



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

CLARIFICATION OF ANNOUNCEMENT RELATING TO THE PROPOSED DISPOSAL OF WBL'S AUTOMOTIVE DIVISION

The Board of Directors (the "**Board**") of United Engineers Limited (the "**Company**") refers to the Company's announcement dated 26 August 2014 and titled "Proposed Disposal of WBL's Automotive Division" (the "**Announcement**"). Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to clarify and provide further information in relation to its computations under Rule 1006(c) of the Listing Manual as follows.

Rule 1006(c)

The relative figures for the Proposed Disposal for the purposes of Rule 1006(c) assume an aggregate value of cash consideration ("**Net Consideration**") that would be received by WBL and the Asset Seller after taking into account adjustments for, amongst other things, estimated net indebtedness and estimated changes in working capital.

For illustrative purposes, based on the unaudited June 30, 2014 balance sheets of the WBL Automotive Division, the Net Consideration will be approximately \$300.1 million. Further clarification on how the Net Consideration is calculated is contained in the table with the accompanying footnote set out below:

Item	S\$million
Consideration based on a debt-free, cash-free basis	455.0
Debt of the Proposed Disposal as at 30 June 2014	(194.5)
Cash of the Proposed Disposal as at 30 June 2014	39.6
Net indebtedness of the Proposed Disposal that would be transferred to the Share Purchaser and Asset Purchaser as at 30 June 2014	(154.9)
Net Consideration of the Proposed Disposal that would be received by WBL and Asset Seller as at 30 June 2014	300.1
Market capitalisation of the Company ⁽¹⁾	1,755.0
<i>Relative figure based on Rule 1006(c) of Chapter 10 of the Listing Manual</i>	<i>17.1%</i>

Notes:

⁽¹⁾ Computed based on market capitalisation of the Company on 22 August 2014 (market day preceding the date of the Announcement).

By Order of the Board

Heng Fook Pyng, Jeslyn
Company Secretary

8 September 2014