

CIRCULAR DATED 31 JANUARY 2018

THIS CIRCULAR IS ISSUED BY UNITED ENGINEERS LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE IFA (AS DEFINED HEREIN). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued ordinary stock units and/or preference shares in the capital of the Company, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**UNITED ENGINEERS LIMITED**

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

**CIRCULAR TO SHAREHOLDERS**

in relation to

**THE PROPOSED INTERESTED PERSON TRANSACTION ARISING FROM  
THE PROPOSED VOLUNTARY UNCONDITIONAL CASH OFFER**

by

**UE CENTENNIAL VENTURE PTE. LTD.**

(Company Registration No. 201302021D)  
(Incorporated in Singapore)  
(the "Offeror")

a wholly-owned subsidiary of United Engineers Limited

to acquire all of the issued ordinary stock units in the capital of

**WBL CORPORATION LIMITED**

(Company Registration No. 191200028Z)  
(Incorporated in Singapore)  
("WBL")

other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees, at an offer price of S\$2.07 in cash per issued ordinary stock unit in the capital of WBL

*Financial Adviser to the Company*

*Independent Financial Adviser to the  
Independent Directors*

**DELOITTE & TOUCHE CORPORATE FINANCE  
PTE LTD**

(Company Registration No. 200200144N)  
(Incorporated in Singapore)

**SAC CAPITAL PRIVATE LIMITED**

(Company Registration No. 200401542N)  
(Incorporated in Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	21 February 2018 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	23 February 2018 at 3.30 p.m.
Place of Extraordinary General Meeting	:	The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Circular:

- “19.9% WBL Shares”** : 55,958,925 WBL Shares, being the subject of the YPIS-OCBC Arrangement and representing approximately 19.9 per cent. of the issued share capital of WBL
- “3QFY2017”** : The nine months ended 30 September 2017
- “3QFY2017 Results”** : The unaudited consolidated financial statements of the UEL Group for 3QFY2017
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Adjusted Offer Price”** : The Offer Price for each Offer Share, as reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as more particularly described in **Section 2.2.3(ii)** of this Circular
- “Books Closure Date”** : The books closure date for the determination of entitlements to any Distribution
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 31 January 2018 in relation to the Proposed IPT arising from the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore
- “Company” or “UEL”** : United Engineers Limited
- “Compulsory Acquisition Right”** : The Offeror’s right to compulsorily acquire all the Offer Shares of the WBL Shareholders who have not accepted the Offer on the same terms as those offered under the Offer pursuant to Section 215(1) of the Companies Act, as more particularly described in **Section 2.5** of this Circular
- “Constitution”** : The constitution of the Company for the time being in force
- “Directors”** : The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
- “Distributions”** : In respect of the Offer Shares, all dividends, rights, other distributions or return of capital (if any)
- “DTCF”** : Deloitte & Touche Corporate Finance Pte Ltd, being the financial adviser to the Company and the Offeror in connection with the Offer and the Proposed IPT
- “EGM”** : The extraordinary general meeting of the Company, notice of which is enclosed with this Circular
- “Existing YPIS Shares”** : 28,120,063 WBL Shares held by YPIS as at the Latest Practicable Date, representing approximately 10.00 per cent. of the issued share capital of WBL and approximately 30.85 per cent. of the Offer Shares

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## DEFINITIONS

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“ <b>Formal Offer Announcement</b> ”	:	The announcement of the firm intention on the part of the Offeror to make the Offer, to be issued by DTCF, for and on behalf of the Offeror, if and when the Pre-Condition is satisfied
“ <b>Formal Offer Announcement Date</b> ”	:	The date on which the Formal Offer Announcement is released
“ <b>FY</b> ”	:	Financial year ended or ending (as the case may be) 31 December of a particular year as stated
“ <b>FY2016 Financial Statements</b> ”	:	The audited consolidated financial statements of the UEL Group for FY2016
“ <b>FY2016 NTA</b> ”	:	The latest audited consolidated NTA of the UEL Group as at 31 December 2016
“ <b>IFA</b> ”	:	SAC Capital Private Limited, being the independent financial adviser to the Independent Directors in connection with the Proposed IPT
“ <b>IFA Letter</b> ”	:	The letter from the IFA dated 31 January 2018 addressed to the Independent Directors, as reproduced in <b>Appendix 1</b> to this Circular
“ <b>IFA Opinion</b> ”	:	The opinion of the IFA relating to the Proposed IPT, as more particularly described in <b>Section 7.2</b> of this Circular
“ <b>Independent Directors</b> ”	:	The Directors who are considered to be independent for the purpose of making a recommendation to the Shareholders in respect of the Proposed IPT, namely Mr Tan Chee Keong Roy, Mr David Wong Cheong Fook, Mr Teo Ser Luck and Mr Lee Suan Hiang
“ <b>Independent Shareholders</b> ”	:	Shareholders who are disinterested for the purposes of the Proposed IPT
“ <b>Irrevocable Undertaking</b> ”	:	The irrevocable undertaking provided by YPIS to the Offeror in relation to the Offer, as more particularly described in <b>Section 2.4</b> of this Circular
“ <b>Latest Practicable Date</b> ”	:	19 January 2018, being the latest practicable date prior to the printing of this Circular
“ <b>Listing Manual</b> ”	:	The listing manual of the Main Board of the SGX-ST
“ <b>Long-Stop Date</b> ”	:	14 April 2018, being the date falling four months from the Pre-Conditional Offer Announcement Date, or such other later date as the SIC may agree
“ <b>Market Day</b> ”	:	A day on which the SGX-ST is open for trading of securities
“ <b>Maximum Offer Shares</b> ”	:	91,144,314 WBL Shares
“ <b>Mr Pua</b> ”	:	Mr Pua Seck Guan
“ <b>Mr Zhong</b> ”	:	Mr Zhong Sheng Jian
“ <b>NAV</b> ”	:	Net asset value

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## DEFINITIONS

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“NTA”	:	Net tangible assets
“OCBC”	:	Oversea-Chinese Banking Corporation Limited
“OCBC-GEH Joint Announcement”	:	The joint announcement released by OCBC and Great Eastern Holdings Limited on 19 December 2017 in relation to the YPIS-OCBC Arrangement
“Offer”	:	The voluntary unconditional cash offer which will be made by DTCF, for and on behalf of the Offeror, for all the Offer Shares, if and when the Pre-Condition is satisfied
“Offer Document”	:	The formal offer document setting out the terms and conditions of the Offer to be issued by DTCF for and on behalf of the Offeror, if and when the Pre-Condition is satisfied
“Offer Price”	:	S\$2.07 in cash for each Offer Share
“Offer Shares”	:	All the WBL Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer
“Offeror”	:	UE Centennial Venture Pte. Ltd.
“Offeror Directors”	:	The directors of the Offeror as at the Latest Practicable Date, being Mr Tan Chee Keong Roy and Mr Sonny Tan Kean Min
“OHL”	:	Oxley Holdings Limited
“Ordinary Resolution”	:	The ordinary resolution to be proposed at the EGM
“Pre-Condition”	:	The obtainment of the Shareholder Approval
“Pre-Conditional Offer Announcement”	:	The announcement issued by DTCF on the Pre-Conditional Offer Announcement Date, for and on behalf of the Offeror, in relation to the Offer
“Pre-Conditional Offer Announcement Date”	:	14 December 2017
“Proposed IPT”	:	The proposed interested person transaction between the Offeror and YPIS in relation to the Offer, as more particularly described in <b>Section 6</b> of this Circular
“PSIH”	:	Perennial Singapore Investment Holdings Pte. Ltd.
“PUPL”	:	Perennial UW Pte. Ltd.
“S\$” and “cents”	:	Singapore dollars and cents respectively
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX Announcement”	:	The announcement issued by the Company on 14 December 2017 in relation to the Offer and the Proposed IPT

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## DEFINITIONS

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“Shareholder Approval”	:	The approval of the Proposed IPT by the Independent Shareholders
“Shareholders”	:	Holders of UEL Shares (including persons whose UEL Shares are deposited with CDP or who have purchased UEL Shares on the SGX-ST)
“Share Registrar”	:	Tricor Barbinder Share Registration Services
“SIC”	:	Securities Industry Council of Singapore
“Subsidiary Holdings”	:	21,712,000 UEL Ordinary Shares held by WBL, a subsidiary of the Company
“UEL Group”	:	The Company and its subsidiaries
“UEL Ordinary Shares”	:	Issued and paid-up ordinary stock units in the capital of the Company
“UEL Preference Shares”	:	Issued and paid-up preference shares in the capital of the Company
“UEL Shares”	:	UEL Ordinary Shares and UEL Preference Shares, collectively
“UOB”	:	United Overseas Bank Limited
“WBL”	:	WBL Corporation Limited
“WBL Group”	:	WBL and its subsidiaries, associates and joint ventures
“WBL Shareholders”	:	Shareholders of WBL
“WBL Shares”	:	Issued ordinary stock units in the capital of WBL
“WBL Vendors”	:	OCBC, certain subsidiaries of Great Eastern Holdings Limited and certain other WBL Shareholders
“YCPI”	:	Yanlord Commercial Property Investments Pte. Ltd.
“YHPL”	:	Yanlord Holdings Pte. Ltd.
“YLGL”	:	Yanlord Land Group Limited
“YPIS”	:	Yanlord Perennial Investment (Singapore) Pte. Ltd.
“YPIS-OCBC Arrangement”	:	The undertaking given by YPIS that it will, or will procure its concert party to, acquire the 19.9% WBL Shares from the WBL Vendors if the WBL Vendors have not completed the sale of the 19.9% WBL Shares to any other person in accordance with the specified timeframes and/or circumstances set out in the YPIS Offer Document and the OCBC-GEH Joint Announcement, as more particularly described in <b>Section 6.4</b> of this Circular
“YPIS Offer Document”	:	The offer document dated 1 August 2017 issued by UOB, for and on behalf of YPIS, in connection with YPIS’ mandatory cash offers for the Company in August 2017
“%” or “per cent.”	:	Per centum or percentage

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## DEFINITIONS

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**Acting in Concert.** Unless otherwise defined, the expression “**acting in concert**” shall have the meaning ascribed to it in the Code.

**Depositors and Depository Register.** The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Rounding.** Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders (including persons whose UEL Shares are deposited with CDP or who have purchased UEL Shares on the SGX-ST).

**Shareholding Percentages.** Unless otherwise stated in this Circular, all references in this Circular to:

- (i) the shareholding percentages in respect of WBL are calculated based on a total of 281,200,630 WBL Shares in issue as at the Latest Practicable Date, based on publicly available information and rounded to the nearest two decimal places. As at the Latest Practicable Date, WBL does not have any treasury shares; and
- (ii) the shareholding percentages in respect of UEL are calculated based on a total of 616,683,399 UEL Shares in issue (excluding the Subsidiary Holdings) as at the Latest Practicable Date, comprising 615,808,399 UEL Ordinary Shares and 875,000 UEL Preference Shares.

**Statutes.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code, the Listing Manual or any statutory modification thereof and not otherwise defined in the Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

**Subsidiary and Related Corporations.** The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, respectively, unless otherwise stated.

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## INDICATIVE TIMELINE

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Pre-Conditional Offer Announcement	:	14 December 2017
EGM	:	23 February 2018
Date of Formal Offer Announcement	:	Immediately following the EGM on 23 February 2018 <sup>(1)</sup>
Date of Despatch of the Offer Document to WBL Shareholders	:	9 March 2018 to 16 March 2018 <sup>(2)</sup>
Long-Stop Date for the satisfaction of the Pre-Condition	:	14 April 2018, being the date falling four months from the Pre-Conditional Offer Announcement Date, or such other later date as the SIC may agree

Notes:

- <sup>(1)</sup> Subject to the Shareholder Approval for the Ordinary Resolution relating to the Proposed IPT being obtained at the EGM. The Offeror will not proceed with the Offer if the Shareholder Approval is not obtained.
- <sup>(2)</sup> Based on the assumption that the Shareholder Approval is obtained at the EGM and the Formal Offer Announcement is released on the same date as the EGM. Pursuant to Rule 22.1 of the Code, the Offer Document should normally be posted not earlier than 14 days and not later than 21 days from the Formal Offer Announcement Date.



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## LETTER TO SHAREHOLDERS

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### UNITED ENGINEERS LIMITED

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

#### Directors:

Mr Zhong Sheng Jian (*Executive Chairman, Non-Independent and Executive Director*)  
Mr Pua Seck Guan (*Non-Independent and Non-Executive Director*)  
Mr Tan Chee Keong Roy (*Group Managing Director, Non-Independent and Executive Director*)  
Mr Lee Suan Hiang (*Independent and Non-Executive Director*)  
Mr Teo Ser Luck (*Lead Independent and Non-Executive Director*)  
Mr David Wong Cheong Fook (*Independent and Non-Executive Director*)

#### Registered Office:

12 Ang Mo Kio Street 64  
#01-01 UE BizHub CENTRAL  
Singapore 569088

31 January 2018

To: The Shareholders of United Engineers Limited

Dear Sir / Madam

#### THE PROPOSED INTERESTED PERSON TRANSACTION ARISING FROM THE PROPOSED VOLUNTARY UNCONDITIONAL CASH OFFER

#### 1. INTRODUCTION

**1.1 Pre-Conditional Offer Announcement.** On 14 December 2017 (the “**Pre-Conditional Offer Announcement Date**”), Deloitte & Touche Corporate Finance Pte Ltd (“**DTCF**”) announced, for and on behalf of UE Centennial Venture Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of the Company, that the Offeror intends to make a voluntary unconditional cash offer (the “**Offer**”) for all the issued ordinary stock units (“**WBL Shares**”) in the capital of WBL Corporation Limited (“**WBL**”), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer (the “**Offer Shares**”).

As at the Latest Practicable Date, the Offeror is the majority shareholder of WBL, holding 190,056,316 WBL Shares which represents approximately 67.59 per cent. of the issued share capital of WBL.

The formal Offer will only be made if approval (the “**Shareholder Approval**”) of the interested person transaction between the Offeror and Yanlord Perennial Investment (Singapore) Pte. Ltd. (“**YPIS**”) in relation to the Offer as described in this Circular (the “**Proposed IPT**”) by the Shareholders who are considered to be disinterested for the purposes of the Proposed IPT (the “**Independent Shareholders**”) is obtained (the “**Pre-Condition**”) on or before 14 April 2018, being the date falling four months from the Pre-Conditional Offer Announcement Date, or such other later date as the SIC may agree (the “**Long-Stop Date**”).

Accordingly, all references to the Offer in this Circular refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.

A copy of the Pre-Conditional Offer Announcement is available on the Company’s corporate website at <https://uel.sg> and the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at <http://www.sgx.com>. References to the Offer and its terms and conditions in this Circular should be read together with, and are subject to, the Pre-Conditional Offer Announcement.

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## LETTER TO SHAREHOLDERS

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**1.2 Interested Person Transaction.** On the Pre-Conditional Offer Announcement Date, the Company had also released the SGX Announcement whereby the Board of Directors of the Company announced that as the value of the Proposed IPT represents more than five per cent. of the latest audited consolidated net tangible assets (“**NTA**”) of the UEL Group as at 31 December 2016 (the “**FY2016 NTA**”), the Shareholder Approval at an extraordinary general meeting of the Company to be convened (the “**EGM**”) will be required for the Proposed IPT pursuant to Rule 906(1) of the Listing Manual.

A copy of the SGX Announcement is available on the Company’s corporate website at <https://uel.sg/> and the website of the SGX-ST at <http://www.sgx.com>. **Further details of the interested person transaction are set out in Section 6 of this Circular.**

**1.3 EGM.** The Directors are convening an EGM to be held on 23 February 2018 to seek the Shareholder Approval for the Ordinary Resolution relating to the Proposed IPT, as set out in the Notice of EGM enclosed with this Circular.

**1.4 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Offer and the Proposed IPT, including the rationale for the Offer and the financial effects of the Offer on the UEL Group, and to seek the Shareholder Approval for the Ordinary Resolution to be proposed at the EGM.

## 2. PRINCIPAL TERMS OF THE OFFER

**2.1 Pre-Condition.** As more particularly described in **Section 6** of this Circular, the value of the Proposed IPT represents more than five per cent. of the FY2016 NTA and as such, the Shareholder Approval will be required pursuant to Rule 906(1)(a) of the Listing Manual. Accordingly, the making of the Offer by the Offeror will be subject to the satisfaction of the Pre-Condition, being the obtainment of the Shareholder Approval, before the Long-Stop Date. In the event that the Pre-Condition is not satisfied on or before the Long-Stop Date, the Offer will not be made. The Offer is not subject to any other pre-condition or condition.

**2.2 Terms of the Offer.** Subject to and contingent upon the satisfaction of the Pre-Condition, and the terms and conditions of the Offer to be set out in the formal offer document (the “**Offer Document**”) to be issued by DTCF for and on behalf of the Offeror, the Offeror will make the Offer on the following basis:

**2.2.1 Offer Shares.** The Offeror will make the Offer for all WBL Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer, in accordance with Section 139 of the SFA, and the Code.

**2.2.2 No Encumbrances.** The Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Formal Offer Announcement (the “**Formal Offer Announcement Date**”) and thereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, “**Distributions**”) on or after the Formal Offer Announcement Date. As stated in the indicative timeline, the Formal Offer Announcement Date is 23 February 2018.

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## LETTER TO SHAREHOLDERS

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**2.2.3 Adjustment for Distributions.** The Offer Price (as defined in **Section 3.1** of this Circular) has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Formal Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Formal Offer Announcement Date, the Offer Price payable to a WBL Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting WBL Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the relevant accepting WBL Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the relevant accepting WBL Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

**2.3 Unconditional Offer.** The Offer, if and when made, will not be subject to any conditions and will be unconditional in all respects.

**2.4 Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, YPIS has provided irrevocable undertakings to the Offeror (the “**Irrevocable Undertaking**”), pursuant to which YPIS has undertaken, *inter alia*, to tender, and procure that each of its nominees (if any) will tender or procure to tender, such number of WBL Shares held legally and/or beneficially by YPIS (or its nominees), and any other WBL Shares which YPIS or its nominees may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Offer.

As at the Latest Practicable Date, YPIS holds 28,120,063 WBL Shares, representing approximately 10.00 per cent. of the total WBL Shares and approximately 30.85 per cent. of the Offer Shares (the “**Existing YPIS Shares**”).

Please refer to paragraph 5 of the Pre-Conditional Offer Announcement for further information on the Irrevocable Undertaking.

**2.5 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires or agrees to acquire such number of Offer Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of WBL Shares in issue (excluding treasury WBL Shares) as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the despatch date of the Offer Document), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the WBL Shareholders who have not accepted the Offer on the same terms as those offered under the Offer and make WBL its wholly-owned subsidiary (collectively, the “**Compulsory Acquisition Right**”).

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## LETTER TO SHAREHOLDERS

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In the event that YPIS purchases the 19.9% WBL Shares from (a) OCBC, (b) certain subsidiaries of Great Eastern Holdings Limited and (c) certain other WBL Shareholders (collectively, the “**WBL Vendors**”) pursuant to the YPIS-OCBC Arrangement in the circumstances set out in **Section 6.4** below, YPIS will hold an aggregate of 84,078,988 WBL Shares, consisting of (a) the Existing YPIS Shares and (b) the 19.9% WBL Shares, collectively representing approximately 92.25 per cent. of the Offer Shares, and will be obliged to tender all such WBL Shares in acceptance of the Offer pursuant to the Irrevocable Undertaking. Accordingly, upon the tendering of such WBL Shares by YPIS in acceptance of the Offer, the Offeror will be entitled, and intends, to exercise the Compulsory Acquisition Right.

Further, in the event that (i) YPIS tenders the Existing YPIS Shares in acceptance of the Offer pursuant to the Irrevocable Undertaking, and (ii) the WBL Vendors tender the 19.9% WBL Shares in acceptance of the Offer, the Offeror will have received valid acceptances in respect of at least 92.25 per cent. of the Offer Shares. Accordingly, upon the tendering of such WBL Shares by each of YPIS and the WBL Vendors, the Offeror will be entitled, and intends, to exercise its Compulsory Acquisition Right.

### 3. OFFER PRICE

**3.1 Offer Price.** As stated in paragraph 3.1.2 of the Pre-Conditional Offer Announcement, the consideration for each Offer Share will be as follows:

**For each Offer Share: S\$2.07 in cash (the “Offer Price”)**

The Offer Price is final and if and when the Offer is made, the Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the Offer Price in any way.

If and when the Offer is made, the Offer Price will be paid:

**3.1.1** in the case of WBL Shareholders who validly accept the Offer, within seven Business Days after the date of receipt of the acceptance form for the Offer by the Offeror in accordance with the terms of the Offer Document and the Code; and

**3.1.2** in the case of WBL Shareholders who do not validly accept the Offer before the close of the Offer, within seven Business Days of the completion of the compulsory acquisition procedures in accordance with the Companies Act (if applicable).

**3.2 Basis of Offer Price.** The Offer Price was arrived at on a willing-buyer-willing-seller basis pursuant to negotiations between the Offeror and YPIS, taking into account the following:

**3.2.1** in the offer document dated 1 August 2017 issued by UOB, for and on behalf of YPIS, in connection with YPIS’ mandatory cash offers for the Company in August 2017 (“**YPIS Offer Document**”), as supplemented by the joint announcement released by OCBC and Great Eastern Holdings Limited on 19 December 2017 (the “**OCBC-GEH Joint Announcement**”), the WBL Vendors had publicly disclosed that they are willing to divest their WBL Shares and are prepared to do so at the same price as the Offer Price by reason of the YPIS-OCBC Arrangement (details of which are set out in **Section 6.4** below); and

**3.2.2** the net asset value (“**NAV**”) and net tangible assets (“**NTA**”) of WBL and its subsidiaries, associates and joint ventures (the “**WBL Group**”) as follows:

- (i) based on the latest unaudited financial statements of the WBL Group as at 30 September 2017, the unaudited NAV of the WBL Group amounted to approximately S\$727.8 million or S\$2.59 per WBL Share based on 281,200,630 issued WBL Shares. Accordingly, the Offer Price represents a discount of approximately 20.1 per cent. to the unaudited NAV per WBL Share of S\$2.59 as at 30 September 2017; and

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## LETTER TO SHAREHOLDERS

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- (ii) excluding intangible assets comprising mainly goodwill arising on consolidation, customer relationships, development costs and technical know-how which amounted to an aggregate of approximately S\$28.7 million as at 30 September 2017, the unaudited NTA of the WBL Group would amount to approximately S\$699.0 million or S\$2.49 per WBL Share based on 281,200,630 issued WBL Shares as at 30 September 2017. Accordingly, the Offer Price represents a discount of approximately 16.9 per cent. to the unaudited NTA per WBL Share of S\$2.49 as at 30 September 2017.

Having agreed the Offer Price with YPIS, the Offeror is therefore extending the Offer on the same terms, including price, to all other WBL Shareholders.

### 3.3 Maximum Consideration. On the basis that:

- 3.3.1 the total number of Offer Shares is 91,144,314 WBL Shares (the “**Maximum Offer Shares**”) as at the Latest Practicable Date, being all the WBL Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer; and
- 3.3.2 the Offeror will be entitled, and intends, to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer,

the maximum aggregate consideration for the acquisition of all the Offer Shares pursuant to the Offer would be approximately S\$188.7 million in cash.

- 3.4 **Source of Funding for the Offer.** Assuming the proposed Offer is made, the Offer will be funded through a combination of internal cash resources and external borrowings. As at the Latest Practicable Date, the bank balance of the Company is approximately S\$134.3 million.
- 3.5 **Further Details.** Further details of the Offer (including its terms and conditions and the rationale for the Offer for WBL Shareholders) are set out in the Pre-Conditional Offer Announcement.

## 4. INFORMATION ON THE OFFEROR, WBL AND YPIS

- 4.1 **The Offeror.** The Offeror is a company incorporated in Singapore on 18 January 2013 and is a direct wholly-owned subsidiary of the Company. Its principal activities are those of an investment holding company.

As at the Latest Practicable Date:

- 4.1.1 the Offeror has an issued and paid-up share capital of S\$100,000 comprising 100,000 issued ordinary shares; and
- 4.1.2 the directors of the Offeror are Mr Tan Chee Keong Roy and Mr Sonny Tan Kean Min (collectively, the “**Offeror Directors**”). Mr Tan Chee Keong Roy also serves as Group Managing Director and Non-Independent and Executive Director of the Company, while Mr Sonny Tan Kean Min also serves as Group Financial Controller of the Company.

Further, as at the Latest Practicable Date, the Offeror holds 190,056,316 WBL Shares, representing approximately 67.59 per cent. of the issued share capital of WBL and is the majority shareholder of WBL.

- 4.2 **WBL.** WBL is an unlisted public company incorporated in Singapore on 26 November 1912, which was previously listed on the Main Board of the SGX-ST and has been delisted from the SGX-ST since 18 February 2014. The principal business activities of WBL are that of an investment holding company and the provision of management services to related companies.

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As at the Latest Practicable Date, based on the latest information available to the Offeror:

- 4.2.1 WBL has an issued and paid-up share capital of S\$499,513,782.17, comprising 281,200,630 WBL Shares and does not have any treasury shares;
- 4.2.2 WBL has no outstanding instruments convertible into, rights to subscribe for, or options in respect of, WBL Shares;
- 4.2.3 the directors of WBL are Mr Norman Ip Ka Cheung and Mr Tan Chee Keong Roy; and
- 4.2.4 the shareholders of WBL are as follows:
  - (i) the Offeror, which holds 190,056,316 WBL Shares, representing approximately 67.59 per cent. of the issued share capital of WBL;
  - (ii) YPIS, which holds 28,120,063 WBL Shares, representing approximately 10.00 per cent. of the issued share capital of WBL;
  - (iii) OCBC and its related parties, which hold 60,308,276 WBL Shares, representing approximately 21.45 per cent. of the issued share capital of WBL; and
  - (iv) other third party shareholders, which hold 2,715,975 WBL Shares, representing approximately 0.96 per cent. of the issued share capital of WBL.

**4.3 YPIS.** YPIS is a company incorporated in Singapore on 7 June 2017. As at the Latest Practicable Date, based on the latest information available to the Company:

- 4.3.1 the principal business activities of YPIS are that of an investment holding company;
- 4.3.2 Yanlord Commercial Property Investments Pte. Ltd. (“**YCPI**”) has a 49 per cent. shareholding in YPIS, Perennial UW Pte. Ltd. (“**PUPL**”) has a 45 per cent. shareholding in YPIS and Heng Yue Holdings Limited has a six per cent. shareholding in YPIS;
- 4.3.3 the directors of YPIS are Mr Zhong Sheng Jian (“**Mr Zhong**”), Mr Kung Chun Lung, Mr Zhong Ming, Mr Pua Seck Guan (“**Mr Pua**”) and Ms Gan Chui Chui; and
- 4.3.4 YPIS owns the following shares in each of WBL and UEL:
  - (i) 28,120,063 WBL Shares, representing approximately 10.00 per cent. of the issued share capital of WBL; and
  - (ii) approximately 34.77 per cent. of the total number of UEL Ordinary Shares (excluding the Subsidiary Holdings) and 97.71 per cent. of the total number of UEL Preference Shares.

## 5. RATIONALE AND BENEFITS OF THE OFFER TO THE COMPANY

As stated in paragraph 6.1.2 of the Pre-Conditional Offer Announcement, 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, as evidenced from the voluntary delisting of WBL from the Official List of the SGX-ST on 18 February 2014.

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.

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### 6. INTERESTED PERSON TRANSACTION

**6.1 Chapter 9 of the Listing Manual.** Chapter 9 of the Listing Manual governs transactions by an issuer (that is, a company which is listed on the SGX-ST), as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons. In general, when this Chapter applies to a transaction with an interested person and the value of the transaction singly, or, in aggregation with the values of other transactions entered into with the same interested person in the same financial year equals or exceeds five per cent. of the issuer's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the issuer.

Under Rule 904(4)(a) of the Listing Manual, in the case of a company, an "interested person" means a director, chief executive officer or controlling shareholder of the company, or an associate of any such director, chief executive officer, or controlling shareholder. Under the Listing Manual, an "associate", in the case of a company, in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), means, *inter alia*, his immediate family and any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent. or more.

**6.2 YPIS as an Interested Person.** As at the Latest Practicable Date, YPIS owns approximately 34.77 per cent. of the total number of UEL Ordinary Shares (excluding the Subsidiary Holdings) and 97.71 per cent. of the total number of UEL Preference Shares. Accordingly, under the Listing Manual, YPIS is deemed to be a "controlling shareholder" of the Company as it holds 15 per cent. or more of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company.

Further, Mr Zhong is the Executive Chairman and a Non-Independent and Executive Director of the Company. As at the Latest Practicable Date, based on publicly available information, Mr Zhong has an aggregate indirect interest of more than 30 per cent. of the issued share capital of YPIS<sup>1</sup>. Accordingly, under the Listing Manual, YPIS is also considered to be an "associate" of Mr Zhong, a director of the Company.

Therefore, for the purposes of Chapter 9 of the Listing Manual, YPIS is regarded as an "interested person" vis-à-vis the Offeror, being a direct wholly-owned subsidiary of the Company, which is regarded as an "entity at risk" for these purposes.

**6.3 Acquisition of the Existing YPIS Shares.** As at the Latest Practicable Date, YPIS holds the Existing YPIS Shares, being 28,120,063 WBL Shares, which represents approximately 10.00 per cent. of the issued share capital of WBL. Accordingly, the Offer in respect of the Existing YPIS Shares would constitute an interested person transaction between the Offeror and YPIS under Chapter 9 of the Listing Manual, which is a component of the Proposed IPT.

**6.4 YPIS-OCBC Arrangement.** As publicly disclosed in the YPIS Offer Document, as supplemented by the OCBC-GEH Joint Announcement, YPIS had undertaken that it will, or will procure its concert party to, acquire 55,958,925 WBL Shares, representing approximately 19.9 per cent. of the issued share capital of WBL (the "**19.9% WBL Shares**") at the price of S\$2.07 per WBL Share (save for any reductions arising in relation to dividends, rights or other distribution or return of capital by WBL) from the WBL Vendors if such WBL Vendors have not completed the sale of the 19.9% WBL Shares to any other person in accordance with certain specified timeframes and/or circumstances set out in the YPIS Offer Document and the OCBC-GEH Joint Announcement (collectively, the "**YPIS-OCBC Arrangement**").

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<sup>1</sup> Based on publicly available information, YCPI has a 49 per cent. shareholding in YPIS. YCPI is wholly-owned by Yanlord Land Group Limited ("**YLGL**"). Yanlord Holdings Pte. Ltd. ("**YHPL**") has a controlling interest of approximately 66.19 per cent. in YLGL (excluding treasury shares). YHPL is wholly-owned by Mr Zhong (95.00 per cent. shareholding interest) and his spouse (five per cent. shareholding interest). Mr Zhong further holds approximately 2.22 per cent. of the ordinary shares of YLGL (excluding treasury shares).

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As at the Latest Practicable Date, based on publicly available information, no other party has completed the purchase of the 19.9% WBL Shares and YPIS remains obliged to acquire the 19.9% WBL Shares.

In the event that YPIS purchases the 19.9% WBL Shares from the WBL Vendors pursuant to the YPIS-OCBC Arrangement, YPIS will hold an aggregate of 84,078,988 WBL Shares consisting of (i) the Existing YPIS Shares and (ii) the 19.9% WBL Shares and collectively representing approximately 92.25 per cent. of the Offer Shares. The Offer in respect of such 84,078,988 WBL Shares would constitute an interested person transaction between the Offeror and YPIS under Chapter 9 of the Listing Manual.

Further, in the event that YPIS' obligation to purchase the 19.9% WBL Shares is effectively discharged by the WBL Vendors tendering the 19.9% WBL Shares in acceptance of the Offer, based on a consultation with the SGX-ST in October 2017, the value of the acquisition of the 19.9% WBL Shares should be aggregated with the value of the acquisition of the Existing YPIS Shares for the purpose of determining the value of the interested person transaction between the Offeror and YPIS in respect of the Offer under Rules 905 and 906 of the Listing Manual, as there is an existing obligation for YPIS to acquire the 19.9% WBL Shares pursuant to the YPIS-OCBC Arrangement.

Please refer to the YPIS Offer Document and OCBC-GEH Joint Announcement, copies of which are available on the website of the SGX-ST at <http://www.sgx.com>, for further information on the YPIS-OCBC Arrangement.

- 6.5 Net Tangible Asset Value.** The FY2016 NTA is approximately S\$1,878.3 million. As at 31 December 2016, five per cent. of the FY2016 NTA is approximately S\$93.9 million.
- 6.6 Value of the Interested Person Transaction.** The value of the Proposed IPT is an amount equivalent to the aggregate value of the Existing YPIS Shares and the 19.9% WBL Shares based on the Offer Price, being approximately S\$174 million. The value of the Proposed IPT represents approximately 9.3 per cent. of the FY2016 NTA.
- 6.7 Shareholders' Approval.** As the value of the Proposed IPT represents more than five per cent. of the FY2016 NTA, the Shareholder Approval will be required for the Proposed IPT pursuant to Rule 906(1)(a) of the Listing Manual.
- 6.8 Total Value of Interested Person Transactions.** As stated in the SGX Announcement, for the period commencing on 1 January 2017 and ending on the date of the Pre-Conditional Offer Announcement:
- 6.8.1** other than the Proposed IPT, no transactions (excluding transactions less than S\$100,000 and interested person transactions falling within Rule 908(2) of the Listing Manual, if any) have been entered into between (i) the UEL Group and (ii) YPIS and members belonging to the same group as YPIS. Accordingly, the total value of all interested person transactions entered into between (i) the UEL Group and (ii) YPIS and members belonging to the same group as YPIS (excluding transactions less than S\$100,000 and interested person transactions falling within Rule 908(2) of the Listing Manual, if any, but including the Proposed IPT) is approximately S\$174 million, which represents approximately 9.3 per cent. of the FY2016 NTA; and
- 6.8.2** the total value of all interested person transactions entered into by the Company (excluding transactions less than S\$100,000 and interested person transactions falling within Rule 908(2) of the Listing Manual, if any, but including the Proposed IPT) is approximately S\$175 million, which represents approximately 9.3 per cent. of the FY2016 NTA.



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**6.9 Abstention.** YPIS, Mr Zhong and Mr Pua and their respective associates (as defined in the Listing Manual) will abstain from voting on the Ordinary Resolution to approve the Proposed IPT for the following reasons:

- (i) for the reasons set out in **Section 6** of this Circular, YPIS is the “interested person” in the context of the Proposed IPT;
- (ii) Mr Zhong is a director of YPIS and has an aggregate indirect interest of more than 30 per cent. of the issued share capital of YPIS; and
- (iii) Mr Pua is a director of YPIS.

Mr Zhong and Mr Pua will also decline to accept appointment as proxy for any Shareholder to vote in respect of such resolution, unless the Shareholder concerned has given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such Ordinary Resolution.

The Company will disregard any votes cast on the Ordinary Resolution by YPIS, Mr Zhong and Mr Pua and its or his associates.

### 7. INDEPENDENT FINANCIAL ADVISER

**7.1 IFA.** As required under the Listing Manual, SAC Capital Private Limited (the “**IFA**”) has been appointed as the independent financial adviser to advise the Independent Directors on whether the Proposed IPT is (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and its minority Shareholders. The IFA’s opinion and advice has been prepared as required under Rule 921(4)(a) of the Listing Manual and is set out in its letter dated 31 January 2018 addressed to the Independent Directors (the “**IFA Letter**”), which is reproduced in **Appendix 1** to this Circular. The Independent Directors advise the Shareholders to read the IFA Letter carefully and in its entirety.

**7.2 IFA’s Opinion and Advice.** Having considered the factors and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion (the “**IFA Opinion**”) that the Proposed IPT is (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, the IFA has advised the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed IPT at the EGM.

In rendering its opinion and advice, the IFA has not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any Shareholder or any specific group of Shareholders. Accordingly, the IFA recommends that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

### 8. AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee of the Company, comprising Mr David Wong Cheong Fook, Mr Teo Ser Luck and Mr Lee Suan Hiang, has considered the terms of the Proposed IPT and the IFA Letter including the IFA Opinion set out therein, and is of the view that the Proposed IPT is (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and its minority Shareholders.

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### 9. INDEPENDENT DIRECTORS' RECOMMENDATION

**9.1 Independent Directors' Recommendation.** Having considered the terms of the Offer, and the rationale and benefits, of the Offer, as well as the IFA Letter including the IFA Opinion set out therein that the terms of the Proposed IPT are (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and the Independent Shareholders, the Independent Directors concur with the advice given by the IFA and are unanimously of the view that the Proposed IPT is in the best interests of the Company and the Shareholders. Accordingly, the Independent Directors unanimously recommend that the Shareholders vote in favour of the Ordinary Resolution approving the Proposed IPT at the EGM.

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

**9.2 No Regard to Specific Objectives.** In giving the above recommendation, the Independent Directors have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any individual Shareholder or any specific group of Shareholders. As different Shareholders have different investment profiles and objectives, the Independent Directors recommend that any Shareholder who may require specific advice in relation to his or her investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

### 10. DISCLOSEABLE TRANSACTION

**10.1 Relative Figures.** The relative figures for the Offer computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Aggregate Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the UEL Group's net asset value	Not applicable
(b)	Net profits/(losses) attributable to the Maximum Offer Shares, compared with the UEL Group's net profits <sup>(1)</sup>	(0.3)
(c)	Aggregate value of the consideration payable for the Maximum Offer Shares <sup>(2)</sup> , compared with the Company's market capitalisation <sup>(3)</sup>	11.3
(d)	The number of equity securities issued by the Company as consideration for the Offer, compared with the number of equity securities previously in issue	Not applicable

Notes:

<sup>(1)</sup> Under Rule 1002(3)(b) of the Listing Manual, "net profits" is defined as profit or loss before income tax, minority interests and extraordinary items.

Based on the 3QFY2017 Results, the net losses before income tax, minority interests and exceptional items attributable to the Maximum Offer Shares for 3QFY2017 is S\$0.2 million and UEL Group's net profits before income tax, minority interests and exceptional items for 3QFY2017 is S\$68.9 million.

<sup>(2)</sup> The maximum consideration payable by the Offeror for the Offer is approximately S\$188.7 million, based on the Offer Price of S\$2.07 per Offer Share.

<sup>(3)</sup> The market capitalisation of the Company as at the Pre-Conditional Offer Announcement Date is approximately S\$1,664.5 million and was determined by multiplying 637,508,148 UEL Ordinary Shares by the volume-weighted average market price of approximately S\$2.61 per UEL Ordinary Share as at 13 December 2017, being the last market day on which the UEL Ordinary Shares were traded on the SGX-ST prior to the Pre-Conditional Offer Announcement Date.

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**10.2 Discloseable Transaction.** As the relative figure computed on the bases set out in Rule 1006(b) of the Listing Manual is negative, in accordance with Rule 1007(1) of the Listing Manual, the Company had sought the SGX-ST's confirmation that the Offer would only constitute a discloseable transaction under Chapter 10 of the Listing Manual. The SGX-ST has advised that it has no objections to the view that the Offer constitutes a discloseable transaction under Chapter 10 of the Listing Manual.

### 11. PRO FORMA FINANCIAL EFFECTS OF THE OFFER

**11.1 Bases and Assumptions.** The following pro forma financial effects of the Offer on the UEL Group set out below have been computed based on the audited consolidated financial statements of the UEL Group for FY2016 (the "**FY2016 Financial Statements**"), being the most recently completed financial year for which financial statements are publicly available as at the date of the SGX Announcement. The financial effects are purely for illustrative purposes only and do not reflect the actual financial position and earnings of the UEL Group following the Offer.

The pro forma financial effects have also been prepared based on the following bases and assumptions:

**11.1.1** the proposed Offer is made in respect of the Offer Shares;

**11.1.2** the total number of the Offer Shares is the Maximum Offer Shares;

**11.1.3** the Offeror will be entitled, and intends, to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer, such that the Offeror will hold 100 per cent. of the WBL Shares; and

**11.1.4** there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of, the WBL Shares or other securities which carry voting rights in WBL.

**11.2 NTA.** For illustrative purposes only and assuming that the Offer had been completed on 31 December 2016, being the end of the most recently completed financial year of the UEL Group as at the date of the SGX Announcement, the pro forma financial effects on the consolidated NTA of the UEL Group as at 31 December 2016 are as follows:

	Before the Offer	After the Offer
NTA (S\$ million)	1,878.3	1,983.0
NTA per UEL Ordinary Share (S\$)	3.05	3.22

**11.3 Earnings per UEL Ordinary Share.** For illustrative purposes only and assuming that the Offer had been completed on 1 January 2016, being the beginning of the most recently completed financial year of the UEL Group as at the date of the SGX Announcement, the pro forma financial effects on the consolidated earnings per UEL Ordinary Share of the UEL Group as at 31 December 2016 are as follows:

	Before the Offer	After the Offer
Profits after tax and non-controlling interests (S\$ million)	140.6	180.5
Earnings per UEL Ordinary Share - Basic (cents)	22.0	28.3

**11.4 Share Capital.** The Offer will not have any impact on the issued and paid-up share capital of the UEL Group.

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### 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is enclosed with this Circular, will be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on Friday, 23 February 2018 at 3.30 p.m. for the purpose of considering and, if thought fit, passing with or without amendment, the Ordinary Resolution set out in the Notice of EGM.

### 13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend, speak and vote on his behalf, he should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898, not less than 48 hours before the time appointed for the EGM.

The completion and return of the Proxy Form by a Shareholder will not prevent him from attending, speaking and voting at the EGM in person if he so wishes and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the EGM.

- 13.2 When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have UEL Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

### 14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director as part of the Offer, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Offer.

### 15. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

#### 15.1 Directors' Interests

**15.1.1** As at the Latest Practicable Date, the following directors of the Company are also directors of YPIS:

- (i) Mr Zhong (the Executive Chairman and a Non-Independent and Executive Director of the Company) is also a director of YPIS; and
- (ii) Mr Pua (a Non-Independent and Non-Executive Director of the Company) is also a director of YPIS.

**15.1.2** Further, based on publicly available information, as at the Latest Practicable Date, the shareholders of YPIS include:

- (i) Yanlord Commercial Property Investments Pte. Ltd., which has a 49 per cent. shareholding in YPIS. As set out in **Section 6.2** above, Mr Zhong is deemed to have an interest in the issued share capital of YPIS; and
- (ii) Perennial UW Pte. Ltd., which has a 45 per cent. shareholding in YPIS and which is a joint venture between Perennial Singapore Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Perennial Real Estate Holdings Limited ("**Perennial**"), HPRY Holdings Limited and WCA Pte. Ltd.. Mr Pua is also the Chief Executive Officer and an Executive Director of Perennial.

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**15.1.3** The interests of the Directors in the UEL Shares, as extracted from the Register of Directors' Shareholdings as at the Latest Practicable Date, are set out below:

Name of Directors	UEL Ordinary Shares				UEL Preference Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Ordinary Shares	% <sup>(1)</sup>	No. of Ordinary Shares	% <sup>(1)</sup>	No. of Preference Shares	% <sup>(2)</sup>	No. of Preference Shares	% <sup>(2)</sup>
Zhong Sheng Jian <sup>(3)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
David Wong Cheong Fook	10,000	n.m. <sup>(4)</sup>	–	–	–	–	–	–

**Notes:**

- (1) The figures are based on the issued share capital of 615,808,399 UEL Ordinary Shares in issue (excluding the Subsidiary Holdings) as at the Latest Practicable Date.
- (2) The figures are based on the issued share capital of 875,000 UEL Preference Shares in issue as at the Latest Practicable Date.
- (3) Mr Zhong effectively holds all the shares in YHPL, which in turn has a controlling interest in YLGL. YLGL is the holding company of YCPI, which has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, Mr Zhong is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (4) not meaningful.

### 15.2 Substantial Shareholders' Interests

The interests of the substantial Shareholders in the UEL Shares, as extracted from the Register of Substantial Shareholders as at the Latest Practicable Date, are set out below:

Name of Substantial Shareholders	UEL Ordinary Shares				UEL Preference Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Ordinary Shares	% <sup>(1)</sup>	No. of Ordinary Shares	% <sup>(1)</sup>	No. of Preference Shares	% <sup>(2)</sup>	No. of Preference Shares	% <sup>(2)</sup>
Yanlord Perennial Investment (Singapore) Pte. Ltd.	214,122,906	34.77	–	–	854,993	97.71	–	–
Yanlord Commercial Property Investments Pte. Ltd. <sup>(3)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Yanlord Land Group Limited <sup>(4)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Yanlord Holdings Pte. Ltd. <sup>(5)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Zhong Sheng Jian <sup>(6)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Perennial UW Pte. Ltd. <sup>(7)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Perennial Singapore Investment Holdings Pte. Ltd. <sup>(8)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Perennial Real Estate Holdings Limited <sup>(9)</sup>	–	–	214,122,906	34.77	–	–	854,993	97.71
Oxley Holdings Limited	95,726,500	15.54	–	–	–	–	–	–
Ching Chiat Kwong <sup>(10)</sup>	–	–	95,726,500	15.54	–	–	–	–
Low See Ching (Liu Shijin) <sup>(11)</sup>	6,528,800	1.06	95,726,500	15.54	–	–	–	–

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## LETTER TO SHAREHOLDERS

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### Notes:

- (1) The figures are based on the issued share capital of 615,808,399 UEL Ordinary Shares in issue (excluding the Subsidiary Holdings) as at the Latest Practicable Date.
- (2) The figures are based on the issued share capital of 875,000 UEL Preference Shares in issue as at the Latest Practicable Date.
- (3) YCPI has a controlling interest in YPIS and pursuant to Section 4 of the SFA, is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (4) YLGL is the holding company of YCPI, which has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, YLGL is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (5) YHPL has a controlling interest in YLGL, which is the holding company of YCPI, which in turn has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, YHPL is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (6) Mr Zhong effectively holds all the shares in YHPL, which in turn has a controlling interest in YLGL. YLGL is the holding company of YCPI, which has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, Mr Zhong is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (7) PUPL has a controlling interest in YPIS and pursuant to Section 4 of the SFA, is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (8) PSIH has a controlling interest in PUPL, which in turn has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, PSIH is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (9) Perennial Real Estate Holdings Limited is the holding company of PSIH. PSIH has a controlling interest in PUPL, which in turn has a controlling interest in YPIS. Therefore, pursuant to Section 4 of the SFA, Perennial Real Estate Holdings Limited is deemed interested in the UEL Ordinary Shares and UEL Preference Shares held by YPIS.
- (10) Mr Ching Chiat Kwong has a controlling interest in Oxley Holdings Limited (“OHL”) and pursuant to Section 4 of the SFA, is deemed interested in the UEL Ordinary Shares held by OHL.
- (11) Mr Low See Ching (Liu Shijin) has a controlling interest in OHL and pursuant to Section 4 of the SFA, is deemed interested in the UEL Ordinary Shares held by OHL.

## 16. CONSENTS

**16.1 IFA’s Consent.** The IFA has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name, the IFA Letter and all references thereto in the form and context in which they appear in this Circular.

**16.2 DTCF’s Consent.** DTCF has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

**16.3 Valuer’s Consent.** Yinxin Appraisal Co., Ltd., being the independent professional valuer commissioned by the Company to perform a valuation of certain properties held by the WBL Group, has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name, the summary valuation letters, and all references thereto in the form and context in which they appear in this Circular.

## 17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 12 Ang Mo Kio Street 64, #01-01, UE BizHub CENTRAL, Singapore 569088, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the full valuation reports referred to in the IFA Letter;
- (b) the written consents from the IFA, DTCF and Yinxin Appraisal Co., Ltd. referred to in **Section 16** above;

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## LETTER TO SHAREHOLDERS

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- (c) the annual report of the Company for the financial year ended 31 December 2016;
- (d) the FY2016 Financial Statements;
- (e) the 3QFY2017 Results; and
- (f) the Constitution of the Company.

### 18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors and the Offeror Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Proposed IPT and the UEL Group, and the Directors and the Offeror Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors and the Offeror Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors and the Offeror Directors has been to ensure that the facts stated with respect to the UEL Group are fair and accurate.

### 19. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of DTCF's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Proposed IPT and the UEL Group, and DTCF is not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully  
for and on behalf of  
the Board of Directors of  
**UNITED ENGINEERS LIMITED**

**Tan Chee Keong Roy**  
Group Managing Director

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## APPENDIX 1: IFA LETTER

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### SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200401542N)

1 Robinson Road #21-02 AIA Tower  
Singapore 048542

31 January 2018

To: The Independent Directors of United Engineers Limited (in relation to the Proposed IPT)

Mr Tan Chee Keong Roy  
Mr Lee Suan Hiang  
Mr Teo Ser Luck  
Mr David Wong Cheong Fook

Dear Sirs

#### THE PROPOSED ACQUISITION OF THE ISSUED ORDINARY STOCK UNITS IN THE CAPITAL OF WBL CORPORATION LIMITED AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 31 January 2018 (the “Circular”) shall have the same meanings herein.*

#### 1. INTRODUCTION

On 14 December 2017 (the “**Pre-Conditional Offer Announcement Date**”), Deloitte & Touche Corporate Finance Pte Ltd (“**DTCF**”) announced (the “**Pre-Conditional Offer Announcement**”), for and on behalf of UE Centennial Venture Pte. Ltd. (the “**Offeror**” or “**UECV**”), a wholly-owned subsidiary of United Engineers Limited (the “**Company**” or “**UEL**”), that the Offeror intends to make a voluntary unconditional cash offer (the “**Offer**”) for all the issued ordinary stocks units (the “**WBL Shares**”) in the capital of WBL Corporation Limited (“**WBL**”), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer (the “**Offer Shares**”), at S\$2.07 per Offer Share (the “**Offer Price**”). The formal Offer will only be made if approval (the “**Shareholder Approval**”) of the interested person transaction between the Offeror and Yanlord Perennial Investment (Singapore) Pte. Ltd. (“**YPIS**”) in relation to the Offer is obtained from the shareholders of the Company (the “**Shareholders**”) who are considered to be disinterested for the purposes of the Proposed IPT (as defined herein) (the “**Independent Shareholders**”) on or before 14 April 2018 (the “**Pre-Condition**”), being the date falling four months from the Pre-Conditional Offer Announcement Date, or such other later date as the Securities Industry Council may agree (the “**Long-Stop Date**”). Accordingly, all references to the Offer refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.

As at the Latest Practicable Date, YPIS is a controlling shareholder of the Company which owns (a) 214,122,906 issued and paid-up ordinary stock units in the capital of the Company (the “**UEL Ordinary Shares**”), representing approximately 34.77% of the issued UEL Ordinary Shares (excluding the 21,712,000 UEL Ordinary Shares held by WBL (the “**Subsidiary Holdings**”), and (b) 854,993 issued and paid-up preference shares in the capital of the Company (the “**UEL Preference Shares**”), representing approximately 97.71% of the issued UEL Preference Shares. As Mr Zhong Sheng Jian (“**Mr Zhong**”) is the Executive Chairman and a Non-Independent and Executive Director of the Company who also has an aggregate indirect interest of more than 30.0% of the issued share capital of YPIS based on



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## APPENDIX 1: IFA LETTER

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publicly available information<sup>1</sup>, YPIS is considered an “associate” of Mr Zhong under the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, YPIS is defined as an “interested person” under Chapter 9 of the Listing Manual and the acquisition of the Offer Shares by the Offeror from YPIS will constitute an “interested person transaction” under Chapter 9 of the Listing Manual.

As at the Latest Practicable Date, YPIS holds 28,120,063 WBL Shares, representing approximately 10.00% of the issued WBL Shares (the “**Existing YPIS Shares**”). In the event that YPIS purchases 55,958,925 WBL Shares, representing approximately 19.9% of the issued WBL Shares (the “**19.9% WBL Shares**”) pursuant to the YPIS-OCBC Arrangement (as defined herein), YPIS will hold an aggregate of 84,078,988 WBL Shares. Based on a consultation with the SGX-ST in October 2017, the value of the acquisition of the 19.9% WBL Shares should be aggregated with the value of the acquisition of the Existing YPIS Shares for the purpose of determining the value of the interested person transaction between the Offeror and YPIS in respect of the Offer under Rules 905 and 906 of the Listing Manual in the event that YPIS’ obligation to purchase the 19.9% WBL Shares is effectively discharged by the WBL Vendors (as defined herein) tendering the 19.9% WBL Shares in acceptance of the Offer. Accordingly, the Offer for the Existing YPIS Shares and the 19.9% WBL Shares will constitute an “interested person transaction” under Chapter 9 of the Listing Manual (the “**Proposed IPT**”).

Pursuant to Rule 906 of the Listing Manual, the Company is required to obtain approval from the Shareholders on any interested person transaction of a value equal to or more than 5% of the Company, its subsidiaries and its associates and joint ventures (collectively, the “**UEL Group**”) of the latest audited consolidated net tangible assets (“**NTA**”). As the value of the Proposed IPT is approximately S\$174.0 million which represents approximately 9.3% of the UEL Group’s latest audited consolidated NTA of approximately S\$1,878.3 million as at 31 December 2016 (the “**FY2016 NTA**”), the Shareholder Approval for the Proposed IPT will be required at an extraordinary general meeting to be convened (the “**EGM**”).

Accordingly, the Company has appointed us as the independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”) who are independent in respect of the Proposed IPT (the “**Independent Directors**”) as to whether the Proposed IPT as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

This letter, which sets out our opinion and advice, has been prepared as required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors for their consideration of the Proposed IPT, and their recommendation to the Independent Shareholders arising thereof.

## 2. TERMS OF REFERENCE

We have been appointed as the IFA as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors in respect of the Proposed IPT.

We were not involved in any aspect of the negotiations entered into by the UEL Group in connection with the Proposed IPT or in the deliberations leading up to the decision by the Directors to undertake the Proposed IPT. Accordingly, we do not, by this letter, warrant the merits of the Proposed IPT, other than to express an opinion on whether the Proposed IPT is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. We have not conducted a comprehensive independent review of the business, operations or financial condition of the UEL Group or WBL and its subsidiaries,

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<sup>1</sup> As set out in paragraph 6.2 of the Circular, based on publicly available information, Yanlord Commercial Property Investments Pte. Ltd. (“**YCPI**”) has a 49.00% shareholding in YPIS. YCPI is wholly-owned by Yanlord Land Group Limited (“**YLGL**”). Yanlord Holdings Pte. Ltd. (“**YHPL**”) has a controlling interest of approximately 66.19% in YLGL (excluding treasury shares). YHPL is wholly-owned by Mr Zhong (95.00% shareholding interest) and his spouse (5% shareholding interest). Mr Zhong further holds approximately 2.22% of the ordinary shares of YLGL (treasury shares).

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associates and joint ventures (collectively, the “**WBL Group**”). We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the UEL Group and/or the WBL Group. We have not evaluated the strategic, legal or commercial merits or risks of the Proposed IPT or the future growth prospects or earnings potential of the UEL Group and/or the WBL Group after the completion of the Proposed IPT. Accordingly, we do not express any view as to the future prices at which the UEL Ordinary Shares or the UEL Preference Shares may trade upon completion of the Proposed IPT.

In the course of our evaluation, we have held discussions with the Directors and management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information provided in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Proposed IPT has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Save as disclosed, we would like to highlight that all information relating to the UEL Group or the WBL Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the UEL Group and/or the WBL Group at any time or as at the Latest Practicable Date (as defined below). We have also not made any independent evaluation or appraisal of the assets and liabilities of the UEL Group and/or WBL Group and have not been furnished with any such evaluation or appraisals, except for the summary letters (the “**Summary Valuation Letters**”) and the independent valuation reports (the “**Valuation Reports**”) prepared by Yinxin Appraisal Co., Ltd. (the “**Independent Valuer**”), which was appointed by the Company to perform an independent valuation of certain properties held by the WBL Group as at 31 October 2017. The Summary Valuation Letters of the Valuation Reports are set out in Appendix 2 of the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Summary Valuation Letters, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the basis of the valuation in the Valuation Reports and/or the Summary Valuation Letters or if the contents in the Valuation Reports and/or the Summary Valuation Letters have been prepared in accordance with all applicable regulatory requirements.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at, 19 January 2018, being the latest practicable date (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

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## APPENDIX 1: IFA LETTER

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In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

**Our opinion and advice in relation to the Proposed IPT should be considered in the context of the entirety of this letter and the Circular.**

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

### 3. THE OFFER

#### 3.1 Pre-Condition

As more particularly described in section 6 of the Circular, the value of the Proposed IPT represents more than 5.0% of the FY2016 NTA and as such, the Shareholder Approval will be required pursuant to Rule 906(1)(a) of the Listing Manual. Accordingly, the making of the Offer by the Offeror will be subject to the satisfaction of the Pre-Condition, being the obtainment of the Shareholder Approval, before the Long-Stop Date. In the event that the Pre-Condition is not satisfied on or before the Long-Stop Date, the Offer will not be made. The Offer is not subject to any other pre-condition or condition.

#### 3.2 Terms of the Offer

##### 3.2.1 Offer Shares

Subject to and contingent upon the satisfaction of the Pre-Condition, and the terms and conditions of the Offer to be set out in the formal offer document (the “**Offer Document**”) to be issued by DTCF for and on behalf of the Offeror, the Offeror will make the Offer for all the WBL Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer, in accordance with Section 139 of the Securities Future Act, and The Singapore Code on Takeovers and Mergers.

##### 3.2.2 No Encumbrances

The Offer Shares will be acquired (a) fully paid, (b) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and (c) together with all rights, benefits and entitlements attached thereto as at the date of the Formal Offer Announcement (the “**Formal Offer Announcement Date**”) and thereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, the “**Distributions**”) on or after the Formal Offer Announcement Date. As stated in the indicative timeline, the Formal Announcement Date is expected to be on 23 February 2018.

Further details on the terms of Offer are set out in section 2.2 of the Circular, and Shareholders are advised to read the information carefully.

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### 3.3 Offer Price

#### 3.3.1 Offer Price

The consideration for each Offer Share will be at **S\$2.07** in cash. The Offer Price is final and if and when the Offer is made, the Offeror does not intend to increase the Offer Price. In accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the Offer Price in any way.

Further details on the Offer Price is set out in section 3.1 of the Circular, and Shareholders are advised to read the information carefully.

#### 3.3.2 Basis of the Offer Price

The Offer Price was arrived at on a willing-buyer-willing-seller basis pursuant to negotiations between the Offeror and YPIS, taking into account the following:

- (a) in the offer document dated 1 August 2017 issued by United Overseas Bank Limited, for and on behalf of YPIS, in connection with YPIS' mandatory cash offers for the Company in August 2017 ("**YPIS Offer Document**"), as supplemented by the joint announcement released by Oversea-Chinese Banking Corporation Limited ("**OCBC**") and Great Eastern Holdings Limited on 19 December 2017 (the "**OCBC-GEH Joint Announcement**"), OCBC, certain subsidiaries of Great Eastern Holdings Limited and certain other WBL Shareholders (collectively, the "**WBL Vendors**") had publicly disclosed that they are willing to divest their WBL Shares and are prepared to do so at the same price as the Offer Price by reason of the YPIS-OCBC Arrangement (as defined herein). Further details of the YPIS-OCBC Arrangement are set out in section 6.4 of the Circular; and
- (b) the net asset value ("**NAV**") and NTA of the WBL Group as follows:
  - (i) based on the latest unaudited financial statements of the WBL Group as at 30 September 2017, the unaudited NAV of the WBL Group amounted to approximately S\$727.8 million or S\$2.59 per WBL Share based on 281,200,630 issued WBL Shares. Accordingly, the Offer Price represents a discount of approximately 20.1% to the unaudited NAV per WBL Share of S\$2.59 as at 30 September 2017; and
  - (ii) excluding intangible assets comprising mainly goodwill arising on consolidation, customer relationships, development costs and technical know-how which amounted to an aggregate of approximately S\$28.7 million as at 30 September 2017, the unaudited NTA of the WBL Group would amount to approximately S\$699.0 million or S\$2.49 per WBL Share based on 281,200,630 issued WBL Shares as at 30 September 2017. Accordingly, the Offer Price represents a discount of approximately 16.9% to the unaudited NTA per WBL Share of S\$2.49 as at 30 September 2017.

Having agreed the Offer Price with YPIS, the Offeror is therefore extending the Offer on the same terms, including price, to all other WBL Shareholders.

### 3.4 Unconditional Offer

The Offer, if and when made, will not be subject to any conditions and will be unconditional in all respects.

### 3.5 Irrevocable Undertaking

As at the Pre-Conditional Offer Announcement Date, YPIS has provided irrevocable undertakings to the Offeror (the "**Irrevocable Undertaking**"), pursuant to which YPIS has

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undertaken, *inter alia*, to tender, and procure that each of its nominees (if any) will tender or procure to tender, such number of WBL Shares held legally and/or beneficially by YPIS (or its nominees), and any other WBL Shares which YPIS or its nominees may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Offer.

As at the Latest Practicable Date, YPIS holds 28,120,063 WBL Shares, representing approximately 10.0% of the total WBL Shares and approximately 30.85% of the Offer Shares.

Further details on the Irrevocable Undertaking are set out in paragraph 5 of the Pre-Conditional Offer Announcement, and Shareholders are advised to read the information carefully.

### 3.6 Compulsory Acquisition

In the event that YPIS purchases the 19.9% WBL Shares from the WBL Vendors pursuant to the YPIS-OCBC Arrangement in the circumstances set out in section 6.4 of the Circular, YPIS will hold an aggregate of 84,078,988 WBL Shares, consisting of (a) the Existing YPIS Shares, and (b) the 19.9% WBL Shares, collectively representing approximately 92.25% of the Offer Shares, and will be obliged to tender all such WBL Shares in acceptance of the Offer pursuant to the Irrevocable Undertaking. Accordingly, upon the tendering of such WBL Shares by YPIS in acceptance of the Offer, the Offeror will be entitled, and intends, to exercise its right to compulsorily acquire all the Offer Shares of the WBL Shareholders who have not accepted the Offer on the same terms as those offered under the Offer pursuant to Section 215(1) of the Companies Act, and make WBL its wholly-owned subsidiary (the “**Compulsory Acquisition Right**”).

Further, in the event that (a) YPIS tenders the Existing YPIS Shares in acceptance of the Offer pursuant to the Irrevocable Undertaking, and (b) the WBL Vendors tender the 19.9% WBL Shares in acceptance of the Offer, the Offeror will have received valid acceptances in respect of at least 92.25% of the Offer Shares. Accordingly, upon the tendering of such WBL Shares by each of YPIS and the WBL Vendors, the Offeror will be entitled, and intends, to exercise its Compulsory Acquisition Right.

Further details on the compulsory acquisition are set out in section 2.5 of the Circular, and Shareholders are advised to read the information carefully.

### 3.7 Source of funding for the Offer

Assuming the proposed Offer is made, the Offer will be funded through a combination of internal cash resources and external borrowings. As at the Latest Practicable Date, the bank balance of the Company is approximately S\$134.3 million.

## 4. THE INTERESTED PERSON TRANSACTION

### 4.1 Acquisition of the Existing YPIS Shares

As at the Latest Practicable Date, YPIS holds the Existing YPIS Shares, being 28,120,063 WBL Shares, which represents approximately 10.00% of the issued share capital of WBL. Accordingly, the Offer in respect of the Existing YPIS Shares would constitute an interested person transaction between the Offeror and YPIS under Chapter 9 of the Listing Manual, which is a component of the Proposed IPT.

### 4.2 YPIS-OCBC Arrangement

As publicly disclosed in the YPIS Offer Document, as supplemented by the OCBC-GEH Joint Announcement, YPIS had undertaken that it will, or will procure its concert party to, acquire the 19.9% WBL Shares, being 55,958,925 WBL Shares, representing approximately 19.9% of

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the issued share capital of WBL at the price of S\$2.07 per WBL Share (save for any reductions arising in relation to dividends, rights or other distribution or return of capital by WBL) from the WBL Vendors if such WBL Vendors have not completed the sale of the 19.9% WBL Shares to any other person in accordance with certain specified timeframes and/or circumstances set out in the YPIS Offer Document and the OCBC-GEH Joint Announcement (collectively, the “**YPIS-OCBC Arrangement**”).

As at the Latest Practicable Date, based on publicly available information, no other party has completed the purchase of the 19.9% WBL Shares and YPIS remains obliged to acquire the 19.9% WBL Shares.

In the event that YPIS purchases the 19.9% WBL Shares from the WBL Vendors pursuant to the YPIS-OCBC Arrangement, YPIS will hold an aggregate of 84,078,988 WBL Shares consisting of (a) the Existing YPIS Shares, and (b) the 19.9% WBL Shares and collectively representing approximately 92.25% of the Offer Shares. The Offer in respect of such 84,078,988 WBL Shares would constitute an interested person transaction between the Offeror and YPIS under Chapter 9 of the Listing Manual.

Further, in the event that YPIS' obligation to purchase the 19.9% WBL Shares is effectively discharged by the WBL Vendors tendering the 19.9% WBL Shares in acceptance of the Offer, based on a consultation with the SGX-ST in October 2017, the value of the acquisition of the 19.9% WBL Shares should be aggregated with the value of the acquisition of the Existing YPIS Shares for the purpose of determining the value of the interested person transaction between the Offeror and YPIS in respect of the Offer under Rules 905 and 906 of the Listing Manual, as there is an existing obligation for YPIS to acquire the 19.9% WBL Shares pursuant to the YPIS-OCBC Arrangement.

### **5. INFORMATION ON THE OFFEROR, WBL AND YPIS**

#### **5.1 Information on the Offeror**

The Offeror is a company incorporated in Singapore on 18 January 2013 and is a direct wholly-owned subsidiary of the Company. Its principal activities are those of an investment holding company.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100,000 comprising 100,000 issued ordinary shares, and the directors of the Offeror are Mr Tan Chee Keong Roy and Mr Sonny Tan Kean Min. Mr Tan Chee Keong Roy also serves as Group Managing Director and Non-Independent and Executive Director of the Company, while Mr Sonny Tan Kean Min also serves as Group Financial Controller of the Company.

As at the Latest Practicable Date, the Offeror holds 190,056,316 WBL Shares, representing approximately 67.59% of the issued share capital of WBL and is the majority shareholder of WBL.

#### **5.2 Information on WBL**

WBL is an unlisted public company incorporated in Singapore on 26 November 1912, which was previously listed on the Main Board of the SGX-ST and has been delisted from the SGX-ST since 18 February 2014. The principal business activities of WBL are that of an investment holding company and the provision of management services to related companies.

As at the Latest Practicable Date, based on the latest information available to the Offeror, (a) WBL has an issued and paid-up share capital of S\$499,513,782.17, comprising 281,200,630 WBL Shares and does not have any treasury shares, (b) WBL has no outstanding instruments convertible into, rights to subscribe for, or options in respect of, the WBL Shares, (c) the directors of WBL are Mr Norman Ip Ka Cheung and Mr Tan Chee Keong Roy, and (d) the WBL Shareholders are as follows:

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- (i) the Offeror, which holds 190,056,316 WBL Shares, representing approximately 67.59% of the issued share capital of WBL;
- (ii) YPIS, which holds 28,120,063 WBL Shares, representing approximately 10.00% of the issued share capital of WBL;
- (iii) OCBC and its related parties, which hold 60,308,276 WBL Shares, representing approximately 21.45% of the issued share capital of WBL; and
- (iv) other third party shareholders, which hold 2,715,975 WBL Shares, representing approximately 0.96% of the issued share capital of WBL.

### 5.3 Information on YPIS

YPIS is a company incorporated in Singapore on 7 June 2017. As at the Latest Practicable Date, based on the latest information available to the Company:

- (a) the principal business activities of YPIS are that of an investment holding company;
- (b) Yanlord Commercial Property Investments Pte. Ltd. has a 49% shareholding in YPIS, Perennial UW Pte. Ltd. has a 45% shareholding in YPIS and Heng Yue Holdings Limited has a 6% shareholding in YPIS;
- (c) the directors of YPIS are Mr Zhong, Mr Kung Chun Lung, Mr Zhong Ming, Mr Pua Seck Guan (“**Mr Pua**”) and Ms Gan Chui Chui; and
- (d) YPIS owns the following shares in each of WBL and UEL:
  - (i) 28,120,063 WBL Shares, representing approximately 10.00% of the issued share capital of WBL; and
  - (ii) approximately 34.77% of the total number of UEL Ordinary Shares (excluding the Subsidiary Holdings) and 97.71% of the total number of UEL Preference Shares.

### 5.4 Rationale and Benefits of the Offer to the Company

The rationale and benefits of the Offer to the Company is set out in section 5 of the Circular and is reproduced in section 6.1 of this letter, and Shareholders are advised to read the information carefully.

## 6. EVALUATION OF THE PROPOSED IPT

In our evaluation of the Proposed IPT, we have taken into account the following factors which have a significant bearing on our assessment:

- (a) the rationale and benefits of the Offer to the Company;
- (b) the comparison of NAV and NTA of the WBL Group;
- (c) the sum-of-the-Parts Valuation Analysis;
- (d) the historical financial performance and condition of the WBL Group;
- (e) the financial effects of the Offer on the UEL Group; and
- (f) other relevant considerations.

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### 6.1 Rationale and benefits of the Offer to the Company

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed IPT or the future prospects of the UEL Group and/or the WBL Group after the Proposed IPT. Nevertheless, we have reviewed the rationale and benefits of the Offer to the Company as set out in section 5 of the Circular, and reproduced in italics below:

*“As stated in paragraph 6.1.2 of the Pre-Conditional Offer Announcement, 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, as evidenced from the voluntary delisting of WBL from the Official List of the SGX-ST on 18 February 2014.*

*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.”*

### 6.2 Comparison of NAV and NTA of the WBL Group

#### 6.2.1 NAV and NTA of the WBL Group

Based on the latest unaudited financial statements of the WBL Group as at 30 September 2017, the unaudited NAV of the WBL Group amounted to S\$727.8 million or S\$2.59 per WBL Share based on 281,200,630 issued WBL Shares. Accordingly, the Offer Price represents a discount of approximately 20.1% to the unaudited NAV per WBL Share of S\$2.59 as at 30 September 2017.

Excluding intangible assets comprising mainly goodwill arising on consolidation, customer relationships, development costs and technical know-how which amounted to an aggregate of approximately S\$28.7 million as at 30 September 2017, the unaudited NTA of the WBL Group would amount to approximately S\$699.0 million or S\$2.49 per WBL Share based on 281,200,630 issued WBL Shares as at 30 September 2017. Accordingly, the Offer Price represents a discount of approximately 16.9% to the unaudited NTA per WBL Share of S\$2.49 as at 30 September 2017.

#### 6.2.2 Adjusted NTA of the WBL Group

As at the Latest Practicable Date, the Company holds 190,056,316 WBL Shares through the Offeror, representing approximately 67.59% of the issued WBL Shares. As the WBL Group is an entity controlled by the UEL Group, we have discussed with the Management on whether there are any assets under the WBL Group which may be valued at an amount that is materially different from the unaudited balance sheet of the WBL Group as at 30 September 2017. The Management had considered the materiality of the balance sheet items and provided us with their reasonable estimates on the value of certain properties for the purposes of assessing the adjusted NTA of the WBL Group (the “**Adjusted NTA**”) as at 30 September 2017. In connection with the Proposed IPT, the Company had also commissioned the Independent Valuer to conduct independent valuations on the Appraised Properties held for Sale (as defined below) and Shanghai Olympic Land (as defined below).

Based on the Summary Valuation Letters, we note that Yinxin Appraisal Co., Ltd. is a large-scale asset appraisal institution in Shanghai, and has the certificate (Approval document No.: No. 360 Financial Enterprise (2008), certificate No.: 0210002001, date of issue: December 1, 2008) for appraisal related to securities and futures jointly issued by China Securities Regulatory Commission and Ministry of Finance of the People’s Republic of China. Yinxin Appraisal Co., Ltd. also has the asset appraisal certificate (Approval Document No.: No. 567



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(2005), certificate No.: 31020026, date of issue: December 30, 2011) issued by Shanghai Bureau of Finance.

Based on the Summary Valuation Letters, the Independent Valuer conducted its valuation in accordance with mainly the “*Asset Approval Standard – Real Estate, released by China Appraisal Society on 8 Sep, 2017 (No. 38 China Appraisal Society (2017))*”. Such standard does not have evident difference from the *International Valuation Standard (IVS) 410 – Development Property*. In arriving at the market value of such properties, the Independent Valuer has relied on the “hypothetical development method”. “Market value” is defined as the “*estimated amount for which the property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, where the parties had each acted knowledgeably and without compulsion.*”

The details of the valuation are set out in Appendix 2 of the Circular, and Shareholders are advised to read the Summary Valuation Letters in its entirety.

### *Properties held for sale*

Save for the properties held for sale set out in the table below (the “**Appraised Properties held for Sale**”), the Management has confirmed that the other properties held for sale, representing approximately 1.1% of the WBL Group’s total assets as at 30 September 2017, are individually immaterial relative to its’ total assets. Accordingly, no valuation was obtained for such properties.

<b>Appraised Properties held for Sale</b>	<b>Independent Valuer</b>	<b>Market value<sup>(1)</sup> (RMB million)</b>
Chengdu Orchard Villa	Yinxin Appraisal Co., Ltd.	707.9
Shenyang Orchard Summer Palace	Yinxin Appraisal Co., Ltd.	2,149.3

### **Note:**

- (1) The market values include the potential tax liabilities assuming the hypothetical disposal of the Appraised Properties held for Sale.

We understand from the Management that the WBL Group will incur tax liabilities assuming the hypothetical disposal of the Appraised Properties held for Sale. Accordingly, we note that the aggregate estimated potential tax liabilities that may be incurred by the WBL Group assuming the hypothetical disposal of the Appraised Properties held for Sale is approximately RMB460.6 million.

### *Investment properties*

We note that the investment properties held under the WBL Group are recognised based on historical cost less accumulated depreciation and impairment losses. For the purposes of assessing the Adjusted NTA of the WBL Group as at 30 September 2017, the Management has informed us that it would be more relevant to reflect the value of certain investment properties based on their reasonable estimates. The Management is of the view that there are no material differences between the market values as set out in the table below and the market values of such investment properties as at the Latest Practicable Date.

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<b>Investment properties</b>	<b>Market value (S\$' million)</b>
No 56 & 58 Jalan Dian 8, Taman Munsyi Ibrahim, Jalan Skudai, 81200, Johor Bahru, Johor, Malaysia	0.4
Lots 9-12, Block 31 Phase 2A, Bandar Penampang, Kota Kinabalu, Sabah, Malaysia	0.9
No. 211, Qingnian Street, Shenhe District, Shenyang, Liaoning Province, China	7.5
No. 86, Shanhao Street, Heping District, Shenyang, Liaoning Province, China	9.2 <sup>2</sup>

The Management is of the view that there is no potential tax liability assuming the hypothetical sale of the investment properties in Malaysia as any gain or loss on disposal is capital in nature. In respect of the investment properties in the PRC, the Management is of the view that the potential tax liabilities, assuming the hypothetical sale of such properties, will not be material. In addition, we understand from the Management that the above investment properties are held for long term investment purposes and there are no current plans to dispose of the investment properties. Accordingly, no adjustments have been made to the NTA of the WBL Group in relation to such potential tax liabilities.

### *Joint ventures and associates*

We have also discussed with the Management on the assets held by WBL's joint ventures and associates and understand that save for (a) the land property held by Shanghai Olympic Garden Property Development Co., Ltd. (the "**Shanghai Olympic Land**") which is estimated to have a market value of approximately RMB356.7 million<sup>3,4</sup> based on the Summary Valuation Letters, and (b) the investment property held by Permata Alasan (M) Sdn Bhd (the "**Permata Property**") which is reasonably estimated by the directors of Permata Alasan (M) Sdn Bhd to have a market value of approximately RM17.5 million<sup>5</sup>, the Management is of the view that there are no other assets held by WBL's joint ventures and associates which need to be valued for the purpose of assessing the Adjusted NTA of the WBL Group.

We understand from the Management that there were negotiations to relocate the households occupying the Shanghai Olympic Land. As at the Latest Practicable Date, a majority of these households had been relocated. Although there is no definitive timeframe on when the remaining households will be relocated, the Management has advised that they may have the intention to develop the Shanghai Olympic Land after all the households have been relocated. Accordingly, valuation has been conducted for the Shanghai Olympic Land for the purpose of assessing the Adjusted NTA of the WBL Group.

We understand from the Management that the WBL Group will incur tax liabilities assuming the hypothetical disposal of the Shanghai Olympic Land. Accordingly, we note that the estimated potential tax liability that may be incurred by the WBL Group, assuming the hypothetical disposal of the Shanghai Olympic Land by the WBL Group, is approximately RMB293.0 million. As the Permata Property is held for long term investment purposes and

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<sup>2</sup> Based on 80.0% shareholding interest of WBL held in the investment property.

<sup>3</sup> Based on 45.05% shareholding interest of WBL held in Shanghai Olympic Garden Property Development Co., Ltd..

<sup>4</sup> The market value include the potential tax liabilities assuming the hypothetical disposal of the Shanghai Olympic Land.

<sup>5</sup> Based on 50.00% shareholding interest of WBL held in Permata Alasan (M) Sdn Bhd.

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are no current plans to dispose of the Permata Property, and any gain or loss on disposal is capital in nature, the Management is of the view that there is no potential tax liability assuming the hypothetical sale of such properties.

The bases for the independent valuation of the Appraised Properties held for Sale and the Shanghai Olympic Land as set out in the Summary Valuation Letters, involve certain assumptions, limitations and disclaimers. Shareholders are advised to read the above in conjunction with the Summary Valuation Letters in its entirety.

### *Property, plant and equipment*

The aggregate book value of the property, plant and equipment of the WBL Group as at 30 September 2017 (comprising land and buildings, plant, machinery and equipment and other assets) amounted to S\$103.9 million, representing approximately 9.8% of the WBL Group's total assets.

We understand from the Management that the plant, machinery and equipment are used primarily for the purposes of the sand mining and agriculture activities. The land and buildings mainly comprise (a) a freehold land for sand mining, (b) lands for agriculture activities, and (c) office buildings. In respect of the land for sand mining, we note that any development opportunities would be subject to relevant regulatory approvals being provided upon the cessation of the existing mining operations and exhaustion of its resources. Accordingly, re-development of the land is unlikely to take place in the foreseeable near term. In addition, the agriculture lands and the office buildings are partially occupied by the WBL Group for internal use. Accordingly, the Management has not conducted any valuation for these assets as they are primarily used to support the WBL Group's existing business operation and are individually not material relative to the WBL Group's total assets.

### *Other adjustments*

We note that WBL Group holds 21,712,000 UEL Ordinary Shares. Based on the closing prices of the UEL Ordinary Shares as at the Latest Practicable Date, the market value of these securities would be approximately S\$57.3 million. We further understand from the Company that the WBL Group had disposed of its LPG business for a consideration of S\$22.0 million. Taking into account (a) the market value of the UEL Ordinary Shares held by the WBL Group as at the Latest Practicable Date *vis-à-vis* the carrying value of the UEL Ordinary Shares as at 30 September 2017, and (b) the estimated net gain recognised from the sale of the LPG business, the Company had recognised an estimated net surplus of S\$0.9 million (the "**Other Adjustments**").

Save as disclosed above, we understand from the Management that there are no firm plans to dispose of any of the other businesses held by the WBL Group as at the Latest Practicable Date.

Taking into account the above, we made the following adjustments to the NTA of the WBL Group:

	<b>S\$' million</b>
Unaudited NTA of the WBL Group as at 30 September 2017	699.0
Add: surplus on revaluation of the Appraised Properties held for Sale	129.6
Add: surplus on revaluation of the investment properties <sup>(1)</sup>	15.3
Add: surplus on revaluation of the properties held under the joint ventures <sup>(1)</sup>	65.8

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	S\$' million
Add: other adjustments	0.9
<b>Adjusted NTA of the WBL Group as at 30 September 2017</b>	<b>910.6</b>
<b>Adjusted NTA per WBL Share as at 30 September 2017 (S\$)</b>	<b>3.24</b>

**Note:**

(1) Based on WBL's effective shareholding interest in these companies.

Based on the above, the Offer Price is at a discount of approximately 36.1% to the Adjusted NTA per WBL Share as at 30 September 2017.

The Independent Valuer has made the assessment of the potential tax liabilities, which would arise if the properties were to be sold at the amount of the valuation. Accordingly, the potential tax liabilities will not crystallise if the WBL Group does not dispose of its interests in the properties. **Shareholders should note that the Adjusted NTA of the WBL Group above is not necessarily a realisable value given that the market value of the properties may vary depending on, *inter alia*, the prevailing market and economic conditions.**

Save as disclosed above, the Directors have confirmed that, to the best of their knowledge and belief:

- (a) they are not aware of any material differences between the estimated market value of the other assets held by the WBL Group for which no valuation has been obtained as at the Latest Practicable Date *vis-à-vis* their respective net book values recorded in the unaudited balance sheet of the WBL Group as at 30 September 2017;
- (b) they are not aware of any circumstances which may cause the unaudited NAV and/or NTA of the WBL Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the WBL Group as at 30 September 2017;
- (c) there have been no material disposals or acquisitions of assets by the WBL Group since 30 September 2017 and up to the Latest Practicable Date;
- (d) there are no contingent liabilities, bad or doubtful debts or impairment losses as at the Latest Practicable Date which are likely to have a material impact on the unaudited NAV and/or NTA of the WBL Group as at 30 September 2017;
- (e) there are no litigations, claims or proceedings pending or threatened against the WBL Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have an adverse material impact on the financial position of the WBL Group as at 30 September 2017; and
- (f) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the statement of financial position of the WBL Group in accordance with the Singapore Financial Reporting Standards, and which have not been disclosed that would have a material impact on the unaudited NAV and/or NTA of the WBL Group as at 30 September 2017.

### 6.3 Sum-of-the-Parts Valuation Analysis

The WBL Group has five distinct business divisions comprising (a) Property (which consists of its property development and property rental & services segments), (b) Manufacturing, (c) Distribution, (d) Engineering, and (e) Corporate Services & Others.

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Given that the WBL Group has operations in a variety of disparate industries, we consider it appropriate to value each of the WBL Group's businesses separately to arrive at an aggregate valuation of the WBL Group on a sum-of-the-parts basis. We have arrived at a range of valuation for the WBL Group rather than a single estimated value as this will provide a more objective measure of the value of the WBL Shares taking into account, *inter alia*, the WBL Group's significant property portfolio and other factors which may impact the intrinsic or net realisable values of the businesses and investments held by the WBL Group, which is sensitive to general market and economic conditions.

Our valuation methodologies for each of the WBL Group's businesses are further set out in sections 6.3.1 to 6.3.5 of this letter. The following table sets out a summary of the estimated sum-of-the-parts valuation of the WBL Group:

Summary of sum-of-the-parts valuation	Lower valuation (S\$' million)	Higher valuation (S\$' million)	Valuation methodology
Property	195.0	599.6	<ul style="list-style-type: none"> <li>• Adjusted Property NTA (as defined below), as adjusted for surpluses on revaluation set out in section 6.3.1.1 of this letter.</li> <li>• Relative valuation based on comparable companies.</li> </ul>
Manufacturing	84.5	113.2	<ul style="list-style-type: none"> <li>• Relative valuation based on comparable companies.</li> </ul>
Distribution	112.6	134.4	<ul style="list-style-type: none"> <li>• Relative valuation based on comparable companies.</li> <li>• Net tangible book values.</li> </ul>
Engineering	37.5	37.5	<ul style="list-style-type: none"> <li>• Adjusted Engineering NTA (as defined below), as adjusted for surplus on revaluation set out in section 6.3.4 of this letter.</li> </ul>
Corporate Services & Others	155.2	155.2	<ul style="list-style-type: none"> <li>• Net tangible book value.</li> <li>• Current market value of the UEL Ordinary Shares.</li> </ul>
<b>Sum-of-the-parts valuation of the WBL Group</b>	<b>584.9</b>	<b>1,039.9</b>	
<b>Sum-of-the-parts valuation of each WBL Share (S\$)<sup>(1)</sup></b>	<b>2.08</b>	<b>3.70</b>	
<b>Discount of Offer Price to sum-of-the-parts valuation of each WBL Share</b>	<b>(0.48)%</b>	<b>(44.02)%</b>	

*Figures may not add due to rounding*

**Note:**

(1) Based on 281,200,630 issued WBL Shares as at the Latest Practicable Date.

**We note that the Offer Price is at a slight discount to the lower valuation and at a significant discount to the higher valuation of the estimated sum-of-the-parts valuation of each WBL Share.**

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Shareholders should note that a discount may be applied to the sum-of-the-parts valuation of a conglomerate such as the WBL Group for various reasons, including but not limited to the ability of investors to achieve a more effective diversification by purchasing portfolio of stocks of focused firms as compared to purchasing stocks of a conglomerate. In arriving at the sum-of-the-parts valuation of the WBL Group above, we have not applied any conglomerate discount as the quantification of such discount is highly subjective. The conglomerate discount is dependent on, *inter alia*, the size of the conglomerate, the extent of business diversification or synergies (if any) within the conglomerate and the requirement for additional management as compared to standalone businesses.

Similarly, we have not taken into account any control premium that may arise from a controlling stake in the businesses of the WBL Group as a result of majority ownership as the quantification of such premium is highly subjective.

The above sum-of-the-parts valuation range includes the NTA of the relevant business divisions (and the adjusted NTA of the Property and Engineering divisions, where relevant). Shareholders should note that the NTA-related analysis assumes the hypothetical sale of all the assets and businesses of the respective business divisions as at 30 September 2017. The analysis thus assumes, *inter alia*, the existence of ready and committed buyer(s) for each asset at the carrying value as at 30 September 2017 (or the adjusted basis for the assets under the Property and Engineering divisions), and that the sale can be conducted efficiently without any timing constraint and without regard to other relevant market factors that may affect the sale process. Shareholders should also evaluate the analysis above in conjunction with the contents in section 6.2 of this letter for further details on the basis and assumptions set out in the NTA and Adjusted NTA analysis.

For the relative statistics valuation based on comparable companies in relation to the respective business divisions, we have, in consultation with the Management, referred to selected listed companies whose businesses are broadly comparable with the respective business divisions of the WBL Group (the “**Comparable Companies**”) to give an indication of the current market expectations with regard to the perceived valuation of these business divisions of the WBL Group. Relevant information has been extracted from Bloomberg L.P., publicly available information including annual reports and/or announcements of the Comparable Companies as at the Latest Practicable Date. Shareholders should note that the Comparable Companies’ accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the business divisions of the WBL Group. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representation or warranties, expressed or implied, on the accuracy or completeness of such information.

We wish to highlight that the Comparable Companies are not exhaustive and they differ from the respective business divisions of the WBL Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the respective business divisions of the WBL Group referred to in the comparison. As such, any comparison made in relation to the Comparable Companies is strictly limited in scope and merely serves as an illustrative guide to Shareholders. **Any conclusions drawn from comparisons made may therefore not necessarily reflect the possible or potential market valuation for the respective business divisions of the WBL Group.**

In addition, as a part of the sum-of-the-parts valuation, we have relied on the closing share prices of the Comparable Companies and WBL Group’s interests in publicly listed entities as at the Latest Practicable Date. We wish to highlight that historical price performance is not indicative of the future price performance levels. Shareholders should note that share prices are and will continue to be affected to a varying extent by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical share prices of the relevant

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companies should not be relied upon as a promise of the companies' future trading performance or future value.

For the purposes of conducting the sum-of-the-parts valuation, we have relied upon and assumed the accuracy and completeness of all information that was furnished to or discussed with us by the Company or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed any responsibility or liability for independently verifying such information) any such information or its accuracy or completeness. In relying on the financial analyses and estimates provided to us by the Management, we have assumed, *inter alia*, that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgement by Management as to the financial condition of the WBL Group to which such analyses or estimate relate. We express no view as to such analyses or estimates or the assumptions on which they were based.

**While the sum-of-the-parts valuation is useful as a cross-check, Shareholders should note that it would not be appropriate to solely rely on the sum-of-the-parts analysis in view of its various drawbacks and limitations. Accordingly, Shareholders should also consider the analyses in the other sections of this letter.**

In evaluating the Comparable Companies, we have used the following valuation parameters in our analysis:

<b>Valuation parameter</b>	<b>Description</b>
Price-earnings ratio ("PER")	The historical PER, which illustrates the ratio of the market price of a company's shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company. We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full-year net earnings per share (as adjusted for any corporate activities which were undertaken after the latest financial year that may affect the PER, where relevant).
Price-to-book NTA ratio	<p>An NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical price-to-NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest available NTA per share (as adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the NTA per share, where relevant).</p>

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<u>Valuation parameter</u>	<u>Description</u>
Enterprise value to EBITDA (“EV/EBITDA”) ratio	The historical EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company's market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. “EBITDA” refers to consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.

We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance-sheet values and latest full-year EBITDA.

For business divisions of the WBL Group for which we have estimated the enterprise value, we have made relevant adjustments to the preferred equity, minority interests and net debt to arrive at an estimate of the equity value. The respective business divisions' debts were carried at their book value as at 30 September 2017 and we have not attempted to revalue it.

### 6.3.1 Property division

The Property division has an interest in a number of property assets through its subsidiaries, associated companies and joint ventures, where a significant proportion of the property assets are development projects in the PRC. The WBL Group's property development activities are focused on high quality, high-end residential and commercial projects in Chengdu, Chongqing, Shanghai, Shenyang and Suzhou.

The Property division accounted for approximately 55.1% of the unaudited net book value of the WBL Group as at 30 September 2017. Within the Property division, the property development segment accounted for approximately 96.6% of the unaudited net book value of the Property division (comprising the property development and the property rental & services segments) as at 30 September 2017.

We have considered the following in arriving at the implied valuation of the Property division:

- (a) the Property division has an aggregate Adjusted Property NTA (as defined in section 6.3.1.1 of this letter) of approximately S\$599.6 million as at 30 September 2017; and
- (b) based on the mean and median of Price-to-NTA ratios of the Property Comparable Companies (as defined in section 6.3.1.2 of this letter), the implied valuation of the Property division range from approximately S\$195.0 million to S\$217.7 million.

**Taking into consideration the above, we have determined that a reasonable implied valuation range of the Property division to be between approximately S\$195.0 million and S\$599.6 million.**



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### 6.3.1.1 Adjusted NTA of the Property division

We have relied on the Management's estimate of the NTA attributable to the Property division. As provided by Management, the unaudited NTA of the Property division amounted to S\$389.8 million as at 30 September 2017.

As detailed in section 6.2.2 of this letter, the Company had commissioned the Independent Valuer to conduct independent valuations on certain significant properties and the Management had also provided reasonable estimates on the value of certain investment properties. Further details on the Adjusted NTA of the WBL Group, including details on the valuations of the Appraised Properties held for Sale, Shanghai Olympic Land and investment properties are set out in section 6.2.2 of this letter.

Taking into account the above, we have made the following adjustments to unaudited NTA of the Property division as at 30 September 2017:

	<b>S\$' million</b>
Unaudited NTA of the Property division as at 30 September 2017	389.8
Add: surplus on revaluation of the Appraised Properties held for Sale	129.6
Add: surplus on revaluation of the investment properties attributable to the Property division <sup>(1)(2)</sup>	14.4
Add: surplus on revaluation of the properties held under the joint ventures attributable to the Property division <sup>(2)</sup>	65.8
Adjusted NTA of the Property division as at 30 September 2017 (the " <b>Adjusted Property NTA</b> ")	599.6

**Notes:**

- (1) Refers to the investment properties located at (a) No. 211, Qingnian Street, Shenhe District, Shenyang, Liaoning Province, China, and (b) No. 86, Shanhao Street, Heping District, Shenyang, Liaoning Province, China.
- (2) Based on WBL's effective shareholding interest in these companies.

### 6.3.1.2 Valuation statistics of the Comparable Companies

As an alternative assessment of the valuation of the Property division, we have referred to the Comparable Companies which are listed and traded on the SGX-ST, principally engaged in the property development business in the PRC and which are, in our opinion, broadly comparable to the Property division (the "**Property Comparable Companies**"). For a more meaningful comparison, we have only considered such companies with market capitalisation of between S\$100.0 million and S\$1.0 billion. Details of the Property Comparable Companies, including their business descriptions and selected key financials are set out in Annex A to this letter.

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The following table sets out the comparative valuation statistics of the Property Comparable Companies:

Company	Market capitalisation as at the Latest Practicable Date (S\$ million)	Historical PER (times)	Historical price-to-NTA ratio (times)
First Sponsor Group Limited	825.7	7.30	0.79
Ying Li International Real Estate Limited	388.7	21.34	0.38
Pan Hong Holdings Group Limited	169.1	8.15	0.50
<b>High</b>		<b>21.34</b>	<b>0.79</b>
<b>Mean</b>		<b>7.72<sup>(1)</sup></b>	<b>0.56</b>
<b>Median</b>		<b>7.72<sup>(1)</sup></b>	<b>0.50</b>
<b>Low</b>		<b>7.30</b>	<b>0.38</b>
<b>Implied valuation of the Property division based on mean valuation ratio (S\$' million)<sup>(2)</sup></b>		<b>n.m.<sup>(3)</sup></b>	<b>217.7</b>
<b>Implied valuation of the Property division based on median valuation ratio (S\$' million)<sup>(2)</sup></b>		<b>n.m.<sup>(3)</sup></b>	<b>195.0</b>

Source: Bloomberg L.P., annual reports and/or announcements of the respective Property Comparable Companies and SAC Capital's computations

**Notes:**

- (1) Being a statistical outlier, Ying Li International Real Estate Limited has been excluded from the computation of the mean and median historical PER ratios.
- (2) NTA attributable to the Property division, as provided by the Management, amounted to approximately S\$389.8 million as at 30 September 2017.
- (3) n.m. denotes not meaningful as the Property division was loss-making in FY2016.

Given the asset intensive nature of the Property division, we have considered the NTA-based valuation method such as the price-to-NTA ratio as being a more pertinent measure for assessing the Offer Price relative to the earnings-based valuation methods such as PER. Property-related companies are often valued using a historical NTA-based approach as their asset backings are perceived as providing support for the value of their equity. In addition, the annual earnings of property-related companies may vary considerably over time and between companies due to factors such as the timing of project launches and completion, redevelopment of properties and periodic revaluation of investment properties.

**Based on the appropriate mean and median historical price-to-NTA ratios of the Property Comparable Companies, the implied valuation of the Property division ranges from approximately S\$195.0 million to S\$217.7 million.**

### 6.3.2 Manufacturing division

The WBL Group's Manufacturing division consists of services in precision engineering, specialising in aluminium die-casting and precision machining primarily for the automotive industry as well as the provision turnkey manufacturing solutions.

The Manufacturing division recorded S\$6.6 million of the net profits after tax attributable to equity holders in FY2016, and accounted for approximately 7.2% of the unaudited net book value of the WBL Group as at 30 September 2017.

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In our assessment of the valuation of the Manufacturing division, we have referred to Comparable Companies which are listed and traded on the SGX-ST, which businesses are, in our opinion, broadly comparable with the Manufacturing division (the “**Manufacturing Comparable Companies**”). Details of the Manufacturing Comparable Companies, including their business descriptions and selected key financials are set out in Annex A to this letter.

The following table sets out the comparative valuation statistics of the Manufacturing Comparable Companies:

Company	Historical PER (times)	Historical EV/EBITDA ratio (times)
Spindex Industries Limited <sup>(1)</sup>	9.21	3.88
Miyoshi Limited	16.48	7.04
Allied Technologies Limited	70.52	16.96
AEI Corporation Ltd.	n.m. <sup>(2)</sup>	44.47
Santak Holdings Limited	n.m. <sup>(2)</sup>	n.m. <sup>(2)</sup>
<b>High</b>	<b>70.52</b>	<b>44.47</b>
<b>Mean</b>	<b>12.84<sup>(3)</sup></b>	<b>9.29<sup>(4)</sup></b>
<b>Median</b>	<b>12.84<sup>(3)</sup></b>	<b>7.04<sup>(4)</sup></b>
<b>Low</b>	<b>9.21</b>	<b>3.88</b>
<b>Implied valuation of the Manufacturing division based on mean valuation ratio (S\$' million)<sup>(5)</sup></b>	<b>84.5</b>	<b>113.2</b>
<b>Implied valuation of the Manufacturing division based on median valuation ratio (S\$' million)<sup>(5)</sup></b>	<b>84.5</b>	<b>89.8</b>

Source: Bloomberg L.P., annual reports and/or announcements of the respective Manufacturing Comparable Companies and SAC Capital's computations

### Notes:

- (1) On 9 February 2017, Hong Wei Holdings Ltd and Spindex Industries Limited jointly announced the proposed scheme of arrangement by Hong Wei Holdings Ltd to acquire all the shares in Spindex Industries Limited. On 3 March 2017, DBS Bank Ltd., for and behalf of Hong Wei Holdings Ltd, announced that the SIC had consented to the termination of the scheme and the implementation of the acquisition of the shares by way of a mandatory general offer instead. On 26 April 2017, DBS Bank Ltd. announced the close of the offer.
- (2) n.m. denotes not meaningful as these Manufacturing Comparable Companies were loss-making or reported losses before interest, tax, depreciation and amortisation in their respective latest full-year earnings, as the case maybe.
- (3) Being a statistical outlier, Allied Technologies Limited has been excluded from the computation of the mean and median historical PER ratios.
- (4) Being a statistical outlier, AEI Corporation Limited has been excluded from the computation of the mean and median historical EV/EBITDA ratios.
- (5) Net profit after tax attributable to equity holders and EBITDA attributable to the Manufacturing division for FY2016, as provided by the Management, amounted to approximately S\$6.6 million and S\$10.4 million respectively.

**Based on the appropriate mean and median PER and EV/EBITDA ratios of the Manufacturing Comparable Companies, we have determined that a reasonable implied valuation range of the Manufacturing division to be between approximately S\$84.5 million and S\$113.2 million.**

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### 6.3.3 Distribution division

As at the Latest Practicable Date, the WBL Group's Distribution division comprises the following business activities:

#### (a) Equipment distribution

The Distribution division distributes specialised equipment for several industries through its following sub-segments:

- (i) Welmate supplies architectural ceiling and partition systems, fire protection systems, and wall panelling and cladding systems for the construction industry ("**Construction Materials**");
- (ii) Wealco Equipment specialises in the supply and servicing of tracked excavators manufactured by JC Bamford Excavators Ltd and water jets by CWF Hamilton & Co. Ltd for the construction and marine industries; and
- (iii) Other sub-segments including the distribution of laundry and boiler equipment (through Polytek Engineering) and automotive parts (through Far East Motors).

#### (b) Sand mining

The Distribution division engages in sand mining operations through Pacific Silica Pty Ltd, which produces high quality processed silica sands.

The Distribution division recorded S\$7.2 million<sup>6</sup> of the net profits after tax attributable to equity holders in FY2016, and accounted for approximately 9.8%<sup>6</sup> of the unaudited net book value of the WBL Group as at 30 September 2017.

Given that the Distribution division is engaged in diverse businesses, we consider it appropriate to value each of the Distribution's businesses separately to arrive at an aggregate valuation of the Distribution division on a sum-of-the-parts basis. We have arrived at a range of valuation for the Distribution division rather than a single estimated value as this will provide a more objective measure of the value of the Distribution division taking into account, *inter alia*, each of the Distribution's unlisted businesses which are sensitive to general market and economic conditions.

The following table sets out a summary of the estimated implied valuation of each of the business segments within the Distribution division:

	Lower valuation (S\$' million)	Higher valuation (S\$' million)	Valuation methodology
Equipment distribution	49.8	50.3	<ul style="list-style-type: none"> <li>• Relative valuation based on comparable companies (refer to section 6.3.3.1 of this letter)</li> <li>• Net tangible book values<sup>(1)</sup></li> </ul>
Sand mining	34.7	55.9	<ul style="list-style-type: none"> <li>• Relative valuation based on comparable companies and net tangible book value<sup>(1)</sup> (refer to section 6.3.3.2 of this letter)</li> </ul>

<sup>6</sup> This includes the net profit after tax attributable to equity holders in FY2016 and net book value as at 30 September 2017 attributable to the LPG distribution business which was disposed as at the Latest Practicable Date.

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	Lower valuation (S\$' million)	Higher valuation (S\$' million)	Valuation methodology
E&D HQ	28.2	28.2	• Net tangible book value <sup>(1)(2)</sup>
<b>Sum-of-the-parts valuation of the Distribution division</b>	<b>112.6</b>	<b>134.4</b>	

*Figures may not add due to rounding*

### Notes:

- (1) Based on our discussion with Management, the NTA of Wealco as at 30 September 2017 is the appropriate reflective estimate of its value as at the Latest Practicable Date. We have estimated the equity value for the other non-material businesses (i.e. Polytek Engineering, Far East Motors and E&D HQ) on the basis of their NTA as at 30 September 2017 as these entities continue to hold tangible assets and liabilities.

The Directors have confirmed that, to the best of their knowledge and belief, they are not aware of any material differences between the realisable value of the assets as at the Latest Practicable Date and their respective book values as at 30 September 2017 which would have a material impact on the unaudited NAV and/or NTA of Wealco, Polytek Engineering, Far East Motors and Pacific Silica Pty Ltd.

- (2) As at the Latest Practicable Date, the disposal of the LPG distribution business has been completed. Accordingly, the estimated equity value of E&D HQ comprises the NTA of the E&D HQ as at 30 September 2017, adjusted for the disposal consideration of S\$22 million for the LPG distribution business.

### 6.3.3.1 Construction Materials

In our assessment of the valuation of the Construction Materials business, we have referred to Comparable Companies which are listed and traded on the SGX-ST and the Bursa Malaysia Berhad (“**Bursa**”), whose businesses are, in our opinion, broadly comparable with the Construction Materials business (the “**CM Comparable Companies**”). Details of the CM Comparable Companies, including their business descriptions and selected key financials are set out in Annex A to this letter.

The following table sets out the comparative valuation statistics of the CM Comparable Companies:

Company	Historical PER (times)	Historical EV/EBITDA ratio (times)
Hafary Holdings Limited	8.51	12.96
Intraco Limited	35.63	10.46
Chin Hin Group Berhad	15.41	11.64
Sarawak Consolidated Industries Berhad	33.44	9.77
<b>High</b>	<b>35.63</b>	<b>12.96</b>
<b>Mean</b>	<b>23.25</b>	<b>11.21</b>
<b>Median</b>	<b>24.42</b>	<b>11.05</b>
<b>Low</b>	<b>8.51</b>	<b>9.77</b>
<b>Implied valuation of the Construction Materials business based on mean valuation ratio (S\$' million)<sup>(1)</sup></b>	<b>62.6</b>	<b>40.4</b>
<b>Implied valuation of the Construction Materials business based on median valuation ratio (S\$' million)<sup>(1)</sup></b>	<b>65.8</b>	<b>39.8</b>

Source: Bloomberg L.P., annual reports and/or announcements of the respective CM Comparable Companies and SAC Capital's computations

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**Notes:**

- (1) Net profit after tax attributable to equity holders and EBITDA attributable to the Construction Materials business for FY2016, as provided by the Management, amounted to approximately S\$2.7 million and S\$3.3 million respectively.

When comparing companies operating in different jurisdictions, we believe the EV/EBITDA ratios to be a more appropriate ratio to use as it avoids the distortionary effects of different depreciation and interest rates and different taxation regimes which are inherent when using PER ratios. As such, in deriving the implied valuation of the Construction Materials business, we have relied on the implied valuations based on the mean and median EV/EBITDA ratios only.

**Based on the appropriate mean and median EV/EBITDA ratios of the CM Comparable Companies, we have determined that a reasonable implied valuation range of the Construction Materials business to be between approximately S\$39.8 million and S\$40.4 million.**

### 6.3.3.2 Sand Mining

In our assessment of the valuation of the Sand Mining business, we have referred to Comparable Companies which are principally engaged in the mining of silica sand, which are listed and traded on the NASDAQ Stock Market (“NASDAQ”) and the New York Stock Exchange (“NYSE”), which businesses are, in our opinion, broadly comparable with the Sand Mining business (the “Sand Mining Comparable Companies”). Details of the Sand Mining Comparable Companies, including their business descriptions and selected key financials are set out in Annex A to this letter.

The following table sets out the comparative valuation statistics of the Sand Mining Comparable Companies:

Company	Historical PER (times)	Historical EV/EBITDA ratio (times)
U.S. Silica Holdings, Inc.	n.m. <sup>(1)</sup>	168.33
Hi-Crush Partners LP	n.m. <sup>(1)</sup>	n.m. <sup>(1)</sup>
Fairmount Santrol Holdings Inc	n.m. <sup>(1)</sup>	n.m. <sup>(1)</sup>
Smart Sand, Inc.	25.13	10.30
Emerge Energy Services LP	n.m. <sup>(1)</sup>	n.m. <sup>(1)</sup>
<b>High</b>	<b>25.13</b>	<b>168.33</b>
<b>Mean</b>	<b>25.13</b>	<b>10.30<sup>(2)</sup></b>
<b>Median</b>	<b>25.13</b>	<b>10.30<sup>(2)</sup></b>
<b>Low</b>	<b>25.13</b>	<b>10.30</b>
<b>Implied valuation of the Sand Mining business based on mean valuation ratio (S\$' million)<sup>(3)</sup></b>	<b>55.9</b>	<b>75.2</b>
<b>Implied valuation of the Sand Mining business based on median valuation ratio (S\$' million)<sup>(3)</sup></b>	<b>55.9</b>	<b>75.2</b>

Source: Bloomberg L.P., annual reports and/or announcements of the respective Sand Mining Comparable Companies and SAC Capital's computations

**Notes:**

- (1) n.m. denotes not meaningful as these Sand Mining Comparable Companies were loss-making or reported losses before interest, tax, depreciation and amortisation in their respective latest full-year earnings, as the case maybe.

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- (2) Being a statistical outlier, U.S. Silica Holdings, Inc. has been excluded from the computation of the mean and median historical EV/EBITDA ratios.
- (3) Net profit after tax attributable to equity holders and EBITDA attributable to the Sand Mining business for FY2016, as provided by Management, amounted to approximately S\$2.2 million and S\$8.3 million respectively.

We note that save for Smart Sand, Inc., the Sand Mining Comparable Companies generally recorded losses and negative EBITDA in their latest financial year. In the absence of a meaningful mean and median PER and EV/EBITDA ratios for the Sand Mining Comparable Companies, we have considered using the EV/reserves ratio as a possible valuation parameter to provide an indication of the implied valuation for the Sand Mining business. However, due to limitation on the availability of information on the sand reserves of the Sand Mining business, we have instead referred to the appropriate PER and EV/EBITDA ratios of Smart Sand, Inc., and the net tangible book value of the Sand Mining business as at 30 September 2017<sup>7</sup> to determine a reasonable implied valuation for the Sand Mining business.

**Taking into consideration of the above, we have determined that a reasonable implied valuation range of the Sand Mining business to be between approximately S\$34.7 million and S\$55.9 million.**

### 6.3.4 Engineering division

Through the O'Connor's group of companies, the Engineering division is a provider of applications and solutions for the communications, broadcasting, multimedia, info-communications and the security and surveillance industries.

Based on the information provided by the Management, we note that the Engineering division recorded losses and negative EBITDA for FY2015 and FY2016. Accordingly, we believe that the PER and EV/EBITDA ratios are not meaningful, for which we have provided the net tangible asset value as the implied valuation of the Engineering division.

We have relied on the Management's estimate of the NTA attributable to the Engineering division. As provided by the Management, the unaudited NTA of the Engineering division amounted to S\$36.6 million.

As set out in section 6.2.2 of this letter, the Management provided reasonable estimates on the value of certain investment properties attributable to the Engineering division and accordingly, we have made the following adjustments to unaudited NTA of the Engineering division as at 30 September 2017:

	<b>S\$' million</b>
Unaudited NTA of the Engineering division as at 30 September 2017	36.6
Add: surplus on revaluation of the investment properties attributable to the Engineering division <sup>(1)</sup>	0.9
Adjusted NTA of the Engineering division as at 30 September 2017 (the " <b>Adjusted Engineering NTA</b> ")	<hr/> 37.5

**Note:**

- (1) Attributable to the investment properties located at (a) No 56 & 58 Jalan Dian 8, Taman Munsyi Ibrahim, Jalan Skudai, 81200, Johor Bahru, Johor, Malaysia, and (b) Lots 9-12, Block 31 Phase 2A, Bandar Penampang, Kota Kinabalu, Sabah, Malaysia.

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<sup>7</sup> NTA attributable to the Sand Mining business, as provided by the Management, amounted to approximately S\$34.7 million as at 30 September 2017.

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The Directors have confirmed that save as disclosed above, to the best of their knowledge and belief, they are not aware of any material differences between the realisable value of the assets as at the Latest Practicable Date and their respective book values as at 30 September 2017 which would have a material impact on the unaudited NAV and/or NTA of the Engineering division.

**Taking into consideration of the above, we have ascribed the implied valuation of the Engineering division to be S\$37.5 million.**

### 6.3.5 Corporate Services & Others division

The Corporate Services & Others division comprise a number of dissimilar businesses (including the growing of agricultural seedlings) and other assets and liabilities (including WBL's shareholding interest of 21,712,000 UEL Ordinary Shares, group level debts and corporate expenses) which cannot be directly attributed to any of the four distinct businesses divisions of the Group.

We have considered the following in arriving at the implied valuation of the Corporate Services & Others division:

- (a) based on the information provided by the Management, we note that the Corporate Services & Others division recorded losses and negative EBITDA for FY2015 and FY2016 and accordingly, we believe that the PER and EV/EBITDA are not meaningful. As such, we have ascribed the NTA value attributed to the Corporate Services & Others division (excluding WBL's shareholding interest in the Company) of approximately S\$97.9 million as at 30 September 2017, as provided by the Management, to the Corporate Services & Others division (excluding the WBL's shareholding interest in the Company); and
- (b) in assessing the valuation of the WBL's shareholding interest in the Company, we have taken into consideration the market value of the UEL Ordinary Shares traded on the SGX-ST. Based on the closing price of the UEL Ordinary Shares of S\$2.64 on the Latest Practicable Date, the valuation of the WBL's shareholding interest in the Company amounted to S\$57.3 million as at the Latest Practicable Date.

The Directors have confirmed that, to the best of their knowledge and belief, they are not aware of any material differences between the realisable value of the assets as at the Latest Practicable Date and their respective book values as at 30 September 2017 which would have a material impact on the unaudited NAV and/or NTA of the Corporate Services & Others division.

**Taking into consideration of the above, we have ascribed the implied valuation of the Corporate Services & Others division to be S\$155.2 million.**

### 6.4 **Historical Financial Performance and Condition of the WBL Group**

The salient historical financial information of the WBL Group for the last 3 financial years ended 31 December 2014, 2015 and 2016 ("FY2014", "FY2015" and "FY2016" respectively) and the 9-month financial periods ended 30 September 2016 and 2017 ("9M2016" and "9M2017" respectively) are set out as follows:



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<b>Consolidated statement of comprehensive income</b>	← Audited →			← Unaudited →		
	(S\$'000)	FY2014	FY2015 <sup>(1)</sup>	FY2016 <sup>(1)</sup>	9M2016	9M2017
Revenue		1,125,731	324,911	297,447	216,764	218,182
Gross profit		88,744	43,446	52,902	39,607	36,999
Profit / (loss) before tax from continuing operations		9,562	(5,717)	(156)	243	(665)
Loss attributable to equity holders of WBL - continuing operations, net of tax		(8,686)	(4,593)	(4,983)	(1,285)	(8,790)
Profit attributable to equity holders of WBL – discontinued operations, net of tax		91,146 <sup>(2)</sup>	38,223 <sup>(3)</sup>	128,247 <sup>(3)</sup>	127,758 <sup>(3)</sup>	-

<b>Balance sheet</b>	← Audited →			Unaudited	
	(S\$'000)	31 December 2014	31 December 2015	31 December 2016	30 September 2017
Current assets		1,513,606	1,254,342	793,594	784,206
Current liabilities		650,243	411,471	173,173	184,423
Working capital		863,363	842,871	620,421	599,783
Non-current assets		460,072	482,733	282,993	279,484
Non-current liabilities		53,527	166,268	143,600	136,741
Equity attributable to owners of WBL		1,033,899	907,350	745,468	727,785

<b>Consolidated cashflow statement</b>	← Audited →			← Unaudited →		
	(S\$'000)	FY2014	FY2015	FY2016	9M2016	9M2017
Net cash (used in) / from operating activities		(35,174)	196,579	21,682	5,726	29,273
Net cash (used in) / from investing activities		233,125	51,222	239,688	238,620	(7,577)
Net cash (used in) / from financing activities		(234,283)	(161,131)	(524,378)	(457,917)	70,274
Net change in cash and cash equivalents		(36,332)	86,670	(263,008)	(213,571)	91,970
Cash and cash equivalents at end of year		263,036	364,344	85,852	139,287	176,705

Source: WBL's audited financial statements for FY2015 and FY2016 and WBL's management accounts for 9M2016 and 9M2017.

**Notes:**

- (1) The figures were re-presented to exclude the discontinued business in relation to Multi-Fineline Electronix, Inc ("MFLEX") and its subsidiaries subsequent to a merger agreement with Suzhou Dongshan Precision Co., Ltd., and Dragon Electronic Sub Inc., which was completed in July 2016.
- (2) Refers to the results of MFS Technology (S) Pte Ltd ("MFSS") and its subsidiaries and the automotive business which were divested on 18 November 2014 and 24 November 2014 respectively.

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(3) Refers to the discontinued business in relation to MFLEX and its subsidiaries.

We note the following from the Management:

- (a) the WBL Group's revenue had decreased from S\$1,125.7 million in FY2014 to S\$297.4 million in FY2016. The WBL Group's revenue for FY2015 had decreased by S\$800.8 million or 71.1% from S\$1,125.7 million in FY2014 to S\$324.9 million in FY2015 mainly due to re-classification of the contribution from MFLEX to discontinued operation in FY2015 as a result of its disposal in July 2016. The WBL Group's revenue had decreased by S\$27.5 million or 8.5% from S\$324.9 million in FY2015 to S\$297.4 million in FY2016 mainly due to lower contribution from the systems integration business and the manufacturing business in China. The WBL Group's revenue had increased marginally by S\$1.4 million or 0.7% from S\$216.8 million in 9M2016 to S\$218.2 million in 9M2017 mainly due to higher revenue from the property sales at Chengdu Orchard Villa and Shenyang Orchard Summer Palace, which was partially offset by lower revenue contribution from the distribution business and the manufacturing business in China;
- (b) the loss attributable to equity holders of WBL (continuing operations) decreased by 47.1% from S\$8.7 million in FY2014 to S\$4.6 million in FY2015. Excluding the loss attributable from MFLEX in FY2014 of S\$18.3 million, the WBL Group would have recorded a profit attributable to equity holders of S\$9.6 million in FY2014. The loss attributable to equity holders (continuing operations) of WBL of S\$4.6 million in FY2015 *vis-a-vis* a profit attributable to equity holders of WBL of S\$9.6 million in FY2014 was mainly due to the absence of gain from disposal of subsidiaries as recorded in FY2014 and higher losses from its China manufacturing businesses in FY2015, which was partially offset by the disposal gains recorded by the joint ventures in Malaysia and China in FY2015;
- (c) the loss attributable to equity holders of WBL (continuing operations) increased by 8.5% from S\$4.6 million in FY2015 to S\$5.0 million in FY2016 mainly due to the absence of disposal gains recorded by the joint ventures in Malaysia and China in FY2015, which was partially offset by the write-back of provision for development charge and profit recorded by the China manufacturing business in FY2016;
- (d) the loss attributable to equity holders of WBL (continuing operations) increased by S\$7.5 million or 584.0% from S\$1.3 million in 9M2016 to S\$8.8 million in 9M2017 mainly due to higher income tax expense in 9M2017 as a result of higher losses incurred by certain overseas subsidiaries which were not available for group relief as well as the absence of write-back of over provision of prior years' income tax which was recorded in 9M2016;
- (e) the WBL Group had recorded decreasing working capital from S\$863.4 million as at 31 December 2014 to S\$599.8 million as at 30 September 2017. The WBL Group recorded working capital of S\$599.8 million as at 30 September 2017 mainly due to the decrease in properties held for sale as a result of the handover of completed units of Chengdu Orchard Villa and Shenyang Orchard Summer Palace to customers, and the increase in trade and other payables mainly due to an increase in pre-sales proceeds received from customers for Chengdu Orchard Villa Phase 4 development which is expected to be completed and handed over in the next 12 months;
- (f) the equity attributable to owners of the WBL Group amounted to S\$727.8 million as at 30 September 2017;
- (g) the WBL Group had recorded net cash used in operating activities of S\$35.2 million in FY2014, and net cash from operating activities of S\$196.6 million and S\$21.7 million in FY2015 and FY2016 respectively; and

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- (h) as at 30 September 2017, the WBL Group's bank balances and deposits amounted to S\$176.7 million.

### 6.5 Financial Effects of the Offer on the UEL Group

The pro forma financial effects of the Offer on the UEL Group, based on the audited consolidated financial statements of the UEL Group for FY2016, are set out in section 11 of the Circular for illustration purposes only and do not reflect the actual financial position and earnings of the UEL Group following the Offer. Shareholders are advised to read the information carefully, including the bases and assumptions set out therein.

We note the following:

(a) NTA per UEL Ordinary Share

The NTA per UEL Ordinary Share would increase from S\$3.05 to S\$3.22 after the Offer.

(b) Earnings per UEL Ordinary Share ("EPS")<sup>(1)</sup>

The EPS of the UEL Group would increase from 22.0 cents to 28.3 cents after the Offer.

(c) Share capital

The Offer will not have any impact on the issued and paid-up share capital of the Company.

**Note:**

- (1) The EPS takes into account the profit attributable to the owners of the Company from the discontinued operations (net of tax) and the profit attributable to equity holders of WBL from the discontinued operations (net of tax).

Shareholders should note that the financial effects analysis does not purport to be an indication or a projection or an estimate of the financial results and financial position of the Group after the completion of the Offer.

### 6.6 Other Relevant Considerations

#### 6.6.1 Outlook of the UEL Group

In the announcement of the UEL Group's unaudited financial statements for the 9-month financial period ended 30 September 2017, the following commentary was made in relation to the competitive conditions of the industry in which the UEL Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months:

*"Although regional geopolitical uncertainties continue to persist, Singapore property market seemed to have stabilised with improved overall sentiments and strengthening global economic conditions. In China, the property cooling measures have brought about a relative slowdown in activity but the property market may continue to see sustainable growth in the longer term."*

References to the PRC property market are relevant to the WBL Group given its significant property development business in the PRC.

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### 6.6.2 Historical prices paid for the WBL Shares by the Company

We note that J.P Morgan (S.E.A.) Limited had on 30 January 2013 announced, for and on behalf of UECV, its intentions to make an offer to acquire, *inter alia*, all the WBL Shares at an offer price of S\$4.00 per WBL Share. The offer price was subsequently revised to S\$4.15 per WBL Share as announced on 12 March 2013. On 9 May 2013, J.P Morgan (S.E.A.) Limited announced, for and on behalf of UECV, on the revision of the offer price of S\$4.15 per WBL Share to the final offer price of S\$4.50 per WBL Share (the “**Previous Offer Price**”). The offer was completed on 29 May 2013. On 19 November 2013, WBL and UECV jointly announced the voluntary delisting of WBL from the Official List of the SGX-ST at an exit offer price of S\$4.45<sup>8</sup> per WBL Share (the “**Previous Exit Offer Price**”). Accordingly, WBL was delisted from the Official List of the SGX-ST on 18 February 2014.

Following the delisting of WBL from the Official List of the SGX-ST on 18 February 2014, we note that it had disposed of its shareholding interests in certain subsidiaries and businesses including, the automotive business and technology businesses (the “**Business Disposals**”). Accordingly, we have not compared the Offer Price *vis-à-vis* the Previous Offer Price and the Previous Exit Offer Price as it may not be meaningful after taking into consideration the Business Disposals.

### 6.6.3 Historical price paid for the WBL Shares by YPIS

We note that the basis of the Offer Price was arrived at on a willing-buyer-willing-seller basis pursuant to negotiations between the Offeror and YPIS and after taking into account, *inter alia*, that the WBL Vendors had publicly disclosed that they are willing to divest their WBL Shares and are prepared to do so at the same price as the Offer Price by reason of the YPIS-OCBC Arrangement (the “**WBL Vendors Sale Price**”).

Accordingly, we note that the Offer Price for the acquisition of the WBL Shares from YPIS would be the same *vis-à-vis* the WBL Vendors Sale Price agreed between YPIS and the WBL Vendors pursuant to the YPIS-OCBC Arrangement.

### 6.6.4 YPIS offers potential synergistic value

As stated in the YPIS Offer Document, Yanlord Land Group Limited (“**YLGL**”) and Perennial Real Estate Holdings (“**Perennial**”) are both sponsors of YPIS, and are real estate companies which own and manage sizeable portfolios primarily in Singapore and the PRC. Accordingly, there may be synergistic value between YLGL and Perennial’s business operations with those of the WBL Group.

We note from the YPIS Offer Document that YPIS intends to leverage on the asset and project management skills of YLGL and Perennial and work with the board and management team of the Company to unlock the inherent value of WBL’s income-producing and freehold assets through selective enhancement works in Singapore. In addition, YPIS aims to improve the performance of WBL’s properties by leveraging on the expertise and execution capabilities of YLGL and Perennial, as well as their existing network and strong relationships with the local authorities in the PRC. Nonetheless, there is no assurance that the financial performance of the WBL Group may improve.

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<sup>8</sup> The exit offer price was based on the Previous Offer Price of S\$4.50 in cash for each WBL Share and after adjusting for the interim tax-exempt (1-tier) dividend of S\$0.05 per WBL Share which was paid by the Company on 1 August 2013.

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## APPENDIX 1: IFA LETTER

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### 6.6.5 Historical dividend track record of WBL

WBL had declared and paid the following ordinary dividends in the respective financial years/period:

<b>(S\$)</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>9M2017</b>
Interim dividend per WBL Share	-	-	0.80	-
Final dividend per WBL Share	0.50	0.20	-	-
<b>Total dividends per WBL Share</b>	<b>0.50</b>	<b>0.20</b>	<b>0.80</b>	-

*Source: WBL's audited financial statements for FY2015 and FY2016, and WBL's management accounts for 9M2017*

We note that WBL does not have a fixed dividend policy. However, WBL has a track record of paying dividends to WBL Shareholders. The total dividends declared and paid per WBL Share in FY2014, FY2015 and FY2016 were S\$0.50, S\$0.20 and S\$0.80 respectively. No dividends were declared in 9M2017.

Shareholders should note that past dividend payouts should not be in any way be relied upon as an indication or promise of WBL's future dividend payouts. There is no assurance that WBL will maintain the level of dividends paid in the past financial years after the completion of the Offer. In addition, the quantum of dividends paid by WBL in any period would depend upon various factors including but not limited to the financial position of the WBL Group, retained earnings, results of operation and cash flows, the WBL Group's expected working capital requirements and capital expenditure, future expansion and investment plans, funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the WBL Group.

### 6.6.6 No assurance of profitability of the WBL Group

Based on the audited financial statements of the WBL Group for FY2015, FY2016 and the management accounts for 9M2017, we note that the WBL Group had recorded net losses after tax from continuing operations of S\$8.7 million, S\$4.6 million, S\$5.0 million and S\$8.8 million in FY2014, FY2015, FY2016 and 9M2017 respectively.

Shareholders should note that there is no assurance that the WBL Group will be profitable in the near future or in the long-term. In addition, there is no assurance that the steps taken or to be taken by the UEL Group or the WBL Group subsequent to the Proposed IPT to improve the profitability and Shareholders' value will be successful or would result in an enhancement of Shareholders' value or would result in the UEL Ordinary Shares being traded at prices higher than the UEL Ordinary Share prices as at the Latest Practicable Date.

### 6.6.7 Irrevocable Undertaking from YPIS

As at the Latest Practicable Date, YPIS holds 28,120,063 WBL Shares, representing approximately 10.0% of the issued WBL Shares. We note from section 2.4 of the Circular that YPIS had provided irrevocable undertakings to the Offeror to undertake to, *inter alia*, tender and procure that each of its nominees (if any) will tender or procure to tender, such number of WBL Shares held legally and/or beneficially by YPIS (or its nominees), and any other WBL Shares which YPIS or its nominees may subsequently acquire (directly or indirectly through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Offer.

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## APPENDIX 1: IFA LETTER

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### 6.6.8 Offer conditional upon satisfaction of the Pre-Condition

As set out in section 2.1 of the Circular, the making of the Offer by the Offeror will be subject to the satisfaction of the Pre-condition, being the obtainment of the Shareholder Approval before the Long-Stop Date. Accordingly, the Offer will only proceed if a majority of the Independent Shareholders vote in favour of the Proposed IPT.

### 6.6.9 Abstention from voting

As set out in section 6.9 of the Circular, YPIS, Mr Zhong and Mr Pua and their respective associates will abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Proposed IPT as (a) YPIS is the “interested person” in the context of the Proposed IPT, (b) Mr Zhong is a director of YPIS and has an aggregate indirect interest of more than 30.0% of the issued share capital of YPIS; and (c) Mr Pua is a director of YPIS.

Mr Zhong and Mr Pua will also decline to accept appointment as proxy for any Shareholder to vote in respect of such resolution, unless the Shareholder concerned has given instructions in his proxy form as to the manner in which his votes are to be cast in respect of the ordinary resolution.

## 7. OUR OPINION AND ADVICE

In arriving at our opinion and advice in respect of the Proposed IPT, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) the rationale and benefits of the Offer to the Company;
- (b) the comparison of NAV and NTA of the WBL Group;
- (c) the sum-of-the-Parts Valuation Analysis;
- (d) the historical financial performance and condition of the WBL Group;
- (e) the financial effects of the Offer on the UEL Group; and
- (f) other relevant considerations.

**Having considered the above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that the Proposed IPT is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, we advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed IPT at the EGM.**

Our opinion and advice are prepared to comply with Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Proposed IPT. The recommendation to be made by the Independent Directors to the Independent Shareholders shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of the Proposed IPT.

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## APPENDIX 1: IFA LETTER

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Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore. Our opinion and advice are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC CAPITAL PRIVATE LIMITED**

Bernard Lim Aik Kwang  
Executive Director

Tan Kian Tiong  
Manager

Property Comparable Companies

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date (S\$)	Market capitalisation (S\$ million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (million)
First Sponsor Group Limited (SGX-ST)	First Sponsor Group Limited, an investment holding company, is engaged in the property development and investment activities primarily in the People's Republic of China. Its properties include residential and commercial properties.	1.400	825.7	31 December	S\$ 113.1
Ying Li International Real Estate Limited (SGX-ST)	Ying Li International Real Estate Limited develops, owns and manages shopping malls and offices in China. It also specialises in urban renewal projects.	0.152	388.7	31 December	RMB 87.7
Pan Hong Holdings Group Limited (SGX-ST)	Pan Hong Holdings Group Limited develops residential and commercial properties in the People's Republic of China.	0.330	169.1	31 March	RMB 100.9

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies



## APPENDIX 1: IFA LETTER

### Annex A

#### Manufacturing Comparable Companies

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date (S\$)	Market capitalisation (S\$ million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (S\$ million)
Spindex Industries Limited (SGX-ST)	Spindex Industries Limited manufactures, imports, exports, and deals with mechanical, electrical, and electronic parts. It also manufactures and trades precision machine parts, plastic molds and injections, and other related plastic and engineering materials.	1.120	129.2	30 June	14.0
Allied Technologies Limited (SGX-ST)	Allied Technologies Limited manufactures precision stamped metal parts for computer and computer peripherals industries. It also provides integrated manufacturing services ranging from design and product development, prototyping, tool and die fabrication, production and mechanical sub-assembly services. Allied Technologies Limited also produces and assembles LCD monitors and other electronics.	0.071	95.9	31 December	1.4
Miyoshi Limited (SGX-ST)	Miyoshi Limited designs and manufactures mould and precision pressed parts for data storage products. It also trades its related products, and its business includes metal stamping, fabrication of parts and components of machine tools, electroplating, and surface treatment.	0.079	39.0	31 August	2.2
AEI Corporation Ltd. (SGX-ST)	AEI Corp Ltd. manufactures aluminum extrusion sections for electronics and precision engineering, and construction and infrastructure building industries. It also manufactures, imports, exports metal materials and other related products.	0.900	24.4	31 December	(2.4)

## APPENDIX 1: IFA LETTER

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date (S\$)	Market capitalisation (S\$ million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (S\$ million)
Santak Holdings Limited (SGX-ST)	Santak Holdings Limited manufactures custom-made precision-machined components for hard disk drives, fiber-optic connectors and communication products. It also manufactures coils used as antennas for contactless smartcards, tags and transponders. Santak Holdings Limited also trades custom-made electronic components such as heat sinks, printed circuit boards, connectors, LCD modules and solenoids.	0.100	10.8	30 June	(2.6)

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

## APPENDIX 1: IFA LETTER

### Annex A

#### Distribution Comparable Companies

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date	Market capitalisation (million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (million)
<b>Sand Mining Comparable Companies</b>					
U.S. Silica Holdings, Inc. (NYSE)	U.S. Silica Holdings, Inc. is a producer of industrial silica and sand proppants. It produces a variety of industrial minerals including sand proppants, whole grain silica, ground silica, fine ground silica, calcined kaolin clay, and aplite clay. U.S. Silica offers its products to the oil and gas, glass, chemical, and building products industries.	USD 36.57	USD 2,971	31 December	(USD 41.1)
Fairmount Santrol Holdings Inc (NYSE)	Fairmount Santrol Holdings Inc. operates as a holding company. Through its subsidiaries, it produces sand and sand-based products used by oil and gas exploration and production companies. Fairmount Santrol Holdings serves customers worldwide.	USD 5.88	USD 1,318	31 December	(USD 140.2)
Hi-Crush Partners LP (NYSE)	Hi-Crush Partners LP is a domestic producer of premium monocrySTALLINE sand, a specialized mineral that is used as a "proppant" to enhance the recovery rates of hydrocarbons from oil and natural gas wells. It owns, operates, and develops sand reserves in Wisconsin and limited portions of the upper Midwest region of the United States.	USD 12.35	USD 1,124	31 December	(USD 81.0)
Smart Sand, Inc. (NASDAQ)	Smart Sand, Inc. provides industrial sand, offers proppants sand products and renders logistics services. Smart Sand serves customers in North America.	USD 10.10	USD 408.0	31 December	USD 10.4

## APPENDIX 1: IFA LETTER

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date	Market capitalisation (million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (million)
Emerge Energy Services LP (NYSE)	Emerge Energy Services LP owns, operates, acquires and develops a diversified portfolio of energy service assets. Its operations are organized into two service oriented business segments, sand and fuel processing and distribution.	USD 8.82	USD 266.1	31 December	(USD 113.2)

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

## APPENDIX 1: IFA LETTER

Company	Business description (extracted from Bloomberg)	Share price as at Latest Practicable Date	Market capitalisation (million)	Financial year-end	Net profit/(loss) after tax attributable to shareholders (million)
<b>CM Comparable Companies</b>					
Chin Hin Group Berhad (Bursa)	Chin Hin Group Berhad provides building materials and services. It offers steel mesh reinforcement, metal roofing systems, aerated autoclaved (lightweight) cement block, pre-cast concrete products, and cement.	RM 1.170	RM 651.0	31 December	RM 41.4
Hafary Holdings Limited (SGX-ST)	Hafary Holdings Ltd., through its subsidiaries, supplies tiles to customers in the Singapore market. It imports wide range of tiles sourced from tile manufacturers located around the world, including porcelain, ceramics and glass, as well as tiles from naturally occurring materials such as marble, granite and sandstone.	SGD 0.162	SGD 69.7	31 December	SGD 8.2
Intraco Limited (SGX-ST)	Intraco Limited operates as an investment management company. It focuses on investment in fire protection, colour and modified compounding of resins, telecommunications infrastructure, crane rental, and trading and distribution of plastic resin products. Intraco serves customers worldwide..	SGD 0.270	SGD 28.0	31 December	SGD 0.8
Sarawak Consolidated Industries Berhad (Bursa)	Sarawak Consolidated Industries Berhad is an investment holding company. Through its subsidiaries, it invests in and develops properties and manufactures and sells concrete products.	RM 0.620	RM 53.2	31 December	RM 1.6

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies



# 银信资产评估有限公司

· YINXIN APPRAISAL CO.,LTD.

## 关于本次评估适用评估准则的声明

我们接受委托，对成都华新国际实业有限公司、沈阳夏宫房地产开发有限公司和上海奥林匹克置业投资有限公司截至评估基准日 2017 年 10 月 31 日的下列开发物业价值进行了评估：

(1) 成都华新国际实业有限公司的开发物业。包括：锦绣尚郡 1-3 期部分已完工待售物业，锦绣尚郡 4 期、5 期（5A/5B）在开发物业，以及未开发的 6 期、样板商业区五块宗地。

(2) 沈阳夏宫房地产开发有限公司的开发物业。包括：1 号办公楼、2 号楼酒店式公寓、3#商场、夏宫俱乐部及地下车位等已完工待售物业，夏宫 4-8 号楼住宅（含车位）在开发物业。

(3) 上海奥林匹克置业投资有限公司 3.2 期宗地的开发成本。包括：3.2 期宗地面积 33,471 平方米，该宗地东临涑亭北路，南邻涑寅路，西临河道，北临涑坊路。

我们对上述物业实施了包括市场调查和询价等必要的评估程序，对评估对象在评估基准日的价值进行分析、估算并发表专业意见。

本报告评估结论的价值类型为市场价值。

所谓市场价值是指自愿买方和自愿卖方在各自理性行事且未受任何强迫的情况下，评估对象在评估基准日进行正常公平交易的价值估计数额。

本次评估所采用的评估方法为假设开发法。所适用的评估准则主要为中国资产评估协会于 2017 年 9 月 8 日发布的《资产评估准则—不动产》（中评协（2017）38 号）。该准则与国际评估准则（IVS）中的 IVS410-开发物业（IVS 410 Development Property）之间不存在明显差异。

银信资产评估有限公司是上海地区规模较大且具有专业水准的资产评估机构，拥有中国证券监督管理委员会和中华人民共和国财政部联合颁发的证券期货相关业务评估资格证书，批准文号：财企（2008）360 号，证书编号：0210002001，发证时间：2008 年 12 月 1 日。



# 银信资产评估有限公司

YINXIN APPRAISAL CO.,LTD.

同时拥有经上海市财政局颁发的资产评估资格证书，批准文号：沪国资委评（2005）567号，证书编号：31020026，发证时间：2011年12月30日。公司总部设在上海市九江路69号。

银信资产评估有限公司

2018年1月12日





# 证券期货相关业务评估资格证书

经财政部、中国证券监督管理委员会审查，批准  
银信资产评估有限公司 从事证券、期货相关评估业务。

批准文号：财企[2008]360号 证书编号：0210002001  
变更文号：财办企[2012]8号  
序列号：000119

发证时间：二〇一二年二月







# 资产评估资格证书

经审查，**银信资产评估有限公司** 符合《资产评估机构审批管理办法》及有关规定，准予从事资产评估业务，特发此证。

批准文号：沪国资委评[2005]567号

证书编号：31020026

批准机关



发证时间

二〇〇五年十二月三十日

序列号：00005869

中华人民共和国财政部统一印制



## 银信资产评估有限公司

YINXIN APPRAISAL CO.,LTD.

### **Statement on Standard Applicable to this Appraisal**

We are entrusted to appraise the value of following properties developed by Chengdu Huaxin International Realty Co Ltd, Shenyang Summer Palace Property Development Co., Ltd. and Shanghai Olympic Garden Property Development Co., Ltd up to the appraisal date October 31, 2017:

(1) Properties developed by Chengdu Huaxin International Realty Co Ltd including completed property for sale of Orchard Villa Phase 1-3, property under development of Orchard Villa Phase 4, Phase 5 (5A/5B), undeveloped phase 6 and sample commercial area.

(2) Properties developed by Shenyang Summer Palace Property Development Co., Ltd., including completed properties for sale such as No. 1 office building, No. 2 Service Apartment, No 3 shopping mall, Embassy Club and underground parking spaces; properties under development of No. 4-8 Summer Palace Residential Buildings (including parking spaces).

(3) Development costs of phase 3.2 land of Shanghai Olympic Garden Property Development Co., Ltd, including the phase 3.2 land with the area of 33,471 square meters. Such land is located at the west of North Laiting Road, north of Laiyin Road, east of the riverway and south of Laifang Road.

We have implemented necessary appraisal procedure for the properties above including market investigation and enquiry, analyzed, estimated the value of the appraisal object on the base date of appraisal, and given professional advices.

The market value is appraised in this report.

The market value refers to the estimated amount for which the property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, where the parties had each acted knowledgeably and without compulsion.

The hypothetical development method is used for this appraisal. The standard applicable to this appraisal mainly is Asset Approval Standard -Real Estate, released by



## 银信资产评估有限公司

YINXIN APPRAISAL CO.,LTD.

China Appraisal Society on 8 Sep,2017 (No. 38 China Appraisal Society (2017)). Such standard does not have evident difference from the International Valuation Standard (IVS) 410- Development Property.

YINXIN APPRAISAL CO., LTD. is a large-scale asset appraisal institution in Shanghai, and has the certificate (Approval document No.: No. 360 Financial Enterprise (2008), certificate No.: 0210002001, date of issue: December 1, 2008) for appraisal related to securities and futures jointly issued by China Securities Regulatory Commission and Ministry of Finance of the People's Republic of China.

We also have the asset appraisal certificate (Approval Document No.: No. 567 (2005), certificate No.: 31020026, date of issue: December 30, 2011) issued by Shanghai Bureau of Finance. Our head office is located at Floor 5, No. 61, East Nanjing Road, Shanghai.

YINXIN APPRAISAL CO., LTD.

January 12, 2018



银信资产评估有限公司  
地址：上海市九江路69号2F  
电话：021-63391088  
传真：021-63391116 邮编：200002

## 沈阳夏宫房地产开发有限公司 部分房地产价值评估咨询报告书

银信评咨字（2017）沪第 325-2 号

### 摘 要

以下内容摘自评估咨询报告书，欲了解本评估项目的全面情况，应认真阅读评估咨询报告书全文。

本公司——银信资产评估有限公司接受新加坡联合工程有限公司委托，本着客观、独立、公正、科学的原则，按照公认的评估方法，对因其子公司——新加坡维信集团有限公司部分股权转让事宜所涉及的华新国际公司下属房地产项目公司的部分房地产价值进行了评估。本公司评估人员按照必要的评估程序对委托评估的资产实施了实地查勘及市场调查，对委估房地产截止 2017 年 10 月 31 日所表现的资产价值作出了公允反映。现将评估情况及评估结果报告如下：

**评估对象和范围：**本次评估的对象为沈阳夏宫房地产开发有限公司所拥有的部分房地产价值；评估范围为沈阳夏宫房地产开发有限公司在评估基准日 2017 年 10 月 31 日的部分房地产（详见评估结果明细表），账面净值为人民币 1,782,299,528.76 元。

**评估基准日：**2017 年 10 月 31 日

**评估目的：**为股权转让事宜涉及的部分委估房地产提供价值咨询意见。

因新加坡联合工程有限公司子公司——新加坡维信集团有限公司部分股权转让事宜，委托方欲了解华新国际公司下属房地产项目公司的部分房地产价值，为此需对所涉及的部分房地产进行清查和评估，以给委托方提供价值咨询意见。

**评估方法：**假设开发法。

**评估结论：**评估人员根据评估目的，遵循评估原则，认真分析现有的资料和影响房地产价格的市场因素，采用上述评估方法对委估资产进行估算，确定评估对象于评估基准日的股权价值评估中的房地产价值为人民币 2,149,298,320.00 元。

## APPENDIX 2: SUMMARY VALUATION



银信资产评估有限公司  
 地址：上海市九江路69号2F  
 电话：021-63391088  
 传真：021-63391116 邮编：200002

评估结果汇总如下：

### 评估结果汇总表

评估基准日：2017年10月31日

金额单位：人民币万元

公司名称	项目名称	账面值	评估值	增减额 C=B-A	增减率% D=C/A
		A	B		
沈阳夏宫房地产开发 有限公司	1号办公楼	54,152.29	214,929.83	36,699.88	20.59%
	2号楼酒店式公寓	40,389.29			
	3号商场	37,031.76			
	4-8号楼住宅	46,656.61			
小计		178,229.95	214,929.83	36,699.88	20.59%

本函仅为本咨询报告结果之摘要，请仔细阅读报告全文以了解评估详情。

银信资产评估有限公司

2017年11月30日



Yinxin Appraisal Co., Ltd.  
Add.: 2F, 69 Jiujiang Road, Shanghai  
Tel.: 021-63391088  
Fax: 021-63391116  
P.C.: 200002

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**Advisory Report on the Appraisal of Partial Real Estate of  
Shenyang Summer Palace Property Development Co., Ltd.**

**YXPZZ (2017) Shanghai No: 325-2**

**Abstract**

**The following contents are abstracted from the advisory report on real estate appraisal. If you would like to acknowledge the overall situation of the appraisal project, please read the full text of the advisory report thoroughly.**

Entrusted by United Engineers Limited, we, Yinxin Appraisal Co., Ltd., based on principles of being objective, independent, fair and scientific, accordance with the accepted assessment methods, have appraised the value of partial real estate of a real estate development company affiliated to Huaxin International, which is related to partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited. Our appraisers have conducted field investigation and market research on the assets for appraisal according to the necessary appraisal procedure, and have fairly reflected the asset value of the real estate as by 31 Oct 2017. The appraisal situation and results hereby are reported below:

**Purpose and Scope of Appraisal:**

The purpose of appraisal is the value of partial real estate owned by Shenyang Summer Palace Property Development Co., Ltd. The scope of appraisal is the partial real estate owned by Shenyang Summer Palace Property Development Co., Ltd. with the book value (RMB 1,782,299,528.76) on base date - 31 Oct 2017. (Refer to the Summary of Appraisal Results below)

**Base Date of Appraisal:**

31 Oct 2017

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## APPENDIX 2: SUMMARY VALUATION



Yinxin Appraisal Co., Ltd.  
Add.: 2F, 69 Jiujiang Road, Shanghai  
Tel.: 021-63391088  
Fax: 021-63391116  
P. C.: 200002

### Purpose of Appraisal:

To provide advisory opinions on the partial real estate for appraisal related to equity transfer.

Due to the partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited, the entrusting party would like to acknowledge the value of the partial real estate of the real estate development company affiliated to Huaxin International. Therefore, we have conducted thorough investigation and appraisal on the partial real estate concerned, and hereby provided advisory opinions on the value to the entrusting party.

### Method of Appraisal:

Hypothetical development method.

### Results of Appraisal:

Our appraisers have conducted careful analysis into the materials available and the market factors that affect the real estate price in accordance with the purpose and principles of appraisal, and have adopted the above mentioned appraisal method to estimate the value of the assets for appraisal. We have confirmed the value of the real estate on the base day of equity appraisal to be RMB 2,149,298,320.00.

The results of appraisal are summarized below:

### Summary of Appraisal Results

Base Day of Appraisal: 31 Oct 2017

Currency & Unit: RMB 10,000

Name of Company	Name of Project	Book Value	Appraised Value	Increase/Decrease Amount C=B-A	Increase/Decrease Ratio % D=C/A
		A	B		
Shenyang Summer Palace Property Development Co., Ltd.	No. 1 - Office Building	54,152.29	214,929.83	36,699.88	20.59%
	No. 2 - Service Apartment	40,389.29			
	No. 3 - Shopping Mall	37,031.76			

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Advisory Report on the Appraisal of Partial Real Estate of  
Shenyang Summer Palace Property Development Co., Ltd.

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## APPENDIX 2: SUMMARY VALUATION

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Yinxin Appraisal Co., Ltd.

Add.: 2F, 69 Jiujiang Road, Shanghai

Tel.: 021-63391088

Fax: 021-63391116

P.C.: 200002

	No. 4-8 – Residential Buildings	46,656.61			
	Sub-total	178,229.95	214,929.83	36,699.88	20.59%

This letter is an abstract of the result of advisory report. If you would like to acknowledge the detailed appraisal situation, please read the full text of the advisory report thoroughly.

Yinxin Appraisal Co., Ltd.

30 Nov, 2017





银信资产评估有限公司  
地 址：上海市九江路69号4F  
电 话：021-63391088  
传 真：021-63391116 邮 编：200002

## 成都华新国际实业有限公司 部分房地产价值评估咨询报告书

银信评咨字（2017）沪第 325-1 号

### 摘 要

以下内容摘自评估咨询报告书，欲了解本评估项目的全面情况，应认真阅读评估咨询报告书全文。

本公司——银信资产评估有限公司接受新加坡联合工程有限公司委托，本着客观、独立、公正、科学的原则，按照公认的评估方法，对因新加坡联合工程有限公司子公司一新加坡维信集团有限公司部分股权转让事宜所涉及的华新国际公司下属房地产项目公司的部分房地产价值进行了评估。本公司评估人员按照必要的评估程序对委托评估的资产实施了实地查勘及市场调查，对委估房地产截止 2017 年 10 月 31 日所表现的资产价值作出了公允反映。现将评估情况及评估结果报告如下：

评估对象和范围：本次评估的对象为成都华新国际实业有限公司所拥有的部分房地产价值；评估范围为成都华新国际实业有限公司在评估基准日 2017 年 10 月 31 日的部分房地产（详见评估结果明细表），账面净值为人民币 557,788,198.00 元。

评估基准日：2017 年 10 月 31 日

评估目的：为股权转让事宜涉及的部分委估房地产提供价值咨询意见。

因新加坡联合工程有限公司子公司一新加坡维信集团有限公司部分股权转让事宜，委托方欲了解华新国际公司下属房地产项目公司的部分房地产价值，为此需对所涉及的部分房地产进行清查和评估，以给委托方提供价值咨询意见。

评估方法：假设开发法。

## APPENDIX 2: SUMMARY VALUATION



银信资产评估有限公司  
地址：上海市九江路69号4F  
电话：021-63391088  
传真：021-63391116 邮编：200002

评估结论：评估人员根据评估目的，遵循评估原则，认真分析现有的资料和影响房地产价格的市场因素，采用上述评估方法对委估资产进行估算，确定评估对象于评估基准日的股权价值评估中的房地产价值为人民币柒亿零柒佰捌拾伍万捌仟元整（RMB 707,858,000.00元）。

### 评估结果汇总表

评估基准日：2017年10月31日

金额单位：人民币万元

公司名称	项目名称	账面值	评估值	增减额 C=B-A	增减率% D=C/A
		A	B		
成都华新国际实业有限公司	存货—产成品(库存商品)	19,870.52	22,825.00	2,954.48	14.87%
	存货—开发成本	35,908.30	47,960.80	12,052.50	33.56%
	小计	55,778.82	70,785.80	15,006.98	26.90%

本函仅为本咨询报告结果之摘要，请仔细阅读报告全文以了解评估详情。





Yinxin Appraisal Co., Ltd.  
Add.: 2F, 69 Jiujiang Road, Shanghai  
Tel.: 021-63391088  
Fax: 021-63391116  
P.C.: 200002

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## **Advisory Report on the Appraisal of Partial Real Estate of Chengdu Huaxin International Realty Co., Ltd**

**YXPZZ (2017) Shanghai No: 325-1**

### **Abstract**

**The following contents are abstracted from the advisory report on real estate appraisal. If you would like to acknowledge the overall situation of the appraisal project, please read the full text of the advisory report thoroughly.**

Entrusted by United Engineers Limited, we, Yinxin Appraisal Co., Ltd., based on principles of being objective, independent, fair and scientific, accordance with the accepted assessment methods, have appraised the value of partial real estate of a real estate development company affiliated to Huaxin International, which is related to partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited. Our appraisers have conducted field investigation and market research on the assets for appraisal according to the necessary appraisal procedure, and have fairly reflected the asset value of the real estate as by 31 Oct 2017. The appraisal situation and results hereby are reported below:

#### **Purpose and Scope of Appraisal:**

The purpose of appraisal is the value of partial real estate owned by Chengdu Huaxin International Realty Co., Ltd. The scope of appraisal is the partial real estate owned by Chengdu Huaxin International Realty Co., Ltd. with the book value (RMB557,788,198.00) on base date - 31 Oct 2017. (Refer to the Summary of Appraisal Results below)

#### **Base Date of Appraisal:**

31 Oct 2017

#### **Purpose of Appraisal:**

## APPENDIX 2: SUMMARY VALUATION



Yinxin Appraisal Co., Ltd.  
 Add.: 2F, 69 Jiujiang Road, Shanghai  
 Tel.: 021-63391088  
 Fax: 021-63391116  
 P.C.: 200002

To provide advisory opinions on the partial real estate for appraisal related to equity transfer.

Due to the partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited, the entrusting party would like to acknowledge the value of the partial real estate of the real estate development company affiliated to Huaxin International. Therefore, we have conducted thorough investigation and appraisal on the partial real estate concerned, and hereby provided advisory opinions on the value to the entrusting party.

Method of Appraisal:

Hypothetical development method.

Results of Appraisal:

Our appraisers have conducted careful analysis into the materials available and the market factors that affect the real estate price in accordance with the purpose and principles of appraisal, and have adopted the above mentioned appraisal method to estimate the value of the assets for appraisal. We have confirmed the value of the real estate on the base day of equity appraisal to be RMB 707,858,000.00

### Summary of Appraisal Results

Base Day of Appraisal: 31 Oct 2017

Currency & Unit: RMB 10,000

Name of Company	Name of Project	Book Value	Appraised Value	Increase/Decrease Amount C=B-A	Increase/Decrease Ratio % D=C/A
		A	B		
Chengdu Huaxin International Realty Co., Ltd	Inventory – Finished Goods (Stock Items)	19,870.52	22,825.00	2,954.48	14.87%
	Inventory – Development Cost	35,908.30	47,960.80	12,052.50	33.56%
Sub-total		55,778.82	70,785.80	15,006.98	26.90%

This letter is an abstract of the result of advisory report. If you would like to acknowledge the detailed appraisal situation, please read the full text of the advisory report thoroughly.

Yinxin Appraisal Co., Ltd.

28 Nov, 2017

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Advisory Report on the Appraisal of Partial Real Estate of  
 Chengdu Huaxin International Realty Co., Ltd



银信资产评估有限公司  
地 址：上海市九江路69号4F  
电 话：021-63391088  
传 真：021-63391116 邮 编：200002

## 上海奥林匹克置业投资有限公司

### 3.2 期宗地开发成本价值

#### 评估咨询报告书

银信评咨字（2017）沪第 346 号

#### 摘 要

以下内容摘自评估咨询报告书，欲了解本评估项目的全面情况，应认真阅读评估咨询报告书全文。

本公司——银信资产评估有限公司接受新加坡联合工程有限公司委托，本着客观、独立、公正、科学的原则，按照公认的评估方法，对因其子公司——新加坡维信集团有限公司部分股权转让事宜所涉及上海奥林匹克置业投资有限公司的 3.2 期宗地开发成本的市场价值进行了评估。本公司评估人员按照必要的评估程序对委托评估的资产实施了实地查勘及市场调查，对委估资产截止 2017 年 10 月 31 日所表现的市场价值作出了公允反映。现将评估情况及评估结果报告如下：

评估对象：上海奥林匹克花园住宅项目 3.2 期宗地；

评估范围：评估基准日 2017 年 10 月 31 日的上海奥林匹克花园住宅项目 3.2 期宗地的开发成本（详见评估结果明细表），账面值为人民币 142,951,000.00 元。

评估基准日：2017 年 10 月 31 日

评估目的：为资产产权持有人的股东新加坡维信集团有限公司股权转让事宜，提供涉及的委估宗地开发成本市场价值咨询意见。

因新加坡维信集团有限公司部分股权转让事宜，委托方欲了解上海奥林匹克置业投资有限公司的住宅项目 3.2 期宗地开发成本的市场价值，为此需对所涉及的该宗地的地产进行清查和评估，以给委托方提供价值咨询意见。

评估方法：假设开发法。评估结论：评估人员根据评估目的，遵循评估原则，认

## APPENDIX 2: SUMMARY VALUATION



银信资产评估有限公司  
地 址：上海市九江路69号4F  
电 话：021-63391088  
传 真：021-63391116 邮 编：200002

真分析现有的资料和影响地产价格的市场因素，采用上述评估方法对委估资产进行估算，确定评估对象于评估基准日的股权价值评估中的资产价值为人民币柒亿玖仟壹佰柒拾壹万元整（RMB791,710,000.00元）。

### 评估结果汇总表

评估基准日：2017年10月31日

金额单位：人民币万元

公司名称	项目名称	账面值	评估值	增减额 C=B-A	增减率% D=C/A
		A	B		
上海奥林匹克置业投资有限公司	存货--开发成本	14,295.10	79,171.00	64,875.90	453.83%
小 计		14,295.10	79,171.00	64,875.90	453.83%

本函仅为本咨询报告结果之摘要，请仔细阅读报告全文以了解评估详情。

  
银信资产评估有限公司  
2017年12月15日



Yinxin Appraisal Co., Ltd.  
Add.: 2F, 69 Jiujiang Road, Shanghai  
Tel.: 021-63391088  
Fax: 021-63391116  
P. C.: 200002

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**Advisory Report on Development Cost Value of  
Land Phase 3.2 of  
Shanghai Olympic Garden Property Development Co., Ltd  
YXPZZ (2017) Shanghai No: 346**

**Abstract**

**The following contents are abstracted from the advisory report on real estate appraisal. If you would like to acknowledge the overall situation of the appraisal project, please read the full text of the advisory report thoroughly.**

Entrusted by United Engineers Limited, we, Yinxin Appraisal Co., Ltd., based on principles of being objective, independent, fair and scientific, accordance with the accepted assessment methods, have appraised the development cost market value of land phase 3.2 of Shanghai Olympic Garden Property Development Co., Ltd. which is related to partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited. Our appraisers have conducted field investigation and market research on the assets for appraisal according to the necessary appraisal procedure, and have fairly reflected the asset value of the real estate as by 31 Oct 2017. The appraisal situation and results hereby are reported below:

Target of Appraisal:

Land phase 3.2 of Shanghai Olympic Garden Residential Project;

Scope of Appraisal:

The scope of appraisal is the development cost market value of Land phase 3.2 by Shanghai Olympic Garden Property Development Co., Ltd with the book value (RMB 142,951,000.00) on base date - 31 Oct 2017. (Refer to the Summary of Appraisal Results below)

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Advisory Report on the Appraisal of Partial Real Estate of  
Shanghai Olympic Garden Property Development Co., Ltd.

## APPENDIX 2: SUMMARY VALUATION



Yinxin Appraisal Co., Ltd.  
Add.: 2F, 69 Jiujiang Road, Shanghai  
Tel.: 021-63391088  
Fax: 021-63391116  
P. C.: 200002

Base Date of Appraisal:

31 Oct 2017

Purpose of Appraisal:

To provide the advisory opinions on development market value of the land held by the asset property owner for appraisal related to equity transfer of WBL Corporation Limited.

Due to the partial equity transfer of WBL Corporation Limited, the subsidiary of United Engineers Limited, the entrusting party would like to acknowledge the development cost market value of land phase 3.2 Residential Project of Shanghai Olympic Garden Property Development Co., Ltd. Therefore, we have conducted thorough investigation and appraisal on the partial real estate concerned, and hereby provided advisory opinions on the value to the entrusting party.

Method of Appraisal:

Hypothetical development method.

Results of Appraisal:

Our appraisers have conducted careful analysis into the materials available and the market factors that affect the real estate price in accordance with the purpose and principles of appraisal, and have adopted the above mentioned appraisal method to estimate the value of the assets for appraisal. We have confirmed the value of the real estate on the base day of equity appraisal to be RMB 791,710,000.00.

### Summary of Appraisal Results

Base Day of Appraisal: 31 Oct 2017

Currency & Unit: RMB 10,000

Name of Company	Name of Project	Book Value	Appraised Value	Increase/Decrease Amount C=B-A	Increase/Decrease Ratio % D=C/A
		A	B		
Shanghai Olympic Garden Property Development Co., Ltd	Inventory – Development Cost	14,295.10	79,171.00	64,875.90	453.83%
Sub-total		14,295.10	79,171.00	64,875.90	453.83%

- 2 -

Advisory Report on the Appraisal of Partial Real Estate of  
Shanghai Olympic Garden Property Development Co., Ltd.



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## APPENDIX 2: SUMMARY VALUATION

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Yinxin Appraisal Co., Ltd.

Add. : 2F, 69 Jiujiang Road, Shanghai

Tel. : 021-63391088

Fax: 021-63391116

P. C. : 200002

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This letter is an abstract of the result of advisory report. If you would like to acknowledge the detailed appraisal situation, please read the full text of the advisory report thoroughly.

Yinxin Appraisal Co., Ltd.

15 Dec, 2017

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **UNITED ENGINEERS LIMITED**

(Company Registration No. 191200018G)

(Incorporated in Singapore)

(the “Company”)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of the Company will be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on 23 February 2018 at 3.30 p.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following Resolution, which will be proposed as an ordinary resolution:

### “**ORDINARY RESOLUTION**”

#### **Approval for the Proposed Interested Person Transaction Arising From the Proposed Voluntary Unconditional Cash Offer for WBL Corporation Limited**

RESOLVED THAT:

- (a) approval be and is hereby given for the acquisition of the Existing YPIS Shares and the 19.9% WBL Shares (in each case as defined in the Circular to Shareholders dated 31 January 2018 (the “**Circular**”)) as may be tendered in acceptance of the proposed voluntary unconditional cash offer (the “**Offer**”) by Deloitte & Touche Corporate Finance Pte Ltd, for and on behalf of UE Centennial Venture Pte. Ltd. (the “**Offeror**”), a direct wholly-owned subsidiary of the Company, to acquire all the issued ordinary stock units in WBL Corporation Limited, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer, details of which have been set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised to execute and do all such acts and things, or procure to be executed and done, all such documents, deeds, acts and things as may be considered necessary, expedient or desirable in connection with the Offer and/or to give effect to this Resolution, as they or he may deem fit.”

**BY ORDER OF THE BOARD**

**Gn Jong Yuh Gwendolyn**  
Group Company Secretary  
31 January 2018

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

- (1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

- (2) A proxy need not be a member of the Company.
- (3) If the appointer is a corporation, the instrument appointing a proxy or proxies must be under seal or the hand of its duly authorised officer or attorney.
- (4) The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for the EGM or any adjournment thereof.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# PROXY FORM



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

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy UEL Ordinary Shares and/or UEL Preference Shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors who hold UEL Ordinary Shares and/or UEL Preference Shares through Agent Banks/SRS Operators should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 31 January 2018.

I/We, \_\_\_\_\_ (Name),

\_\_\_\_\_ (NRIC/Passport Number/Company Registration Number) of

\_\_\_\_\_ (Address),

being a member/members of United Engineers Limited (the “**Company**” or “**UEL**”), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (please delete as appropriate)


Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting (the “**EGM**”) of the Company to be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on Friday, 23 February 2018 at 3.30 p.m. (Singapore time), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

*(Voting will be conducted by poll. If you wish to vote all of your votes “For” or “Against” the resolution, please indicate with an “X” or a “√” in the relevant box provided below. Alternatively, if you wish to exercise some of your votes “For” and some of your votes “Against” the resolution, please insert the relevant number of votes in the relevant boxes provided below.)*

ORDINARY RESOLUTION	No. of votes “For”	No. of votes “Against”
Approval for the Proposed Interested Person Transaction Arising From the Proposed Voluntary Unconditional Cash Offer for WBL Corporation Limited		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018



Number of UEL Ordinary Shares held	
Number of UEL Preference Shares held	
Total Number of UEL Shares held	

\_\_\_\_\_  
Signature(s) of Member(s) / Common Seal

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## PROXY FORM

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### IMPORTANT: PLEASE READ THE FOLLOWING NOTES.

#### Notes:

1. If you have UEL Ordinary Shares and/or UEL Preference Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of UEL Ordinary Shares and/or UEL Preference Shares. If you have UEL Ordinary Shares and/or UEL Preference Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of UEL Ordinary Shares and/or UEL Preference Shares. If you have UEL Ordinary Shares and/or UEL Preference Shares entered against your name in the Depository Register and UEL Ordinary Shares and/or UEL Preference Shares registered in your name in the Register of Members, you should insert the aggregate number of such UEL Ordinary Shares and/or UEL Preference Shares. If no number is inserted, the form of proxy shall be deemed to relate to all the UEL Ordinary Shares and/or UEL Preference Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for the EGM or any adjournment thereof.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

#### General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of UEL Ordinary Shares and/or UEL Preference Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have such UEL Ordinary Shares and/or UEL Preference Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.