

MANDATORY CONDITIONAL CASH OFFER

to acquire all the issued and paid-up ordinary stock units

and

MANDATORY UNCONDITIONAL CASH OFFER

to acquire all the issued and paid-up preference shares in the capital of

UNITED ENGINEERS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 191200018G)

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror

by



DBS BANK LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 196800306E)

for and on behalf of

YANLORD INVESTMENT (SINGAPORE) PTE. LTD.

(FORMERLY KNOWN AS YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.)

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201715887D)

LOSS OF FREE FLOAT LEVEL OF ACCEPTANCES RIGHTS OF HOLDERS OF UEL ORDINARY SHARES UNDER SECTION 215(3) OF THE COMPANIES ACT

- Strong support for the Ordinary Share Offer by holders of UEL Ordinary Shares has resulted in UEL ceasing to have at least 10 per cent. of the total number of UEL Ordinary Shares held by the public (please refer to paragraph 5 of this Announcement for more details).
- The Offeror reiterates that it does not intend to preserve the listing status of UEL and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement and/or for any trading suspension of the UEL Shares by the SGX-ST to be lifted.
- Holders of UEL Ordinary Shares who may not want to hold shares in an unlisted company should consider accepting the Ordinary Share Offer before the Ordinary Share Offer Closing Date or exercising their rights under Section 215(3) of the Companies Act (please refer to paragraph 4 of this Announcement for more details).

- The Ordinary Share Offer Closing Date is 5.30 p.m. (Singapore time) on 30 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

1. INTRODUCTION

DBS Bank Ltd. ("**DBS Bank**") refers to:

- (a) the offer document dated 13 November 2019 (the "**Offer Document**") issued by DBS Bank, for and on behalf of Yanlord Investment (Singapore) Pte. Ltd. (the "**Offeror**"), in connection with:
 - (i) the mandatory conditional cash offer for all the issued and paid-up ordinary stock units in the capital of United Engineers Limited ("**UEL**") (the "**UEL Ordinary Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Ordinary Offer Shares**") in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") (the "**Ordinary Share Offer**"); and
 - (ii) the comparable offer for all the issued and paid-up preference shares in the capital of UEL (the "**UEL Preference Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Preference Offer Shares**") in accordance with Rule 18 of the Code (the "**Preference Share Offer**" and together with the Ordinary Share Offer, the "**UEL Offers**");
- (b) the announcement released by DBS Bank, for and on behalf of the Offeror, on 15 November 2019 in relation to, *inter alia*, the Ordinary Share Offer becoming unconditional as to acceptances and being declared to be unconditional in all respects;
- (c) the notification of revision dated 21 November 2019 issued by DBS Bank, for and on behalf of the Offeror, in relation to the revision of the Ordinary Share Offer Price to S\$2.70 in cash for each Ordinary Offer Share (the "**Final Ordinary Share Offer Price**") and the revision of the Preference Share Offer Price to S\$2.70 in cash for each Preference Offer Share;
- (d) the announcement released by DBS Bank, for and on behalf of the Offeror, on 27 November 2019 in relation to, *inter alia*, the rights of holders of UEL Preference Shares under Section 215(3) of the Companies Act; and
- (e) the notification dated 16 December 2019 issued by DBS Bank, for and on behalf of the Offeror, in relation to, *inter alia*, the Offeror's position with respect to the listing status of UEL and the exercise of its right of compulsory acquisition under Section 215(1) of the Companies Act (the "**Notification**").

All capitalised terms used and not defined in this announcement (this "**Announcement**") shall have the same meanings given to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

2. LEVEL OF ACCEPTANCES

2.1 Ordinary Share Offer

DBS Bank wishes to announce, for and on behalf of the Offeror, that:

- (a) **Acceptances of the Ordinary Share Offer.** As at 5.00 p.m. (Singapore time) on 26 December 2019, the Offeror has received valid acceptances amounting to 244,713,749 UEL Ordinary Shares, representing approximately 38.39%¹ of the total number of UEL Ordinary Shares.
- (b) **UEL Ordinary Shares held on or before the Offer Announcement Date.** As at the Offer Announcement Date, the Offeror and parties acting in concert with it owned, controlled or had agreed to acquire 224,872,206 UEL Ordinary Shares, representing approximately 35.27% of the total number of UEL Ordinary Shares.
- (c) **UEL Ordinary Shares acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 26 December 2019 (other than pursuant to valid acceptances of the Ordinary Share Offer).** Following the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 26 December 2019, save for the acquisitions of an aggregate of 105,878,192 UEL Ordinary Shares, representing approximately 16.61% of the total number of UEL Ordinary Shares, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any UEL Ordinary Shares (other than pursuant to valid acceptances of the Ordinary Share Offer).

2.2 Preference Share Offer

DBS Bank wishes to announce, for and on behalf of the Offeror, that:

- (a) **Acceptances of the Preference Share Offer.** As at 5.00 p.m. (Singapore time) on 26 December 2019, the Offeror has received valid acceptances amounting to 12,642 UEL Preference Shares, representing approximately 1.44%² of the total number of UEL Preference Shares.
- (b) **UEL Preference Shares held on or before the Offer Announcement Date.** As at the Offer Announcement Date, the Offeror and parties acting in concert with it owned, controlled or had agreed to acquire 854,993 UEL Preference Shares, representing approximately 97.71% of the total number of UEL Preference Shares.

¹ All percentage shareholdings of UEL Ordinary Shares in this Announcement are computed on the basis of 637,520,399 UEL Ordinary Shares, and rounded to the nearest two (2) decimal places.

² All percentage shareholdings of UEL Preference Shares in this Announcement are computed on the basis of 875,000 UEL Preference Shares, and rounded to the nearest two (2) decimal places.

- (c) **UEL Preference Shares acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 26 December 2019 (other than pursuant to valid acceptances of the Preference Share Offer).** Following the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 26 December 2019, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any UEL Preference Shares (other than pursuant to valid acceptances of the Preference Share Offer).

3. RESULTANT SHAREHOLDING

Accordingly, as at 5.00 p.m. (Singapore time) on 26 December 2019:

- (a) the total number of (i) UEL Ordinary Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it; and (ii) valid acceptances of the Ordinary Share Offer, amount to an aggregate of 575,464,147 UEL Ordinary Shares, representing approximately 90.27% of the total number of UEL Ordinary Shares; and
- (b) the total number of (i) UEL Preference Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it; and (ii) valid acceptances of the Preference Share Offer, amount to an aggregate of 867,635 UEL Preference Shares, representing approximately 99.16% of the total number of UEL Preference Shares.

4. RIGHTS OF HOLDERS OF UEL ORDINARY SHARES UNDER SECTION 215(3) OF THE COMPANIES ACT

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of UEL Ordinary Shares which, together with the UEL Ordinary Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of UEL Ordinary Shares, holders of UEL Ordinary Shares who have not accepted the Ordinary Share Offer (the "**Non-Assenting Ordinary Shareholders**") will have a right to require the Offeror to acquire their UEL Ordinary Shares at the Final Ordinary Share Offer Price for each UEL Ordinary Share.

Accordingly, as the Offeror has as at 5.00 p.m. on 26 December 2019 received acceptances pursuant to the Ordinary Share Offer and acquired such number of Ordinary Offer Shares otherwise than through valid acceptances of the Ordinary Share Offer which, together with the UEL Ordinary Shares held by it, its related corporations and their respective nominees, comprise more than 90% of the total number of UEL Ordinary Shares, **the Non-Assenting Ordinary Shareholders have the right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their UEL Ordinary Shares at the Final Ordinary Share Offer Price for each UEL Ordinary Share.**

Non-Assenting Ordinary Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

5. LOSS OF FREE FLOAT, TRADING SUSPENSION AND LISTING STATUS

Under Rule 723 of the Listing Manual, UEL must ensure that at least 10% of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury) is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1303(1) of the Listing Manual, as the Offeror has, through acceptances of the Ordinary Share Offer or otherwise, succeeded in holding more than 90% of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury), thus causing the percentage of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the UEL Shares at the close of the UEL Offers.

As at the date of this Announcement, the Free Float Requirement is not satisfied and as stated in the Notification, **the Offeror does not intend to preserve the listing status of UEL and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement and/or for any trading suspension of the UEL Shares by the SGX-ST to be lifted.**

The Offeror intends to take steps to delist UEL from the SGX-ST following the close of the UEL Offers.

6. UEL OFFERS REMAIN OPEN FOR ACCEPTANCES

The UEL Offers remain open for acceptances until 5.30 p.m. (Singapore time) on 30 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information in this Announcement has been extracted or reproduced from published or publicly available sources or obtained from UEL, WBL and their respective subsidiaries, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by
DBS BANK LTD.

For and on behalf of
YANLORD INVESTMENT (SINGAPORE) PTE. LTD.
27 December 2019

Any enquiries relating to this Announcement or the UEL Offers should be directed during office hours to:

DBS Bank Ltd.
Strategic Advisory
Tel: +65 6878 8563

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Yanlord Commercial, Yanlord or DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.