of Offer Stock Units which, when taken together with the WBL Stock Units owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of WBL Stock Units carrying more than 50% of the voting rights attributable to the issued WBL Stock Units as at the close of the Stock Unit Offer (the “**Minimum Acceptance Condition**”).

Accordingly, the Stock Unit Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Stock Unit Offer, unless at any time prior to the close of the Stock Unit Offer, the Offeror has received valid acceptances in respect of such number of Offer Stock Units which, when taken together with the WBL Stock Units owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of WBL Stock Units carrying more than 50% of the voting rights attributable to the maximum potential stock capital of WBL. For these purposes, the “**maximum potential stock capital of WBL**” means the total number of WBL Stock Units which would be in issue had all the outstanding Convertible Bonds and the Options which are exercisable prior to the close of the Stock Unit Offer been validly converted or exercised (as the case may be) as of the date of such declaration.

2.2 Certain Proposed Principal Terms of the Convertible Bonds Offer

- 2.2.1 Convertible Bonds Offer.** In addition to extending the Stock Unit Offer (if and when made) to all Conversion Stock Units unconditionally issued or to be issued pursuant to the conversion prior to the close of the Stock Unit Offer of any Convertible Bonds, the Offeror also intends to make the Convertible Bonds Offer for all the Convertible Bonds other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the “**Offer Convertible Bonds**”) in accordance with Rule 19 of the Code and subject to and upon the principal terms and conditions set out in the Pre-Conditional Offer Announcement including those set out below.

- 2.2.2 Condition of Convertible Bonds Offer.** The Convertible Bonds Offer will be subject to and conditional upon the Stock Unit Offer (if and when made) becoming or being declared unconditional in all respects and the Convertible Bonds continuing to be transferable and convertible into Conversion Stock Units. If the Stock Unit Offer lapses or is withdrawn or if the relevant Convertible Bonds cease to be transferable or

convertible into Conversion Stock Units, the Convertible Bonds Offer shall lapse accordingly.

2.2.3 Convertible Bonds Offer Price. The offer price for each in principal amount of the Offer Convertible Bonds (the “**Convertible Bonds Offer Price**”) tendered in acceptance of the Convertible Bonds Offer will, in accordance with Note 1(a) on Rule 19 of the Code, be the “see-through” price, which is equal to the Stock Unit Offer Price multiplied by the number of Conversion Stock Units into which such principal amount of Offer Convertible Bonds may be converted (rounded down to the nearest Conversion Stock Unit) (the “**Conversion Ratio**”). In the event the Conversion Ratio is or will be adjusted in accordance with the terms and conditions of the Convertible Bonds, the Offeror reserves the right to adjust the Convertible Bonds Offer Price subject to consultation with the SIC.

2.2.4 For the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Stock Unit Offer becoming or being declared unconditional, the Stock Unit Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Stock Unit Offer and the Convertible Bonds Offer are separate and mutually exclusive. The Convertible Bonds Offer does not form part of the Stock Unit Offer and *vice versa*.

2.3 Confirmations of the Concert Party Group¹

Confirmations have been obtained from the following parties who collectively own or control approximately 34.70% of the total number of issued ordinary stock units in the capital of the Company (“**UE Stock Units**”) and are presumed to be acting in concert with the Offeror under the Code (the “**Concert Party Group**”), and who own or control an aggregate of (i) approximately 38.29% of the total number of issued WBL Stock Units²; and (ii) S\$12,804,133 in principal amount of Convertible Bonds which are convertible into WBL Stock Units representing approximately 1.99% of the enlarged total number of WBL Stock Units³, *inter alia*, that they will not be selling during the period of the Offers any of their WBL Stock Units or Convertible Bonds whether pursuant to the Offers or otherwise:

2.3.1 Oversea-Chinese Banking Corporation Limited (“**OCBC**”) and its wholly-owned subsidiaries (the “**OCBC Group**”), and OCBC’s subsidiary, Great Eastern Holdings Limited (“**GEH**”), and GEH’s wholly-owned subsidiaries (the “**GEH Group**”), in respect of an aggregate of approximately 24.77% of the total number of issued WBL Stock Units and S\$10,742,309 in principal amount of Convertible Bonds which are convertible into WBL Stock Units representing approximately 1.67% of the enlarged total number of WBL Stock Units;

2.3.2 The Lee Family, the Lee Family Companies (each as defined in paragraph 10 of the Pre-Conditional Offer Announcement) and certain directors and shareholders of the Lee Family Companies, in respect of an aggregate of approximately 13.46% of the total number of issued WBL Stock Units and an aggregate of S\$2,039,725 in principal

¹ In this Announcement, any discrepancies between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

² Unless otherwise stated, references in this Announcement to the total number of issued WBL Stock Units are based on 271,618,457 WBL Stock Units in issue as at 29 January 2013.

³ References in this Announcement to the enlarged total number of WBL Stock Units are based on 281,342,021 WBL Stock Units. This figure has been arrived at on the basis set out in paragraph 3.2.

amount of Convertible Bonds which are convertible into WBL Stock Units representing approximately 0.32% of the enlarged total number of WBL Stock Units; and

- 2.3.3** The director(s) of the Offeror, in respect of approximately 0.05% of the total number of issued WBL Stock Units and S\$22,099 in principal amount of Convertible Bonds which are convertible into WBL Stock Units representing approximately 0.003% of the enlarged total number of WBL Stock Units.

Accordingly, the WBL Stock Units of the Concert Party Group will be aggregated with any WBL Stock Units of the Offeror for the purpose of determining whether the Minimum Acceptance Condition for the Stock Unit Offer is met, and therefore whether the Stock Unit Offer has become unconditional. The above confirmations have been obtained from the Concert Party Group in order that the Offeror would be in a position to determine, if and when the Offers are made, whether or not it has met the Minimum Acceptance Condition.

2.4 Pre-Conditional Offer Announcement

Please refer to the Pre-Conditional Offer Announcement for further information on the Offers.

3. INFORMATION ON WBL

- 3.1 WBL's Businesses.** WBL is a leading multinational conglomerate incorporated in Singapore and listed on the Main Board of the SGX-ST. The principal activities of WBL are that of an investment holding company and the provision of management services to related companies. The WBL group's key business areas include the following:

3.1.1 Automotive. Leading automotive dealer and distributor in the region. Represents 11 luxury car brands in Singapore, Malaysia, The People's Republic of China ("PRC"), Hong Kong, Indonesia and Thailand;

3.1.2 Property. Well-established property development business in the PRC through its property division, Huaxin International. Existing property projects are largely strategically located in Chengdu, Chongqing, Suzhou, Shanghai and Shenyang;

3.1.3 Technology. Comprises mainly 2 key subsidiaries in the flexible printed circuit sector: NASDAQ-listed Multi-Fineline Electronix Inc., (57% effective interest) and SGX-ST-listed MFS Technology Ltd (77% stake). Both are major players in the flexible printed circuit industry and are major suppliers of integrated flexible printed circuits and assembly solutions for mobile phones and tablets; and

3.1.4 Engineering and Distribution. Portfolio of businesses includes silica mining, supplying construction materials, automotive parts distribution, equipment distribution, LPG distribution, engineering services and systems integration services.

- 3.2 Share Capital.** Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 29 January 2013, WBL has an issued and paid-up share capital of approximately S\$477,643,856 comprising 271,618,457 issued WBL Stock Units. Based on the unaudited consolidated financial statements of WBL and its subsidiaries (the "WBL Group") for the financial year ended 30 September 2012 as announced by WBL on 14 November 2012, there were outstanding Convertible Bonds which, if converted, would give rise to 10,440,035

WBL Stock Units. Assuming the full conversion of such outstanding Convertible Bonds, the enlarged total number of WBL Stock Units would be 281,342,021.

3.3 WBL Stockholders. As at 29 January 2013, WBL Stockholders include:

- (a) the OCBC Group and the GEH Group, which hold an aggregate of approximately 24.77% of the total number of issued WBL Stock Units; and
- (b) the Lee Family and the Lee Family Companies, who hold an aggregate of approximately 13.46% of the total number of issued WBL Stock Units.

On 16 January 2013, The Straits Trading Company Limited (“**STC**”) announced a mandatory conditional offer for all the WBL Stock Units other than those already owned, controlled or agreed to be acquired by STC and parties acting in concert with it at an offer price of S\$3.41 (before adjusting for the FY2012 Dividend⁴ as stated in the announcement of STC dated 16 January 2013) in cash or 1.07 new STC shares, for each WBL Stock Unit. Based on STC's public announcements of 16 and 18 January 2013, STC has completed its acquisition from Aberdeen Asset Management Asia Limited and certain funds and portfolios managed by Third Avenue Management LLC of approximately 23.57% of the total number of issued WBL Stock Units on 18 January 2013, resulting in STC and its concert parties holding approximately 44.55% of the total number of issued WBL Stock Units.

4. RATIONALE FOR THE OFFERS

The Company believes that the Offers would enable the Company and its subsidiaries (the “**Group**” or “**UE Group**”) to:

- (a) expand and diversify the Group's development property portfolio and to a lesser extent, its investment property portfolio by acquiring an interest in an attractive mix of properties under development;
- (b) gain exposure to long-term growth opportunities in the property market of the PRC;
- (c) harness synergies, particularly between properties, construction and engineering, which should strengthen the Group's presence across the infrastructure value chain;
- (d) acquire an interest in WBL's automotive business which can be another potential engine of growth for the Group as well as an additional source of recurring income; and
- (e) explore opportunities to enhance value across WBL's diverse portfolio of businesses.

If the Offeror succeeds in the Offers, it plans to participate in a review of WBL's businesses together with WBL's Board of Directors and management with a view to ascertaining the viability of the above rationale before actual implementation.

⁴ As defined in paragraph 3.1 of the Pre-Conditional Offer Announcement.

5. CONSIDERATION FOR THE OFFERS

5.1 The Stock Unit Offer Price

The Stock Unit Offer Price was arrived at taking into account, *inter alia*, the historical trading performance of WBL Stock Units, the strategic value of the WBL group's businesses based on publicly available information and that there is a competing offer for WBL.

5.2 The Convertible Bonds Offer Price

The Convertible Bonds Offer Price will be determined on the basis of the "see-through" price, which is equal to the Stock Unit Offer Price multiplied by the number of Conversion Stock Units into which the principal amount of Offer Convertible Bonds tendered in acceptance of the Convertible Bonds Offer may be converted (rounded down to the nearest Conversion Stock Unit). Please see paragraph 2.2.3 above.

5.3 Satisfaction of Consideration

The aggregate value of the consideration for the Offers is deemed for the purposes of Chapter 10 of the Listing Manual to be approximately S\$687.0 million, based on the Stock Unit Offer Price of S\$4.00 and on the maximum number of Offer Stock Units that the Offeror may acquire, assuming that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

It is expected that the Offers will be funded by way of the Group's internal funds, financing from financial institution(s) and/or the issuance of medium term notes by the Company pursuant to its existing S\$500 million multicurrency medium term note programme.

6. VALUE OF ASSETS TO BE ACQUIRED⁵

6.1 Book Value

Based on the audited consolidated financial statements of the WBL Group for the financial year ended 30 September 2012 (the "**WBL Group FY 2012 Audited Accounts**"), the book value of the net assets to be acquired (excluding non-controlling interests) is approximately S\$576.3 million.

6.2 NTA

Based on the WBL Group FY 2012 Audited Accounts, the net tangible asset value ("**NTA**") (excluding non-controlling interests) of the Offers is approximately S\$540.6 million.

⁵ For the purposes of paragraph 6, the assets to be acquired is based on the maximum number of Offer Stock Units that the Offeror may acquire, assuming that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

6.3 Open Market Value

Based on the volume-weighted average price of the WBL Stock Units transacted on the SGX-ST on 29 January 2013 (being the full market day immediately preceding the date of this Announcement on which WBL Stock Units were traded on the SGX-ST), the latest open market value of the assets to be acquired is approximately S\$717.5 million.

6.4 Profits

Based on the WBL Group FY 2012 Audited Accounts, the net profits attributable to the assets to be acquired is approximately S\$66.8 million.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Offers computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not Applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits ⁽¹⁾	144
(c)	The aggregate value of the consideration ⁽²⁾ given, compared with the Company's market capitalization based on the total number of issued UE Stock Units excluding treasury stock units ⁽³⁾	68
(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not Applicable

Notes:

(1) Net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The figures are based on the WBL Group 3Q Results (as defined below) and the UE Group 3Q Results (as defined below). Net profit of S\$91.5 million was reported by the WBL Group for the nine-month period ended 30 June 2012. Net profit of S\$38.7 million was reported by the UE Group for the nine-month period ended 30 September 2012.

(2) For the above purpose, the consideration for the Offers is deemed to be S\$687.0 million as set out in paragraph 5.3 of this Announcement.

- (3) Market capitalization has been calculated on the basis of 305,648,074 UE Stock Units in issue multiplied by the weighted average price of the UE Stock Units transacted on 29 January 2013, being the last full market day preceding the date of this Announcement.

Accordingly, the Offers will constitute a “Major Transaction” within the meaning of Rule 1014 of the Listing Manual, and is subject to the approval of the UE Stockholders. As the only relative figure which exceeds 100% is that in respect of Rule 1006(b) of the Listing Manual, the Offers will not be regarded as a “Very Substantial Acquisition” under Chapter 10 of the Listing Manual.

8. CERTAIN ILLUSTRATIVE PROFORMA FINANCIAL EFFECTS OF THE OFFERS

8.1 Assumptions

The proforma financial effects of the Offers on the earnings per UE Stock Unit (“EPS”) and the NTA per UE Stock Unit are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the UE Group after completion of the Offers. The proforma financial effects have been computed based on (a) the audited consolidated financial statements of the UE Group for the financial year ended 31 December 2011 (“**UE Group FY 2011 Audited Accounts**”); (b) the latest announced unaudited consolidated financial statements of the UE Group for the nine-month period ended 30 September 2012 (“**UE Group 3Q Results**”) and (c) the maximum number of Offer Stock Units that the Offeror may acquire, assuming that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

8.2 Illustrative Financial Effects

8.2.1 NTA – FY 2011

For purely illustrative purposes only, assuming the Offers had been effected on 31 December 2011, being the end of the most recently completed financial year of the UE Group ended 31 December 2011 (“**FY 2011**”), the effect of the Offers on the NTA per UE Stock Unit for FY 2011, based on the UE Group FY 2011 Audited Accounts and the WBL Group FY 2012 Audited Accounts, is expected to be as follows:

	Before the Offers	After the Offers
NTA (S\$ million)	1,158.2	1,011.7 ⁽²⁾
No. of UE Stock Units ('000)⁽¹⁾	284,183	284,183
NTA per UE Stock Unit (S\$)	4.08	3.56

Notes:

- (1) The figures are based on UE Stock Units in issue as at 31 December 2011.
- (2) Calculated based on the assumption that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

8.2.2 NTA – 3Q 2012

For purely illustrative purposes only, assuming the Offers had been effected on 30 September 2012, being the end of the most recently completed financial quarter of the UE Group for the period ended 30 September 2012 (“**3Q 2012**”), the effect of the Offers on the NTA per UE Stock Unit for 3Q 2012, based on the UE Group 3Q Results and the WBL Group FY 2012 Audited Accounts, is expected to be as follows:

	Before the Offers	After the Offers
NTA (S\$ million)	1,172.2	1,025.8 ⁽²⁾
No. of UE Stock Units ('000)⁽¹⁾	301,991	301,991
NTA per UE Stock Unit (S\$)	3.88	3.40

Notes:

- (1) The figures are based on UE Stock Units in issue as at 30 September 2012.
- (2) Calculated based on the assumption that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

8.2.3 Earnings – FY 2011

For purely illustrative purposes only, assuming the Offers had been effected on 1 January 2011, being the beginning of FY 2011, the effect of the Offers on the EPS for FY 2011, based on the UE Group FY 2011 Audited Accounts and the WBL Group FY 2012 Audited Accounts, is expected to be as follows:

	Before the Offers⁽¹⁾	After the Offers⁽¹⁾
Profit after tax and minority interests (S\$ million)	269.5	294.9 ⁽²⁾
Weighted average number of UE Stock Units ('000) - Basic	276,739	276,739
Profit per UE Stock Unit – Basic (cents)	97.3	106.5
Weighted average number of UE Stock Units ('000) - Diluted	315,139	315,139
Profit per UE Stock Unit – Diluted (cents)	86.1	94.2

Notes:

- (1) The figures are based on the weighted average number of UE Stock Units in issue for the period from 1 January 2011 to 31 December 2011.
- (2) Calculated based on the assumption that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

8.2.4 Earnings – 3Q 2012

For purely illustrative purposes only, assuming the Offers had been effected on 1 January 2012, being the beginning of the most recent financial year of the UE Group, the effect of the Offers on the EPS for 3Q 2012, based on the UE Group 3Q Results and the unaudited consolidated financial statements of WBL for the nine months ended 30 June 2012 (“**WBL Group 3Q Results**”), is expected to be as follows:

	Before the Offers ⁽¹⁾	After the Offers ⁽¹⁾
Profit/ (Loss) after tax and minority interests (S\$ million)	30.0	50.1 ⁽²⁾
Weighted average number of UE Stock Units ('000) - Basic	293,708	293,708
Profit/ (Loss) per UE Stock Unit – Basic (cents)	10.2	17.0
Weighted average number of UE Stock Units ('000) - Diluted	314,864	314,864
Profit/ (Loss) per UE Stock Unit – Diluted (cents)	9.8	16.2

Notes:

- (1) The figures are based on the weighted average number of UE Stock Units in issue for the period from 1 January 2012 to 30 September 2012.
- (2) Calculated based on the assumption that there is full acceptance of the Stock Unit Offer by both WBL Stockholders and holders of the Conversion Stock Units (for the avoidance of doubt, other than the Concert Party Group), on the basis that all the outstanding Convertible Bonds are validly converted.

9. INTERESTS OF DIRECTORS AND CONTROLLING UE STOCKHOLDERS

None of the Directors of the Company (other than Mr Norman Ip Ka Cheung who holds 14,655 WBL Stock Units) has, and the Company has not received any notification from any controlling UE Stockholder that it has, any interest, direct or indirect, in the Offers.

10. EXTRAORDINARY GENERAL MEETING

A circular setting out information on the Acquisition Resolution and the notice to convene the EGM for the purpose of seeking UE Stockholders' approval, will be despatched to UE Stockholders in due course.

In the meantime, UE Stockholders are advised to refrain from taking any action in relation to their UE Stock Units and 7.5 cents cumulative preference shares in the capital of the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations set out in the circular.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Offers. Accordingly, there is no service contract proposed to be entered into between the Company and any such person.

12. RESPONSIBILITY STATEMENT

The Directors of the Company, including those who may have delegated detailed supervision of this Announcement, have taken all reasonable care to ensure that the facts stated and all opinions expressed 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 (including, without limitation, information relating to WBL and STC), the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

By Order of the Board
UNITED ENGINEERS LIMITED

Heng Fook Pyng, Jeslyn
Company Secretary
30 January 2013
Singapore