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YANLORD

YANLORD INVESTMENT (SINGAPORE) PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201715887D)

16 January 2020

To: The holders of UEL Ordinary Shares of United Engineers Limited

Dear Sir/Madam

COMPULSORY ACQUISITION OF UEL ORDINARY SHARES BY YANLORD INVESTMENT (SINGAPORE) PTE. LTD. PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE "COMPANIES ACT") AND RIGHTS OF HOLDERS OF UEL ORDINARY SHARES UNDER SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 **UEL Offers.** We, Yanlord Investment (Singapore) Pte. Ltd. (the "**Offeror**"), refer to:

(a) the offer document dated 13 November 2019 (the "**Offer Document**") issued by DBS Bank Ltd. ("**DBS Bank**"), for and on behalf of the Offeror, in connection with:

(i) the mandatory conditional cash offer for all the issued and paid-up ordinary stock units in the capital of United Engineers Limited ("**UEL**") (the "**UEL Ordinary Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Ordinary Offer Shares**") in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") (the "**Ordinary Share Offer**"); and

(ii) the comparable offer for all the issued and paid-up preference shares in the capital of UEL other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Preference Offer Shares**") in accordance with Rule 18 of the Code;

(b) the announcement released by DBS Bank, for and on behalf of the Offeror, on 15 November 2019 in relation to, *inter alia*, the Ordinary Share Offer becoming unconditional as to acceptances and being declared to be unconditional in all respects;

(c) the notification of revision dated 21 November 2019 (the "**Notification of Revision**") issued by DBS Bank, for and on behalf of the Offeror, in relation to the revision of the Ordinary Share Offer Price to S$2.70 in cash for each Ordinary Offer Share (the "**Final Ordinary Share Offer Price**") and the revision of the Preference Share Offer Price to S$2.70 in cash for each Preference Offer Share;

(d) the notification dated 16 December 2019 issued by DBS Bank, for and on behalf of the Offeror, in relation to, *inter alia*, the Offeror's position with respect to the listing status of UEL and the exercise of its right of compulsory acquisition under Section 215(1) of the Companies Act;

(e) the announcement released by DBS Bank, for and on behalf of the Offeror, on 27 December 2019 in relation to, *inter alia*:

(i) the non-satisfaction of the Free Float Requirement and the Offeror's intention to take steps to delist UEL from the SGX-ST following the close of the UEL Offers; and

(ii) the rights of holders of UEL Ordinary Shares under Section 215(3) of the Companies Act;

(f) the announcement released by DBS Bank, for and on behalf of the Offeror, on 30 December 2019 in relation to, *inter alia*, the extension of the Ordinary Share Offer Closing Date and the Preference Share Offer Closing Date; and

(g) the announcement released by DBS Bank, for and on behalf of the Offeror, on 2 January 2020 in relation to, *inter alia*, the Offeror's entitlement to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act in respect of the UEL Ordinary Shares, and the final Ordinary Share Offer Closing Date and final Preference Share Offer Closing Date (the "**Compulsory Acquisition Announcement**").

All capitalised terms used and not defined in this letter (this "**Letter**") shall have the same meanings given to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

1.2 **Compulsory Acquisition.** As stated in the Compulsory Acquisition Announcement, as at 5.00 p.m. (Singapore time) on 2 January 2020, the Offeror has received valid acceptances of the Ordinary Share Offer and acquired such number of UEL Ordinary Shares otherwise than through valid acceptances of the Ordinary Share Offer in respect of not less than 90% of the total number of UEL Ordinary Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Ordinary Share Offer and excluding any UEL Ordinary Shares held in treasury). Accordingly, the Offeror is entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act at the Final Ordinary Share Offer Price of **S$2.70** in cash for each Ordinary Offer Share (the aggregate amount payable, the "**Consideration**").

1.3 **Non-Acceptance of the Ordinary Share Offer.** According to the records as at 13 January 2020 maintained by The Central Depository (Pte) Limited ("**CDP**") and/or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), as the case may be, you have not accepted the Ordinary Share Offer in respect of your UEL Ordinary Shares. Accordingly, we are writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition to acquire all the UEL Ordinary Shares held by you at the Final Ordinary Share Offer Price of **S$2.70** in cash for each Ordinary Offer Share. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

PLEASE DISREGARD THIS LETTER AND THE ACCOMPANYING FORM 57 AND FORM 58 (AS DEFINED BELOW) IF YOU HAVE ALREADY (A) VALIDLY ACCEPTED THE ORDINARY SHARE OFFER IN RESPECT OF ALL YOUR UEL ORDINARY SHARES OR (B) SOLD ALL YOUR UEL ORDINARY SHARES PRIOR TO THE DATE OF THIS LETTER.

1.4 **Final Ordinary Share Offer Closing Date.** As stated in the Compulsory Acquisition Announcement, the Ordinary Share Offer will close at 5.30 p.m. (Singapore time) on 20 January 2020 (the "**Final Ordinary Share Offer Closing Date**"). If you wish to accept the Ordinary Share Offer but have not done so, you should complete, sign and forward your FAA or FAT (as the case may be) and all other relevant documents as soon as possible so as to reach CDP or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (as the case may be) no later than 5.30 p.m. (Singapore time) on the Final Ordinary Share Offer Closing Date. Any acceptances received after 5.30 p.m. on the Final Ordinary Share Offer Closing Date will be rejected.

1.5 **Consultation.** If you are in any doubt about any of the matters referred to in this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

2.1 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the UEL Ordinary Shares held by you on or

after 17 February 2020 (the "**Transfer Date**"), being the date after the expiry of one (1) month from the date on which Form 57 is given, subject to and on the terms set out in the enclosed Form 57.

2.2 **Registration of Transfer.** Upon the payment of the Consideration to UEL by the Offeror, UEL will cause to be transferred to the Offeror all the UEL Ordinary Shares held by you and register the Offeror as the holder of all those UEL Ordinary Shares as soon as practicable. The Consideration in respect of all the UEL Ordinary Shares held by you will be credited by UEL into a separate bank account and held by UEL on trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.3 below.

2.3 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:

(a) if your UEL Ordinary Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of UEL, despatch remittances in the form of S$ cheques for the appropriate amount of the Consideration payable in respect of your UEL Ordinary Shares to your address as it appears in the records of CDP by ordinary post, or by such other manner as you may have agreed with CDP for the payment of any cash distribution (or, if you hold UEL Ordinary Shares which are not deposited with CDP, to your designated agents, as you may direct), in each case at your own risk; and

(b) if your UEL Ordinary Shares are held in scrip form, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) will, on behalf of UEL, despatch a cheque for the appropriate amount of the Consideration payable in respect of your UEL Ordinary Shares to you by ordinary post, at your own risk, to your address as it appears in the register of members of UEL as maintained by Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.).

2.4 **No Action Needed. No action needs to be taken by you in relation to Form 57 to entitle you to payment, which will be made to you in accordance with paragraphs 2.2 and 2.3 above.**

3. RIGHTS OF HOLDERS OF UEL ORDINARY SHARES UNDER SECTION 215(3) OF THE COMPANIES ACT

3.1 **Non-Assenting Shareholder.** Under and subject to Section 215(3) of the Companies Act, you have the right to require the Offeror to acquire your UEL Ordinary Shares. In connection with the foregoing, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") addressed to you is enclosed with this Letter. You may, within three (3) months from the date of the Form 58 (that is, on or before 16 April 2020), require the Offeror to acquire your UEL Ordinary Shares and the Offeror shall be entitled and bound to acquire those UEL Ordinary Shares on the same terms as those set out in the Offer Document and the Notification of Revision.

3.2 **No Action Needed. As the Offeror would be proceeding to compulsorily acquire your UEL Ordinary Shares pursuant to Section 215(1) of the Companies Act as described in paragraph 2 above, you need not take any action in relation to Form 58. Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal and financial advice.**

4. OTHERS

Any enquiries relating to this Letter or the Ordinary Share Offer should be directed during office hours to:

DBS Bank Ltd.
Strategic Advisory
Tel: +65 6878 8563

Yours faithfully

For and on behalf of
YANLORD INVESTMENT (SINGAPORE) PTE. LTD.



Zhong Ming
Director