



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

ANNOUNCEMENT IN RELATION TO QUERY REGARDING TRADING ACTIVITY

The Board of Directors of United Engineers Limited (the "Company") refers to the query on 19 September 2014 from the Singapore Exchange Securities Trading Limited (the "SGX-ST") regarding the unusual price movement in the shares of the Company.

The Company wishes to state the following:

- (a) As announced by the Company on 21 August 2014 and 27 August 2014, the Company's controlling shareholders, Oversea-Chinese Banking Corporation Limited and Great Eastern Holdings Limited, have announced that they are in preliminary discussions with TCC Top Enterprise Limited ("TCC") in connection with a possible transaction relating to their combined stakes in the Company and its subsidiary, WBL Corporation Limited ("WBL"), which may or may not lead to an offer for the shares of the Company and WBL. The Company understands that these discussions are ongoing and TCC has approached the Company to conduct due diligence on the Company and its subsidiaries (collectively, the "Group"). There is no assurance or certainty that any transaction or agreement will be entered into pursuant to these discussions.
- (b) The Company also refers to its announcement made on 24 March 2014 in relation to the query received by its subsidiary, UE E&C Ltd. ("UE E&C"), from the SGX-ST regarding the unusual price movements in the shares of UE E&C. As stated in the announcement, the Company has been approached by parties in connection with a possible transaction involving its shares in UE E&C, which may or may not lead to a general offer for the shares of UE E&C, and the Company was in ongoing discussions with a third party and no binding agreement has been reached. The Company wishes to inform shareholders that the Company continues to be in discussions with third parties on the proposed transaction. However, there is no assurance or certainty that these discussions will result in any transaction.
- (c) The Company also wishes to remind shareholders that as stated in the Exit Offers Letter dated 14 January 2014 from the Company to WBL's shareholders, the Company continually reviews strategic options to, *inter alia*, enhance value across its portfolio of businesses. In the course of such strategic review, the Company from time to time receives expressions of interest from third parties to acquire certain assets held by the Group. The Company is in discussions regarding the sale of various other non-core businesses and assets. There is, however, no assurance or certainty that a transaction will result from such discussions.
- (d) In addition, the Company refers to the media reports and the press release by the Company on 19 September 2014 that Public Utilities Board of Singapore has selected BESIN-UEN Consortium as the preferred bidder for the second NEWater Plant at Changi. BENSIN-UEN Consortium is a 80:20 joint venture between BEWG International Pte Ltd and the Company's wholly-owned

environmental engineering subsidiary, UE NEWater Pte Ltd. The parties will execute a formal contract at a later stage and further announcement will be made in compliance with the SGX-ST Listing Manual if necessary. This project is 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.

Save as set out above, the Company is not aware of any other possible explanation for the trading and the Company confirms its compliance with the listing rules, in particular, Rule 703 of the SGX-ST Listing Manual.

The Company will, in compliance with the applicable rules (including the Corporate Disclosure Policy of the SGX-ST Listing Manual), make the relevant disclosures (if required) at the appropriate time.

Shareholders are therefore advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing or trading in the shares of the Company.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary

22 September 2014