



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

MATTERS CONCERNING IRREGULARITIES UNCOVERED IN RESPECT OF SUBSIDIARIES OF THE COMPANY

United Engineers Limited (the “Company”) wishes to announce that it has uncovered a series of irregular transactions in relation to its subsidiaries.

In the course of the Company’s routine internal audit of its subsidiaries in late May 2015, several irregularities were detected in relation to various contracts awarded by its wholly-owned subsidiary, United Engineers Developments Pte Ltd (“UED”) and other subsidiaries of the Company to certain third party contractors between 2010 and 2015.

The Company immediately appointed Allen & Gledhill LLP as lawyers to advise the Company on this matter. The Company also brought the matter to the attention of its statutory auditors, Ernst & Young LLP (“Ernst & Young”).

In the internal audit (which has yet to be completed), the Company uncovered a series of irregular transactions committed by certain employees of UED and other subsidiaries of the Company (the “Employees”). In these transactions, quotations for proposed contracts were found to have been forged by the Employees. This was carried out with the view of preferring certain third party contractors, which would then be awarded the relevant contracts. Based on available information and pending further inquiries, these transactions appear to have taken place between 2010 and 2015 and the value of the contracts amount to approximately S\$11 million.

The services of the Employees concerned have been suspended and the matter reported to the appropriate authorities. The Company, since the discovery of this matter, has taken steps to identify the nature and extent of its losses and to recover them in consultation with its lawyers.

None of the abovementioned transactions were previously known to the Company, Ernst & Young and PricewaterhouseCoopers LLP (the internal auditors of the Company at the material time), until the irregularities were recently discovered by the management of the

Company and brought to the attention of the Audit Committee of the Company and Ernst & Young.

Based on the available information, the above transactions do not appear to have any material effect on the consolidated audited financial statements of the Company between the financial year ended 31 December 2010 and the financial year ended 31 December 2014. In consultation with its statutory auditors, the Company has determined that there is no necessity, at this stage, to restate the consolidated financial statements for any of these preceding years.

The Company will make further announcements as and when there are any material developments in this matter.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary

Date: 17 June 2015