

CIRCULAR DATED 23 MAY 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your Stock Units or Preference Shares (as defined herein) in United Engineers Limited (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 other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval of the SGX-ST shall not be taken as an indication of the merits of the Proposed Transaction (as defined herein), the Company and/or its subsidiaries.



UNITED ENGINEERS LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF MULTI-FINELINE ELECTRONIX, INC.

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	6 June 2016 at 9.30 a.m. (Singapore time)
Date and time of Extraordinary General Meeting	:	8 June 2016 at 9.30 a.m. (Singapore time)
Place of Extraordinary General Meeting	:	The Auditorium 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Announcement”	:	The announcement by the Company on 5 February 2016 of the Proposed Transaction
“Business Day”	:	Any day other than a Saturday, Sunday or a day on which banks in the City of New York, the Hong Kong Special Administrative Region or the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) are permitted or obligated by applicable law to be closed for regular banking business
“CDP”	:	The Central Depository (Pte) Limited
“Closing”	:	The closing of the Merger
“Committed Shares”	:	9,720,610 MFLEX Shares, representing approximately 39.5% of the total outstanding MFLEX Shares, subject to the voting provisions of the Support Agreement
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Circular”	:	This circular to the Shareholders dated 23 May 2016
“Company”	:	United Engineers Limited
“Company Termination Fee”	:	US\$18.3 million
“Conditions”	:	Has the meaning given to it in paragraph 3.2 of this Circular
“Cooperation Letter”	:	The letter agreement between the Company and MFLEX, pursuant to which MFLEX has agreed to, among other things, cooperate with the Company in connection with the preparation of this Circular in connection with the transactions contemplated by the Merger Agreement
“Delaware Law”	:	The General Corporation Law of the State of Delaware
“Directors”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company
“EPS”	:	Earnings per Stock Unit
“Extension Deposit”	:	US\$10 million
“FY2015”	:	Financial year ended 31 December 2015
“GEH”	:	Great Eastern Holdings Limited
“Group”	:	The Company, its subsidiaries and associated companies
“Indemnification Letter”	:	The indemnification letter entered into by the Indemnifying UE Stockholders and MFLEX at MFLEX’s request, pursuant to which the Indemnifying UE Stockholders have agreed to pay to the Purchaser, on behalf of MFLEX, the Company Termination Fee if the Purchaser terminates the Merger Agreement in accordance with its terms as a result of the MFLEX Stockholder Approval or UEL Shareholder Approval not having been obtained

DEFINITIONS

“Indemnifying UE Stockholders”	:	The Company, WBL, WT and UWT
“Irrevocable Undertakings”	:	The irrevocable undertakings provided by OCBC and GEH, referred to in paragraph 1.4 of this Circular
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 11 May 2016
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Merger”	:	The merger of Merger Sub with and into MFLEX, with MFLEX surviving the merger and becoming a subsidiary of the Purchaser
“Merger Agreement”	:	The agreement and plan of merger dated 4 February 2016 entered into between MFLEX, the Purchaser and the Merger Sub pursuant to which the Merger Sub will merge with and into MFLEX, with MFLEX surviving the merger and becoming a subsidiary of the Purchaser
“Merger Consideration”	:	US\$23.95 per MFLEX Share
“Merger Sub”	:	Dragon Electronix Merger Sub Inc., an indirect wholly-owned subsidiary of the Purchaser
“MFLEX”	:	Multi-Fineline Electronix, Inc.
“MFLEX Board”	:	The board of directors of MFLEX
“MFLEX Group”	:	Multi-Fineline Electronix, Inc. and its subsidiaries
“MFLEX Sale Shares”	:	The 3,000,000 MFLEX Shares owned by UWT and the 11,817,052 MFLEX Shares owned by WT
“MFLEX Share”	:	One outstanding share of common stock, US\$0.0001 par value per share, of MFLEX
“MFLEX Stockholder Approval”	:	The approval of the Merger by stockholders of MFLEX constituting at least a majority of all the outstanding MFLEX Shares entitled to vote in accordance with Delaware Law
“MFLEX Stockholder Meeting”	:	The stockholders meeting of MFLEX
“Notice”	:	The notice of EGM, given on page 22 of this Circular
“NTA”	:	Net tangible assets
“OCBC”	:	Oversea-Chinese Banking Corporation Limited
“Ordinary Resolution”	:	The resolution of the Shareholders at the EGM of the Company to consider and approve the Proposed Transaction
“Ordinary Stockholders”	:	Persons who are registered as holders of Stock Units in the register of members of the Company, or where CDP is the registered holder, the term “Ordinary Stockholders” shall, in relation to such Stock Units, mean the Depositors whose Securities Accounts are credited with Stock Units

DEFINITIONS

“Parent Termination Fee”	:	US\$27.45 million (plus the Extension Deposit, if applicable)
“PRC”	:	The People’s Republic of China
“Preference Shares”	:	7.5 cents cumulative preference shares in the capital of the Company
“Proposed Transaction”	:	The proposed disposal of MFLEX by way of the merger of Merger Sub, with and into MFLEX in accordance with Delaware Law
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	:	Suzhou Dongshan Precision Manufacturing Co., Ltd.
“Q1 2016”	:	Financial quarter ended 31 March 2016
“RMB”	:	The lawful currency for the time being of the People’s Republic of China
“Rule 1006”	:	Rule 1006 of the Listing Manual
“Securities”	:	The Stock Units and the Preference Shares
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Securities, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Securities, mean the Depositors whose Securities Accounts are credited with the Securities
“Stock Units”	:	Ordinary stock units in the capital of the Company, converted from issued and fully paid up ordinary shares in the capital of the Company
“Supplemental Escrow Deposit”	:	US\$7.45 million
“Support Agreement”	:	The support agreement dated 4 February 2016 entered into between the UE Stockholders and the Purchaser in connection with the Proposed Transaction, referred to in paragraph 1.6 of this Circular
“S\$” or “Singapore Cent”	:	The lawful currency for the time being of the Republic of Singapore
“Termination Date”	:	Means the date occurring six months after the date of the Merger Agreement, which may be extended for a further three months pursuant to the terms of the Merger Agreement
“UE Stockholders”	:	The Company, WT and UWT
“UEL Shareholder Approval”	:	Approval of Shareholders of the Proposed Transaction
“Uncommitted Shares”	:	5,096,442 MFLEX Shares, representing approximately 20.7% of the total outstanding MFLEX Shares, not subject to the voting provisions of the Support Agreement

DEFINITIONS

“US\$”	:	The lawful currency for the time being of the United States of America
“UWT”	:	United WBL Technology Pte. Ltd.
“WBL”	:	WBL Corporation Limited
“WT”	:	WBL Technology (Private) Limited
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore).

The terms “**controlling shareholder**” and “**associate**” shall have the meanings ascribed to them respectively in the Listing Manual.

The term “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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. References to persons shall include corporations.

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 Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

UNITED ENGINEERS LIMITED

(Incorporated in Singapore)
Company Registration No. 191200018G

Directors

Mr Tan Ngiap Joo (*Chairman, Independent and Non-Executive Director*)
Mr Norman Ip Ka Cheung (*Group Managing Director, Non-Independent and Executive Director*)
Mr Koh Beng Seng (*Independent and Non-Executive Director*)
Mr Koh Poh Tiong (*Independent and Non-Executive Director*)
Dr Michael Lim Chun Leng (*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

23 May 2016

To: The Shareholders of United Engineers Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF MULTI-FINELINE ELECTRONIX, INC.

1. INTRODUCTION

1.1 Proposed Transaction. On 5 February 2016, the Company announced (the “**Announcement**”) the proposed disposal of the Company’s indirectly owned subsidiary, Multi-Fineline Electronix, Inc. (“**MFLEX**”), through the merger of Dragon Electronix Merger Sub Inc. (the “**Merger Sub**”), an indirect wholly-owned subsidiary of Suzhou Dongshan Precision Manufacturing Co., Ltd. (the “**Purchaser**”), with and into MFLEX in accordance with Delaware Law (the “**Proposed Transaction**”).

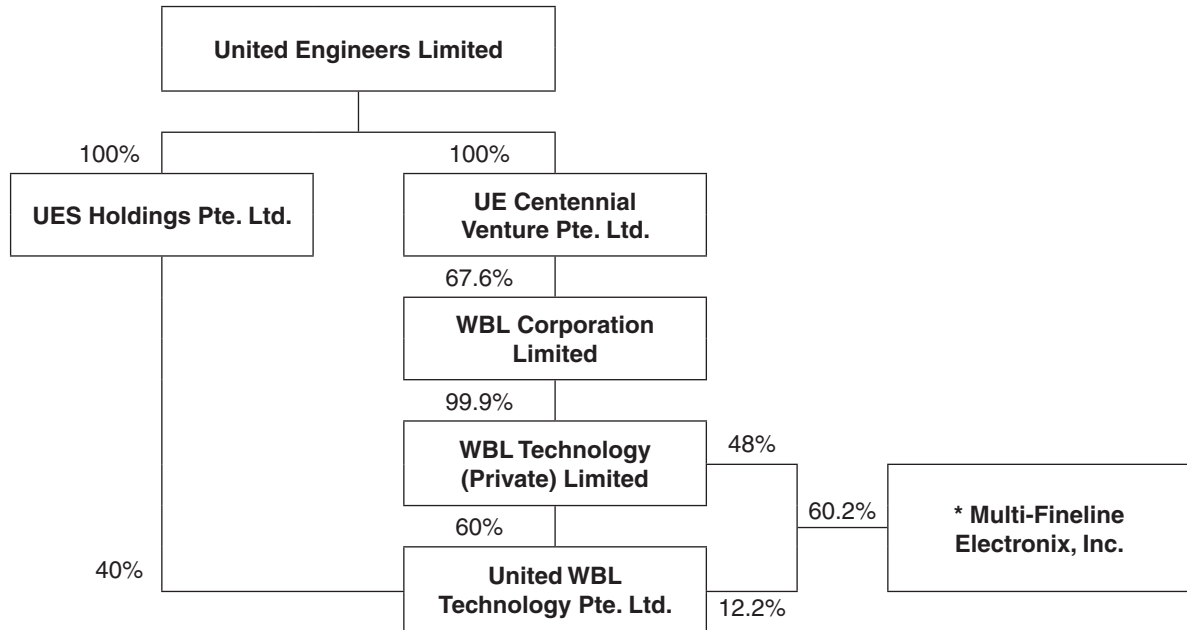
Upon completion of the Proposed Transaction:

- (a) the Merger Sub will merge with MFLEX, which shall survive the merger and become an indirect subsidiary of the Purchaser;
- (b) all stockholders of MFLEX (other than certain excluded stockholders referred to in paragraph 3.1 of this Circular), will be entitled to receive US\$23.95 (the “**Merger Consideration**”) per outstanding shares of common stock, US\$0.0001 par value per share, of MFLEX (each, a “**MFLEX Share**”); and
- (c) based on the total number of MFLEX Shares owned by the Company’s majority owned subsidiaries, WBL Technology (Private) Limited (“**WT**”) and United WBL Technology Pte. Ltd. (“**UWT**”), WT and UWT as stockholders of MFLEX will be entitled to receive an aggregate consideration of approximately US\$355 million from the Purchaser.

A copy of the Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

1.2 The Company’s Ownership of MFLEX. The Company’s ownership interest in MFLEX is held through several of the Company’s subsidiaries, and the diagram on page 7 of this Circular sets out the corporate structure of such ownership. As the Company owns its MFLEX Shares through several subsidiaries, the Company’s effective ownership interest in MFLEX is approximately 42.2%.

LETTER TO SHAREHOLDERS



* Percentage calculation based on 24,633,425 shares of common stock of MFLEX indicated as outstanding as of April 22, 2016.

The Company, together with its wholly-owned subsidiaries, UE Centennial Venture Pte. Ltd. and UES Holdings Pte. Ltd., and majority owned subsidiaries, WBL Corporation Limited (“**WBL**”), WT and UWT, owns approximately 60.2% of the total outstanding shares of MFLEX. WT owns 11,817,052 MFLEX Shares, representing approximately 48% of the total outstanding shares of MFLEX, and UWT owns 3,000,000 MFLEX Shares, representing 12.2% of the total outstanding shares of MFLEX.

The Purchaser is not related to any of the Company’s controlling shareholders, Directors or their associates.

No person is proposed to be appointed as a Director in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

1.3 Merger Agreement and Shareholders’ Approval. To implement the Proposed Transaction, MFLEX, the Purchaser and the Merger Sub had on 4 February 2016 entered into an agreement and plan of merger (the “**Merger Agreement**”), pursuant to which the Merger Sub will merge into MFLEX (the “**Merger**”), with MFLEX becoming the surviving corporation. As a result of the Merger, each MFLEX Share will automatically be cancelled and converted into the right to receive the Merger Consideration, and each outstanding share of Merger Sub that is indirectly owned by the Purchaser, will be converted to a newly issued share of MFLEX (as the surviving corporation), which in turn will result in MFLEX becoming an indirect subsidiary of the Purchaser. Upon completion of the Proposed Transaction, the Company’s majority owned subsidiaries, WT and UWT, will transfer or surrender their respective MFLEX Shares to the Purchaser and receive approximately US\$283.0 million and US\$71.9 million in cash, respectively. Further information on the Merger Agreement is set out in paragraph 3 of this Circular.

The Proposed Transaction constitutes a major transaction as defined in Chapter 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) (details of which are set out in paragraph 8 of this Circular). Accordingly, the Proposed Transaction is subject to Shareholders’ approval (the “**UEL Shareholder Approval**”).

LETTER TO SHAREHOLDERS

1.4 Irrevocable Undertakings. As at the Latest Practicable Date:

- (a) Great Eastern Holdings Limited (“**GEH**”), directly or indirectly, owns and controls 104,175,958 Stock Units and 591,800 Preference Shares, representing approximately 16.90% and 0.10%, respectively, of the total issued Securities (excluding treasury and non-voting shares).
- (b) Oversea-Chinese Banking Corporation Limited (“**OCBC**”) directly owns and controls 26,233,458 Stock Units and 20,500 Preference Shares, representing approximately 4.26% and less than 0.1%, respectively, of the total issued Securities (excluding treasury and non-voting shares).

At the Purchaser’s request, each of OCBC and GEH have provided irrevocable undertakings (the “**Irrevocable Undertakings**”) to the Purchaser to vote all of their respective Stock Units and Preference Shares referred to above in favour of the Merger at the EGM to be convened to consider the Merger.

1.5 MFLEX Stockholder Approval. Under the Merger Agreement and Delaware Law, the Merger is required to be approved by stockholders of MFLEX constituting at least a majority of all the outstanding MFLEX Shares entitled to vote in accordance with Delaware Law (“**MFLEX Stockholder Approval**”).

1.6 Support Agreement and Cooperation Letter

Support Agreement

- (a) At the Purchaser’s request, and concurrent with the execution of the Merger Agreement, the Company, WT and UWT (collectively, the “**UE Stockholders**”) entered into a support agreement with the Purchaser (the “**Support Agreement**”) with respect to, among other things, the UE Stockholders’ commitment to vote a certain number of their MFLEX Shares in favour of the Merger.
- (b) Following negotiations between the Purchaser and the UE Stockholders, the UE Stockholders have agreed to vote 9,720,610 MFLEX Shares (the “**Committed Shares**”) owned by the UE Stockholders in favour of the Merger at the stockholders meeting of MFLEX (“**MFLEX Stockholder Meeting**”) to be convened to consider the Merger. The Committed Shares represent approximately 39.5% of the total outstanding MFLEX Shares. The obligation to vote the Committed Shares in accordance with the Support Agreement is subject to limited exceptions and subject to the UEL Shareholder Approval.
- (c) The voting obligations under the Support Agreement do not extend to the remaining 5,096,442 MFLEX Shares (the “**Uncommitted Shares**”), representing approximately 20.7% of the total outstanding MFLEX Shares. As such, the UE Stockholders are not required to vote the Uncommitted Shares in favour of the Merger at the MFLEX Stockholder Meeting. Although the UE Stockholders currently intend to support the Merger by voting their Uncommitted Shares in favour of the Merger at the MFLEX Stockholder Meeting, they are not contractually obligated to do so.
- (d) Under the Support Agreement, the UE Stockholders have also agreed to vote the Committed Shares against:
 - (i) the approval of any Alternative Transaction Proposal (as such term is defined in the Merger Agreement) or any action that is a component of any Alternative Transaction Proposal;
 - (ii) the adoption of any agreement relating to any Alternative Transaction Proposal; and

LETTER TO SHAREHOLDERS

- (iii) any other action, agreement, proposal or transaction that would, or would reasonably be expected to, in any manner compete with, impede, interfere with, delay, postpone, prevent or nullify the Merger, the Merger Agreement or any other transaction contemplated by the Merger Agreement or the performance by MFLEX or the UE Stockholders of their respective obligations pursuant to the Merger Agreement or under the Support Agreement.

The term “Alternative Transaction Proposal” as defined in the Merger Agreement includes any inquiry, proposal or offer from any person relating to any merger of MFLEX (or any subsidiary of MFLEX), acquisition of any shares, business or assets of MFLEX (or any subsidiary of MFLEX), or other similar transaction that involves or represents 20% or more of the voting power of MFLEX or 20% or more of the revenues, net income, assets of MFLEX and its subsidiaries (other than the Merger and the Proposed Transaction).

- (e) Under the Support Agreement:

- (i) the UE Stockholders agreed with the Purchaser not to, among other things, directly or indirectly solicit, initiate or knowingly encourage or facilitate, or furnish or disclose non-public information in furtherance of, any inquiries or the making of, any Alternative Transaction Proposal, or negotiate, explore or otherwise engage in discussions with any person with respect to any Alternative Transaction Proposal;
- (ii) the UE Stockholders may not, with respect to the Committed Shares, recommend any Alternative Transaction Proposal, or enter into any agreement relating to any Alternative Transaction Proposal;
- (iii) the UE Stockholders further agreed to certain restrictions on their ability to sell, transfer or otherwise dispose of, grant any proxy to or permit to exist any pledge or any other encumbrance of any nature with respect to its Committed Shares and Uncommitted Shares;
- (iv) the UE Stockholders also agreed not to exercise their rights of appraisal under Delaware Law; and
- (v) the Company agreed to, through the Directors, recommend to the Shareholders that they give the UEL Shareholder Approval.

- (f) The Support Agreement will terminate upon the earliest to occur of (i) the time at which the Merger shall become effective (being the date on which the certificate of merger is filed or at such later date and time as MFLEX and the Purchaser may agree and as set forth in the certificate of merger), (ii) the mutual agreement of the Purchaser and the UE Stockholders, and (iii) the valid termination of the Merger Agreement.

Cooperation Letter

The Company also entered into a letter agreement with MFLEX (the “**Cooperation Letter**”), under which MFLEX has agreed to, among other things, cooperate with the Company to prepare this Circular regarding the Proposed Transaction, and to provide the Company with the opportunity to comment on the relevant sections of any public filing or communication made by MFLEX about the Company or its subsidiaries.

- 1.7 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transaction, including the rationale for the Proposed Transaction and the financial effects of the Proposed Transaction on the Group, and to seek the approval of the Shareholders for the Ordinary Resolution at the EGM.

LETTER TO SHAREHOLDERS

2. INFORMATION ON THE PURCHASER AND MFLEX

- 2.1 The Purchaser.** The Purchaser was founded in 1980 as a stamping and sheet metal manufacturer, and has since grown into one of the largest suppliers of precision sheet metal components in the world with its global headquarters in Suzhou, PRC. The Purchaser produces a wide range of base station, enclosure and display products and solutions with application in telecommunications, consumer, industrial, medical and automotive industry market segments. The Purchaser has been listed on the Shenzhen Stock Exchange (002384) since 2010.
- 2.2 MFLEX.** MFLEX is a corporation incorporated in the State of Delaware, United States of America, and is listed on NASDAQ. MFLEX provides its solutions to original equipment manufacturers and to electronic manufacturing services providers. MFLEX offers products in a range of sectors, including smartphones, tablets, computer/data storage, portable bar code scanners, personal computers, wearables and other consumer electronic devices.

3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

- 3.1 Consideration.** Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into MFLEX, with MFLEX surviving the Merger, and each stockholder of MFLEX (other than (i) MFLEX, the Purchaser, Merger Sub or any of their subsidiaries who own MFLEX Shares, and (ii) stockholders of MFLEX who do not accept the Merger Consideration and elect to exercise their rights of appraisal of the Merger Consideration under Delaware Law) will be entitled to receive the Merger Consideration upon the surrender of his or her share certificates or upon the transfer of his or her MFLEX Shares represented by book-entry following the closing of the Merger (the “**Closing**”). The Merger Sub is a special purpose vehicle formed for implementing the Merger.

As a result of the Merger:

- (a) UWT will be entitled to receive approximately US\$71.9 million in cash for 3,000,000 MFLEX Shares owned by UWT (the “**UWT MFLEX Shares**”); and
- (b) WT will be entitled to receive approximately US\$283.0 million in cash for 11,817,052 MFLEX Shares owned by WT (the “**WT MFLEX Shares**”, and together with the UWT MFLEX Shares, the “**MFLEX Sale Shares**”).

The Directors understand that the Merger Consideration was negotiated and agreed between the MFLEX Board and the Purchaser on an arm’s length basis after lengthy negotiations. The Directors also understand that the aggregate Merger Consideration was based on a number of factors, including (i) MFLEX’s business and financial performance and condition in relation to the Merger Consideration, (ii) the business, financial performance and condition, and prospects of MFLEX’s customers, (iii) current industry, economic and market conditions and trends in the markets in which MFLEX competes, and (iv) the opinion provided by MFLEX’s financial advisor to the MFLEX Board that the Merger Consideration to be received by holders of each MFLEX Share was fair, from a financial point of view, to such holders.

- 3.2 Conditions Precedent.** The closing of the Merger is subject to the fulfilment or waiver (as the case may be) of, among other things, the following conditions (the “**Conditions**”) set out below:
- (a) all approvals, consents and filings required, or the expiration or termination of any applicable waiting period under the following laws and regulations, or from the following governmental entities, having been obtained or occurred:
 - (i) the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976;
 - (ii) the Anti-Monopoly Bureau of the Ministry of Commerce of PRC;

LETTER TO SHAREHOLDERS

- (iii) the relevant PRC governmental entities (including from the National Development and Reform Commission of the PRC, Ministry of Commerce of the PRC and the State Administration of the Foreign Exchange of the PRC (collectively, the “**PRC Overseas Investment Approvals**”)) other than such PRC Overseas Investment Approvals as the Purchaser, in its sole discretion, shall have determined to waive; and
- (iv) the Committee on Foreign Investment in the United States;
- (b) (i) there being no effective order issued by any governmental entity of competent jurisdiction or other legal restraint or prohibition restraining, enjoining, making illegal, prohibiting or otherwise preventing, and (ii) no applicable law having been enacted by any governmental entity that prohibits or otherwise prevents or makes illegal, the closing of the Merger or any of the other transactions contemplated by the Merger Agreement;
- (c) the shareholder approval of the Purchaser having been obtained;
- (d) the MFLEX Stockholder Approval having been obtained;
- (e) there shall not have occurred any change, event, circumstance, development or effect that has had individually or in the aggregate, a Company Material Adverse Event (as defined in the Merger Agreement);
- (f) the respective representations and warranties of MFLEX, the Purchaser and Merger Sub, as set out in the Merger Agreement, being true and correct as at the relevant dates;
- (g) there having been no action taken, regulatory or governmental approval granted or issued or any statute, rule, regulation, order or decree enacted, entered, enforced or deemed applicable to the Merger or transactions contemplated by the Merger Agreement that imposes a Burdensome Condition (which is further described and defined in the Merger Agreement, and would include any undertaking or condition which, in the judgment of the Purchaser acting in good faith, is or would reasonably be materially adverse to the Purchaser, Merger Sub, any of their respective affiliates, MFLEX (as the surviving corporation), either before or after giving effect to the Merger); and
- (h) each of MFLEX, the Purchaser and Merger Sub having performed or complied with, in all material respects, each of its obligations, agreements and covenants under the Merger Agreement.

3.3 Financing. BOA Asset Management Company Limited and Bank of China, New York Branch will provide financing to the Purchaser and the Merger Sub to satisfy the Purchaser and the Merger Sub’s payment obligations under the Merger Agreement.

BOC Asset Management Company Limited has committed to provide for a contribution of up to RMB 515 million by BOC Asset Management Limited and its affiliates to a limited partnership (“**Mezz Fund**”), which contribution, together with contributions of up to approximately RMB 1 billion by certain equity holders of the Purchaser, will be invested by the Mezz Fund as equity or debt in a Hong Kong subsidiary of the Purchaser and will be further contributed by the Hong Kong subsidiary, through its subsidiary, to the Merger Sub to provide the Merger Sub with funds to consummate the Merger (the “**Mezz Financing**”).

Bank of China, New York Branch has committed to provide (i) a senior secured six month bridge loan facility in an aggregate principal amount of US\$100 million, and (ii) a senior secured five year term loan facility in an aggregate amount of US\$150 million, in each case to be made available to the Merger Sub on the closing date of the merger (the “**Term Loan Financing**”, together with the Mezz Financing, the “**Financing**”).

LETTER TO SHAREHOLDERS

The difference between the aggregate amount of the payment for the Proposed Transaction under the Merger Agreement and the Financing (such difference being approximately US\$123 million (based on the exchange rate of US\$1:RMB 6.4)) will be funded by the Purchaser with its cash balances.

The Merger is not subject to any financing condition.

3.4 Closing. The Closing will take place on the tenth Business Day after all of the Conditions have been fulfilled or waived (or such other date as MFLEX and the Purchaser may agree in writing).

3.5 Company Termination Fee and Parent Termination Fee.

(a) Company Termination Fee

Under the Merger Agreement, MFLEX is required to pay a termination fee to the Purchaser equivalent to US\$18.3 million (the “**Company Termination Fee**”) upon the occurrence of certain events, including where the MFLEX Stockholder Approval or the UEL Shareholder Approval is not obtained. At MFLEX’s request, concurrently with the execution of the Merger Agreement, the Company, WBL, WT and UWT (collectively, the “**Indemnifying UE Stockholders**”) entered into an indemnification letter with MFLEX (the “**Indemnification Letter**”), pursuant to which, the Indemnifying UE Stockholders have agreed to pay to the Purchaser, on behalf of MFLEX, the Company Termination Fee if the Purchaser terminates the Merger Agreement in accordance with its terms as a result of the MFLEX Stockholder Approval or UEL Shareholder Approval not having been obtained.

Shareholders should note that if the Shareholders do not approve the Proposed Transaction at the EGM, WT and UWT (who collectively own approximately 60.2% of MFLEX) will not be able to vote their MFLEX Shares in favour of the Merger at the MFLEX Stockholder Meeting that is convened to consider the Merger. Consequently, the Merger cannot proceed because under Delaware Law and the Merger Agreement, the Merger is required to be approved by stockholders of MFLEX constituting at least a majority of all outstanding MFLEX Shares.

The Purchaser is entitled to terminate the Merger Agreement due to the failure to obtain the UEL Shareholder Approval or the MFLEX Stockholder Approval. If the Purchaser does so, MFLEX will be required to pay the Company Termination Fee to the Purchaser under the Merger Agreement and as indicated above, the Company is obliged to pay the Company Termination Fee on its behalf to the Purchaser. The Company will fund its obligation to pay the Company Termination Fee in cash, and such payment if made is not expected to have a material impact on the Company’s financial position.

The Company understands that MFLEX would not have proceeded with entering into the Merger Agreement if the Company did not agree to MFLEX’s request for the Company to indemnify MFLEX for the Company Termination Fee. Given the foregoing, the Directors are of the view that it is in the interests of the Company to agree to pay the Company Termination Fee in order to provide the Company with the opportunity to dispose of MFLEX and receive its share of the Merger Consideration amounting to approximately US\$355 million. Moreover, the disposal of MFLEX is in line with the Company’s strategic objective of exiting from non-strategic or non-core operations of WBL and its subsidiaries, which is discussed at paragraph 4 of this Circular. In addition, the Directors took into account the fact that the Company will only be required to pay the Company Termination Fee if the UEL Shareholder Approval or MFLEX Stockholder Approval are not obtained.

(b) Parent Termination Fee

Under the Merger Agreement, the Purchaser is required to pay a termination fee, amounting to US\$27.45 million (plus the Extension Deposit, if applicable) (the “**Parent Termination Fee**”), to MFLEX, upon the occurrence of certain circumstances (more fully described in the Merger Agreement) which enable the Purchaser or MFLEX to terminate the Merger Agreement. These circumstances include, among others, a situation where the Purchaser or the Company terminates the Merger Agreement because (i) the Closing has not occurred

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by the Termination Date and (ii) there was a failure to obtain the approval or clearance from the Committee on Foreign Investment in the United States or the Anti-Monopoly Bureau of the Ministry of Commerce of PRC or the failure to obtain any PRC Overseas Investment Approval.

3.6 Escrow. On the date of the Merger Agreement and on 23 February 2016, the Purchaser deposited an amount of US\$20 million and US\$7.45 million, respectively, with the escrow agent appointed in connection with the Proposed Transaction as collateral and security for payment of the Parent Termination Fee.

3.7 Other Material Terms. A summary of other material terms of the Merger Agreement is set out in Appendix A to this Circular.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The Directors are supporting the Proposed Transaction because it is in line with the Company's strategic objective of streamlining activities and businesses across the Group. The Proposed Transaction also allows the Company to exit from non-strategic or non-core operations of WBL and its subsidiaries, and to enhance capital management and unlock value for the Shareholders.

5. PROCEEDS FROM THE PROPOSED TRANSACTION

The net proceeds from the Proposed Transaction of approximately S\$479.7⁽¹⁾ million are intended to be used to partially repay external borrowings of the Group (which amounted to S\$1.24 billion as at 31 March 2016) and as general working capital of the Group. This would further strengthen the Group's balance sheet and enhance the Group's financial flexibility.

6. FINANCIAL INFORMATION

6.1 Book Value, Profit and NTA Attributable to the MFLEX Sale Shares

Based on the Group's unaudited consolidated financial statements for Q1 2016:

- (a) the book value as at 31 March 2016 and the loss for Q1 2016 attributable to the MFLEX Sale Shares were approximately S\$200.7 million and S\$5.6 million, respectively, which constitute the Company's effective ownership interest of approximately 42.2% in MFLEX; and
- (b) the NTA attributable to the MFLEX Sale Shares as at 31 March 2016 was approximately S\$200.7 million, which constitutes the Company's effective ownership interest of approximately 42.2% in MFLEX.

The Company has an effective ownership interest of approximately 42.2% in MFLEX as the Company owns MFLEX through various subsidiaries, details of which are described in the corporate structure in paragraph 1.2 of this Circular.

6.2 Latest Available Open Market Value and Other Financial Information. The latest available open market value of the MFLEX Sale Shares, being the weighted average price attributable to the MFLEX Sale Shares transacted on (a) 3 February 2016 (Eastern Standard Time), being the last market day on which there was trading in the MFLEX Shares preceding the date of the Announcement, was approximately S\$362.6⁽²⁾ million; and (b) the Latest Practicable Date, was approximately S\$445.1⁽¹⁾ million. The closing price of the MFLEX Shares was US\$17.01 on 3 February 2016 (Eastern Standard Time) and US\$21.47 on the Latest Practicable Date (Eastern Standard Time).

The revenue of MFLEX Group for FY2015 and Q1 2016 was US\$636.6 million and US\$101.2 million, respectively, and the aggregate value of the Proposed Transaction is US\$610 million (based on the Merger Consideration).

⁽¹⁾ Based on an exchange rate of S\$1.3556:US\$1.00.

⁽²⁾ Based on an exchange rate of S\$1.4279:US\$1.00.

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7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

7.1 Illustrative Nature of Financial Effects. The financial effects of the Proposed Transaction on NTA per Stock Unit and EPS of the Group, prepared:

- (a) based on the Group's audited consolidated financial statements for FY2015; and
 - (b) assuming that the attributable net disposal gain was approximately S\$99.8 million,
- are set out below.

The financial effects below are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group after Closing.

7.2 NTA. Assuming that the Proposed Transaction had been effected on 31 December 2015, being the end of the most recently completed financial year of the Group for which financial statements are publicly available, the financial effects on the NTA per Stock Unit as at 31 December 2015 would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$ million)	1,800.6	1,900.4
No. of issued Stock Units ('000)	615,517 ⁽¹⁾	615,517 ⁽¹⁾
NTA per Stock Unit (S\$)	2.93	3.09

⁽¹⁾ Based on the total number of issued Stock Units excluding 21,712,000 Stock Units held by WBL.

7.3 EPS. Assuming that the Proposed Transaction had been completed on 1 January 2015, being the beginning of the most recently completed financial year of the Group for which financial statements are publicly available, the profit attributable to Ordinary Stockholders and the financial effects on the EPS of the Group for FY2015 would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Profit attributable to Ordinary Stockholders (S\$ million)	102.2	187.4 ⁽¹⁾
Weighted average no. of Stock Units – Basic ('000)	637,122	637,122
Basic EPS (Singapore Cents)	16.0	29.4

⁽¹⁾ After adjusting for transaction costs and interest savings on the assumption that the net proceeds from the Proposed Transaction will be used to partially repay external borrowings on 1 January 2015.

7.4 Gain on completion of the Proposed Transaction. Based on the Group's unaudited consolidated financial statements for Q1 2016, the Group would expect to realise an attributable net disposal gain of approximately S\$99.8 million, and receive net proceeds of approximately S\$479.7 million.

LETTER TO SHAREHOLDERS

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Relative figures

The relative figures in relation to the Proposed Transaction computed on the applicable bases set out in Rule 1006 of the Listing Manual (“**Rule 1006**”) are as follows:

Rule 1006	Bases	Relative Figures (%) based on FY2015	Relative Figures (%) based on Q1 2016
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	11.9 ⁽¹⁾	11.1 ⁽⁴⁾
(b)	Net profit/(loss) attributable to the assets to be disposed of, compared with the Group’s net profits	48.7 ⁽²⁾	(771.7) ⁽⁵⁾
(c)	Aggregate value of the consideration received compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares)	44.6 ⁽³⁾	44.6 ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.	N.A.

Notes:

- (1) Computed based on the Group’s effective interest of the net asset value of the MFLEX Group of approximately S\$216.9 million as at 31 December 2015, compared to the Group’s net asset value of approximately S\$1,830.6 million as at 31 December 2015.
- (2) Computed based on net profit (before tax and non-controlling interest) of the MFLEX Group of approximately S\$66.6 million for FY2015, compared to the net profit (before tax and non-controlling interest) of the Group of approximately S\$136.6 million for FY2015.
- (3) Computed based on the aggregate gross consideration for the MFLEX Sale Shares (based on an exchange rate of S\$1.4279:US\$1.00), compared to the market capitalisation of the Company on 4 February 2016 (market day preceding the Announcement) of approximately S\$1,135.1 million.
- (4) Computed based on the Group’s effective interest of the net asset value of the MFLEX Group of approximately S\$200.7 million as at 31 March 2016, compared to the Group’s net asset value of approximately S\$1,811.5 million as at 31 March 2016.
- (5) Computed based on net loss (before tax and non-controlling interest) of the MFLEX Group of approximately S\$12.7 million for Q1 2016, compared to the net profit (before tax and non-controlling interest) of the Group of approximately S\$1.6 million for Q1 2016. According to MFLEX’s public filings, the decline in the MFLEX Group’s financial performance for Q1 2016 was due to, among other things, softness in the global smartphone market.

As the relative figures under Rule 1006 (b) and (c) exceed 20%, the Proposed Transaction constitutes a major transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Transaction is subject to Shareholders’ approval.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

9.1 Interests of Directors and Controlling Shareholders in the Proposed Transaction

- (a) Except for:
- (i) OCBC’s direct holding of approximately 6.4%, and GEH’s indirect holding of approximately 19.2%, of the total ordinary stock units of WBL;
 - (ii) the Irrevocable Undertakings described in paragraph 1.4 of this Circular;
 - (iii) the appointments held by the Directors of the Company on the boards of OCBC and GEH as described in paragraph 9.1(b) of this Circular; and

LETTER TO SHAREHOLDERS

- (iv) the shareholdings of the Directors and controlling shareholders in the Company referred to in paragraphs 9.2 and 9.3 of this Circular respectively,

none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

- (b) Mr Tan Ngiap Joo, an Independent Director and Non-Executive Chairman of the Company, is an Independent Director of OCBC. Mr Norman Ip Ka Cheung, the Group Managing Director of the Company, is an Independent Director of GEH. Mr Koh Beng Seng, an Independent Director of the Company, is an Independent Director and the Non-Executive Chairman of GEH.

9.2 Shareholding Interests of Directors. The interests of Directors in the Securities as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Stock Units	%	No. of Stock Units	%	No. of Preference Shares	%	No. of Preference Shares	%
Tan Ngiap Joo	89,850	0.014	–	–	–	–	–	–
Michael Lim Chun Leng	144,776	0.023	–	–	–	–	–	–
David Wong Cheong Fook	10,000	0.002	–	–	–	–	–	–

9.3 Shareholding Interests of Controlling Shareholders. The interests of controlling shareholders in the Securities (including treasury and non-voting shares) as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Controlling Shareholders	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Stock Units	% of total issued Stock Units	No. of Stock Units	% of total issued Stock Units	No. of Preference Shares	% of total issued Preference Shares	No. of Preference Shares	% of total issued Preference Shares
Oversea-Chinese Banking Corporation Limited ⁽¹⁾	26,233,458	4.12	104,175,958	16.35	20,500	2.34	591,800	67.63
Great Eastern Holdings Limited ⁽²⁾	–	–	104,175,958	16.35	–	–	591,800	67.63
The Great Eastern Life Assurance Company Limited	80,240,675	12.59	–	–	537,207	61.40	–	–

Notes:

⁽¹⁾ Oversea-Chinese Banking Corporation Limited is deemed to have an interest in:

- (a) 104,175,958 Stock Units, of which 80,235,499 Stock Units were held by The Great Eastern Life Assurance Company Limited, 17,098,075 Stock Units were held by The Overseas Assurance Corporation Limited, 6,821,680 Stock Units were held by The Great Eastern Trust Private Limited, 5,176 Stock Units were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Life Assurance Company Limited), 5,176 Stock Units were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Trust Private Limited) and 10,352 Stock Units were held by Citibank Nominees Singapore Pte Ltd (for the beneficial interest of The Overseas Assurance Corporation Limited); and

LETTER TO SHAREHOLDERS

- (b) 591,800 Preference Shares, of which 535,207 Preference Shares were held by The Great Eastern Life Assurance Company Limited, 41,357 Preference Shares were held by The Great Eastern Trust Private Limited, 9,236 Preference Shares were held by The Overseas Assurance Corporation Limited, 2,000 Preference Shares were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Life Assurance Company Limited), 2,000 Preference Shares were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Trust Private Limited) and 2,000 Preference Shares were held by Citibank Nominees Singapore Pte Ltd (for the beneficial interest of The Overseas Assurance Corporation Limited).

(2) Great Eastern Holdings Limited is deemed to have an interest in:

- (a) 104,175,958 Stock Units, of which 80,235,499 Stock Units were held by The Great Eastern Life Assurance Company Limited, 17,098,075 Stock Units were held by The Overseas Assurance Corporation Limited, 6,821,680 Stock Units were held by The Great Eastern Trust Private Limited, 5,176 Stock Units were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Life Assurance Company Limited), 5,176 Stock Units were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Trust Private Limited) and 10,352 Stock Units were held by Citibank Nominees Singapore Pte Ltd (for the beneficial interest of The Overseas Assurance Corporation Limited); and
- (b) 591,800 Preference Shares, of which 535,207 Preference Shares were held by The Great Eastern Life Assurance Company Limited, 41,357 Preference Shares were held by The Great Eastern Trust Private Limited, 9,236 Preference Shares were held by The Overseas Assurance Corporation Limited, 2,000 Preference Shares were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Life Assurance Company Limited), 2,000 Preference Shares were held by United Overseas Bank Nominees Pte Ltd (for the beneficial interest of The Great Eastern Trust Private Limited) and 2,000 Preference Shares were held by Citibank Nominees Singapore Pte Ltd (for the beneficial interest of The Overseas Assurance Corporation Limited).

(3) Oversea-Chinese Banking Corporation Limited and Great Eastern Holdings Limited are deemed to have an interest in:

- (a) 104,175,958 Stock Units (representing approximately 16.90% of the total issued Securities (excluding treasury and non-voting shares)); and
- (b) 591,800 Preference Shares (representing approximately 0.10% of the total issued Securities (excluding treasury and non-voting shares)).

10. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Securities as the Proposed Transaction is still subject to numerous conditions precedent and there is no certainty or assurance as at the date of this Circular that all of the conditions precedent will be satisfied (or waived, as the case may be), or that the Proposed Transaction will be completed. Shareholders are advised to read this Circular and any announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

11. DIRECTORS' RECOMMENDATION

The Directors having considered, *inter alia*, the terms and the rationale of the Proposed Transaction (including the Merger Consideration) as well as the financial effects of the Proposed Transaction, and after taking into account the financial position and performance of MFLEX and its subsidiaries, are of the opinion that the Proposed Transaction is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution as set out in the Notice.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 22 of this Circular (the "**Notice**"), will be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on 8 June 2016 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution as set out in the Notice.

LETTER TO SHAREHOLDERS

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote at the EGM on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898, not later than 9.30 a.m. on 6 June 2016. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. In such event, the relevant Proxy Form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

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 Securities entered against his name in the Depository Register, as certified by CDP at least 72 hours before the EGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The 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 Proposed Transaction and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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

15. DOCUMENTS FOR INSPECTION

A copy of each of the Merger Agreement, the Support Agreement, the Indemnification Letter, the Cooperation Letter and the Irrevocable Undertakings are 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 on any weekday (public holidays excepted) from the date of this Circular, up to the date of the EGM.

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

Mr Tan Ngiap Joo
Chairman
23 May 2016

APPENDIX A

OTHER MATERIAL TERMS OF THE MERGER AGREEMENT

The following sets out a summary of certain material terms of the Merger Agreement, which are described in greater detail in the Merger Agreement. Capitalised terms used but not defined herein have the meaning given to them in the Merger Agreement.

1. Non-Solicitation

Subject to certain exceptions specified in the Merger Agreement (including where the MFLEX Board determines that an unsolicited *bona fide* written Alternative Transaction Proposal constitutes a Superior Proposal), MFLEX has undertaken, among other things, that it shall not directly or indirectly solicit, initiate or knowingly encourage or facilitate, or furnish or disclose non-public information in furtherance of, any inquiries or the making of any Alternative Transaction Proposal, or negotiate, explore or otherwise engage in discussions with any person or enter into any agreement, arrangement or understanding with respect to any Alternative Transaction Proposal, or approve or recommend any Alternative Transaction Proposal.

In the event that the MFLEX Board finds that an unsolicited *bona fide* written Alternative Transaction Proposal is, or is reasonably likely to lead to, a Superior Proposal, then, subject to certain requirements in the Merger Agreement, prior to the receipt of the MFLEX Stockholder Approval, MFLEX may: (a) provide information to the entity making such Alternative Transaction Proposal; and (b) participate in discussions or negotiations with the entity making such Alternative Transaction Proposal regarding the terms of the proposal. If the MFLEX Board determines that any such Alternative Transaction Proposal is a Superior Proposal and that the failure of the MFLEX Board to change its recommendation in favour of the Merger would be inconsistent with its fiduciary duties to the stockholders of MFLEX, then the MFLEX Board may change its recommendation, and may, subject to the Purchaser's right to match such Alternative Transaction Proposal and subject to the payment of the termination fee as described below, terminate the Merger Agreement to enter into the Superior Proposal.

2. Termination

The following summarises the material provisions in the Merger Agreement that permit the relevant party to terminate the Merger Agreement:

- (a) termination by mutual written consent of the Purchaser and MFLEX;
- (b) termination by either the Purchaser or MFLEX, if Closing has not occurred by 5 p.m. New York City time on or before the date occurring six months after the date of the Merger Agreement (the "**Initial Termination Date**"). The Initial Termination Date may be extended for a further three months (the Initial Termination Date, as extended pursuant to the terms of the Merger Agreement, the "**Termination Date**") in certain circumstances, including where all the relevant Conditions set out in the Merger Agreement have been satisfied (other than those Conditions relating to the events set out in paragraphs 3.2(a) and 3.2(b) of this Circular) and the Purchaser has paid or deposited the Extension Deposit with the escrow agent;
- (c) termination by the Purchaser, if the MFLEX Board has failed to recommend the Merger and the approval of the Merger Agreement by the stockholders of MFLEX, or the MFLEX Board has taken certain actions (as more fully described in the Merger Agreement) that adversely affect the approval and recommendation of the Merger and the transactions contemplated by the Merger Agreement;
- (d) termination by MFLEX, if at any time prior to receiving the MFLEX Stockholder Approval,
 - (i) MFLEX shall have received a Superior Proposal (as defined in the Merger Agreement),
 - (ii) the MFLEX Board or any authorised committee thereof shall have determined in good faith (after advice from outside legal counsel) that the failure to enter into a definitive agreement relating to such Superior Proposal would be expected to be inconsistent with

APPENDIX A

OTHER MATERIAL TERMS OF THE MERGER AGREEMENT

its fiduciary duties, (iii) following the termination of the Merger Agreement, MFLEX enters into the definitive agreement relating to such Superior Proposal and pays to the Purchaser the Parent Termination Fee, and (iv) MFLEX has complied in all material respects with the relevant provisions in the Merger Agreement in connection with such Superior Proposal;

- (e) termination by the Purchaser, if MFLEX has materially breached the non-solicitation provisions in the Merger Agreement;
- (f) termination by the Purchaser or MFLEX, if the MFLEX Stockholder Approval has not been obtained by the Termination Date; and
- (g) termination by MFLEX or the Purchaser, if the UEL Shareholder Approval is not obtained.

3. MFLEX Representations and Warranties

MFLEX has provided representations and warranties concerning, among other things, the following: (a) corporate organization and good standing of itself and its subsidiaries; (b) its capitalization; (c) its authority to enter into the Proposed Transaction; (d) absence of consents and approvals for its entry into the Proposed Transaction; (e) legal compliance; (f) financials; (g) information in proxy statements; (h) the absence of material adverse changes and undisclosed liabilities; (i) litigation and other disputes; (j) tax matters; (k) real property; (l) environmental matters; (m) contracts; (n) employee benefit and labor matters; (o) intellectual property; (p) material customers and suppliers; and (q) related party transactions.

4. Purchaser and Merger Sub Representations and Warranties

The Purchaser and the Merger Sub have provided representations and warranties concerning, among other things, the following: (a) corporate organization and good standing; (b) authority to enter into the Proposed Transaction; (c) absence of consents and approvals for its entry into the Proposed Transaction; (d) information in the proxy statement; (e) litigation and other disputes; and (f) financing.

5. Undertakings of MFLEX Prior to Closing

MFLEX has provided certain pre-Closing undertakings (which are subject to the exceptions set out in the Merger Agreement) concerning the conduct of business including, among other things, the following:

- (a) to conduct its business in the ordinary course consistent with past practice;
- (b) to preserve its business organization and its relationships with material customers, suppliers, vendors, licensors and licensees;
- (c) restrictions on changes in its Constituent Documents;
- (d) restrictions on payment of dividends or other distributions on its equity;
- (e) restrictions on merger or consolidation with any other entity, or the acquisition of assets in excess of a certain threshold;
- (f) restrictions on disposal of assets;
- (g) restrictions on the issuance of share capital;
- (h) restrictions on incurring indebtedness;
- (i) restrictions on guaranteeing indebtedness of any non-subsiary entity;

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OTHER MATERIAL TERMS OF THE MERGER AGREEMENT

- (j) restrictions on increasing compensation, benefits or bonus of any current or former directors or employees; restrictions on promoting any executive or director; restrictions on entering into or terminating any collective bargaining agreement with a labour union or similar organization; restrictions on any termination of employees;
- (k) restrictions on hiring or terminating the employment of any executive officer or other employee outside of the ordinary course of business in excess of a certain threshold;
- (l) restrictions on changing the accounting method;
- (m) restrictions on paying or settling any litigation, subject to certain thresholds;
- (n) restrictions on modifying any insurance coverage with respect to any material assets;
- (o) restrictions on entering into, amending or terminating any contract that would have been a "Company Contract";
- (p) restrictions on making any new capital expenditures other than those disclosed to the Purchaser;
- (q) restrictions on establishing any new material line of business;
- (r) restrictions on handling certain tax matters;
- (s) restrictions on liquidation, dissolution, restructuring or other reorganisation;
- (t) restrictions on altering the material intellectual property;
- (u) restrictions on divesting assets; and
- (v) restrictions on committing to doing any of the foregoing.

NOTICE OF EXTRAORDINARY GENERAL MEETING

UNITED ENGINEERS LIMITED

(Company Registration No.: 191200018G)

(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of United Engineers Limited (the “**Company**”) will be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on 8 June 2016 at 9.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

ORDINARY RESOLUTION

APPROVAL OF THE PROPOSED DISPOSAL OF MULTI-FINELINE ELECTRONIX, INC.

- (a) That approval be and is hereby given for the proposed transaction (the “**Proposed Transaction**”) to dispose of, and sell, up to 14,817,052 outstanding shares of common stock, US\$0.0001 par value per share (each, a “**MFLEX Share**”), of Multi-Fineline Electronix, Inc. (“**MFLEX**”), collectively held by the Company’s indirect subsidiaries, WBL Technology (Private) Limited (“**WT**”) and United WBL Technology Pte. Ltd. (“**UWT**”) to Suzhou Dongshan Precision Manufacturing Co., Ltd., a company organised under the laws of the People’s Republic of China (the “**Purchaser**”), by way of the merger (the “**Merger**”) of Dragon Electronix Merger Sub Inc., a Delaware corporation and an indirect wholly-owned subsidiary of the Purchaser (the “**Merger Sub**”), with and into MFLEX in accordance with the General Corporation Law of the State of Delaware, and on the terms and subject to the conditions set out in the agreement and plan of merger dated 4 February 2016 entered into between MFLEX, the Purchaser and the Merger Sub; and
- (b) That the directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, but not limited to, executing all such documents as may be required in connection with this Resolution and the Proposed Transaction, and to cause WT and UWT to vote up to all of their respective MFLEX Shares in favour of the Merger at a stockholders meeting to be convened by MFLEX to consider the Merger) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the Proposed Transaction.

BY ORDER OF THE BOARD

Tan Swee Hong
Company Secretary
23 May 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

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 Extraordinary General Meeting. 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 Extraordinary General Meeting, 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 #02-00, Singapore 068898 not less than 48 hours before the time set for the Extraordinary General Meeting 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 Extraordinary General Meeting 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 Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (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.

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PROXY FORM



United
Engineers
Limited

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

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 United Engineers Limited stock units and/or preference shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors 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 23 May 2016.

I/We, (Name) _____, NRIC/Passport No./Co. Regn No.: _____

of (Address) _____

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

NAME	ADDRESS	NRIC/ PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting (the “**Meeting**”) of the Company to be held at The Auditorium, 12 Ang Mo Kio Street 64, UE BizHub CENTRAL, Singapore 569088 on Wednesday, 8 June 2016 at 9.30 a.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 Meeting 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 Meeting.

ORDINARY RESOLUTION	FOR*	AGAINST*
Approval for the Proposed Transaction Involving the Disposal of up to 14,817,052 shares of Multi-Fineline Electronix, Inc.		

* Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against”, please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016.

Number of Stock Units held	
Number of Preference Shares held	



IMPORTANT: PLEASE READ NOTES OVERLEAF

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

Notes:

1. Please insert the total number of Stock Units/Preference Shares held by you. If you have Stock Units/Preference Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Stock Units/Preference Shares. If you have Stock Units/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 Stock Units/Preference Shares. If you have Stock Units/Preference Shares entered against your name in the Depository Register and Stock Units/Preference Shares registered in your name in the Register of Members, you should insert the aggregate number of Stock Units/Preference Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Stock Units/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 Meeting. 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 Meeting, 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. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting 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 Meeting.
5. 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 #02-00, Singapore 068898 not less than 48 hours before the time appointed for the Meeting.
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 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 Meeting, 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 Stock Units/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 Stock Units/Preference Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.