



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

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## ANNOUNCEMENT – DISPOSAL OF 78 PER CENT INTEREST IN SUZHOU INDUSTRIAL PARK JIAN WU HENG YE PROPERTY DEVELOPMENT CO LTD

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### 1. Introduction

United Engineers Limited (“**UEL**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that a wholly-owned subsidiary of WBL Corporation Limited (“**WBL**”), Shenyang Huaxin International Realty Co Ltd (“**SHIR**”), has entered into an agreement with SIP Genway Group Co Ltd (“**Genway Group**”) to dispose its 78% interest in Suzhou Industrial Park Jian Wu Heng Ye Property Development Co Ltd (“**JWHY**”), a company incorporated in Suzhou, China (the “**Disposal**”) for a consideration of RMB 490 million (equivalent to approximately S\$102.8 million, the “**Sale Consideration**”).

UEL’s interest in JWHY is held through its 67% owned subsidiary, WBL, which in turn owns 100% in SHIR. SHIR has a 78% interest in JWHY.

JWHY is engaged in residential housing development in Suzhou and owns a piece of land measuring 147,238 sqm in Qingjianhu, Suzhou which is currently under development (the “**Qingjianhu Project**”) with 93,741 sqm remained undeveloped.

The net asset value (“**NAV**”) of JWHY as represented by the shares to be disposed of is approximately S\$84.1 million based on the unaudited consolidated financial statements of the Group as at 31 December 2013. For the financial year ended 31 December 2013, the unaudited net loss before tax of JWHY is approximately S\$2.1 million.

### 2. Sale Consideration

The Sale Consideration was arrived at on a willing buyer, willing seller basis and was commercially negotiated at arm’s length. The Sale Consideration is intended to be utilised for the repayment of bank borrowings and for working capital purposes. The Sale Consideration will be paid in three instalments and the percentage of shareholding which will be transferred are as follows:

Due Date	Amount to be paid	Percentage Shareholding transferred
By 10 March 2014	RMB 185 million <sup>1</sup>	29.45%
By 25 June 2014	RMB 160 million	25.55%
By 25 September 2014	RMB 145 million	23.00%
Total	RMB 490 million	78.00%

<sup>1</sup> The amount has been paid by Genway Group on 10 March 2014

### 3. Rationale for the Disposal

The Disposal is in line with the UEL Group’s strategic objective of unlocking and realising value for its shareholders. This also eliminates the development and execution risks of the Qingjianhu Project.

#### 4. Gain on Disposal

Upon completion of the Disposal, the Group will realise an estimated net disposal gain (after tax and after making provision for transaction costs) of approximately S\$14.0 million.

#### 5. Financial Effects

The illustrative financial effects of the Disposal set out below are provided purely for information only, and are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2012 (“FY2012”)<sup>(1)</sup>.

##### (a) Net tangible assets (“NTA”)

Assuming the Disposal has been completed on 31 December 2012, the financial effect on the consolidated NTA of the Group for FY2012 would be as follows:

	Before the Disposal	After the Disposal
NTA (S\$'million)	1,668.6	1,678.0
Number of shares <sup>(2)</sup> ('million)	614.5	614.5
NTA per share (S\$)	2.72	2.73

##### (b) Earnings per Share (“EPS”)

Assuming that the Disposal had been completed on 1 January 2012, the financial effect on the EPS of the Group would be as follows:

	Before the Disposal	After the Disposal
Net profit attributable to owner of the Company <sup>(3)</sup> (S\$'million)	72.2	81.5
Weighted average number of shares <sup>(4)</sup> ('million)	361.4	361.4
EPS <sup>(5)</sup> (Singapore cents)	20.0	22.6

<sup>(1)</sup> Being the most recently completed financial year, in respect of which the profit and loss accounts of the Company and its subsidiaries were laid and approved in the last annual general meeting.

<sup>(2)</sup> Based on the number of stock units of the Company in issue as at 31 December 2012, adjusted for the effect of the Rights Issue by the Company, which was completed in September 2013.

<sup>(3)</sup> After accounting for the Group's 67% interest in WBL.

<sup>(4)</sup> Based on the weighted average number of stock units of the Company in issue during the financial year ended 31 December 2012, adjusted for the effect of the Rights Issue by the Company, which was completed in September 2013.

<sup>(5)</sup> After adjusting for the effect of the Rights Issue by the Company which was completed in September 2013.

## 6. Relative Figures

For illustrative purposes only, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

<b>Bases</b>	<b>Relative Figure</b>
Rule 1006(a) – Net asset value of the assets to be disposed of, compared with the Group’s net asset value as at 31 December 2013 (being the date of the latest announced consolidated accounts of the Group)	4.9%
Rule 1006(b) – Net profits attributable to the assets to be disposed of for the financial year ended 31 December 2013, compared with the Group’s net profits for the same period	(1.9)%
Rule 1006(c) – Aggregate value of the sale consideration to be received, compared with the Company’s market capitalisation	8.7% <sup>(1)</sup>
Rule 1006(d) – Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(2)</sup>

Notes:

<sup>(1)</sup> Computed based on the Sale Consideration of RMB490 million, divided by the market capitalisation of the Company of \$1.18 billion as at 7 March 2014, which include 21,712,000 stock units of the Company held by its subsidiary, WBL Corporation Limited.

<sup>(2)</sup> Not applicable as no equity securities are issued by the Company as consideration for the Disposal.

## 7. Interests of Directors and Controlling Stockholders

None of the Directors or controlling stockholders of the Company has any interest, direct or indirect, in the Disposal.

## 8. Document for inspection

A copy of the agreement between SHIR and Genway Group is available for inspection for 3 months from the date hereof during normal business hours at the registered office of the Company at 12 Ang Mo Kio Street 64, #01-01 UE BizHub CENTRAL, Singapore 569088.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn  
Company Secretary

10 March 2014  
Singapore