



UNITED ENGINEERS LIMITED
(Company Registration No. 191200018G)
(Incorporated in Singapore)

RESPONSE TO BUSINESS TIMES ARTICLE

1. INTRODUCTION

United Engineers Limited (the “**Company**”) refers to (i) the article entitled “*UE’s offer for WBL: Raw deal for minorities?*” published on 14 February 2018 in The Business Times, Singapore, and (ii) the circular dated 31 January 2018 (the “**Circular**”) despatched by the Company to its shareholders (the “**Shareholders**”) containing, *inter alia*, information relating to the Offer and the Proposed IPT (each as defined in the Circular).

Unless otherwise defined or the context otherwise requires, capitalised terms used in this announcement shall have the meanings ascribed to them in the Circular.

2. POINTS TO NOTE FOR SHAREHOLDERS

2.1 The Circular contains all information known to the Company or any of its directors that is material to the Shareholders in deciding whether it is in the interests of the Company to approve the Proposed IPT, in accordance with the Listing Manual. In particular, as highlighted in the Circular:

- (i) it has always been the Company’s objective to, at the appropriate time, make WBL its wholly-owned indirect subsidiary, as an integral part of its strategic plan for the next phase of its development. This has been evidenced from the voluntary delisting of WBL from the Official List of the SGX-ST on 18 February 2014. The Offer is in line with this objective; and
- (ii) the Offer presents an opportune window for the Company to obtain full control of WBL through the Offeror, which is a wholly-owned subsidiary of the Company, and permit the Company, its subsidiaries and WBL to operate as a single integrated conglomerate by enabling the Company to better integrate and harness synergies between the Company and WBL, thereby facilitating the unlocking of potential value for all stakeholders. This will afford greater flexibility in terms of business and corporate structuring and enhance efficiency in tax administration, thereby generating further cost and operating synergies for the UEL Group.

2.2 In addition, the Company wishes to reiterate to the Shareholders that:

- (i) the Independent Directors (being the directors of the Company excluding Mr Zhong Sheng Jian (“**Mr Zhong**”) and Mr Pua Seck Guan (“**Mr Pua**”)) have considered, *inter alia*, the rationale and benefits of the Offer, and are unanimously of the view that the Proposed IPT is in the best interests of the Company and the Shareholders. The Independent Directors have therefore recommended that the Shareholders vote in favour of the Ordinary Resolution approving the Proposed IPT at the EGM.

Mr Zhong and Mr Pua are not considered to be Independent Directors as they are not considered to be independent in relation to the Proposed IPT. Accordingly, Mr Zhong and Mr Pua have abstained from making any recommendation to the Shareholders and have not participated in the discussions relating to the Offer;

- (ii) the IFA is of the opinion that the Proposed IPT is on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders who are considered to be disinterested for the purposes of the Proposed IPT (the **Independent Shareholders**). The IFA has accordingly advised the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed IPT at the EGM; and
- (iii) the Offer will only be made if approval of the Proposed IPT by the Independent Shareholders is obtained at the EGM.

3. RESPONSIBILITY STATEMENT

The Directors and the Offeror Directors (including any director 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, the omission of which would render any statement herein misleading), 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, in relation to WBL and its subsidiaries), the sole responsibility of the Directors and the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By Order of the Board of
United Engineers Limited

Tan Chee Keong Roy
Group Managing Director and Non-Independent and Executive Director

15 February 2018

Any inquiries relating to this Announcement or the Offer should be directed to the following during office hours:

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Announcements

All announcements relating to or in connection with the Offer will be posted on the Company's corporate website at <https://uel.sg/> and the Company's counter on SGXNET.