UNITED ENGINEERS LIMITED

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

Registered Office: 12 Ang Mo Kio Street 64, #01-01 UE BizHub CENTRAL, Singapore 569088

To: The members of United Engineers Limited
("**Members**")

Dear Sir/Madam

1. INTRODUCTION

We refer to item 9 of the Notice of the One Hundred and First Annual General Meeting of the Company ("**101st AGM**") which is an Ordinary Resolution ("**Resolution 9**") to be proposed at the 101st AGM for the renewal of the Company's interested person transactions mandate (the "**IPT Mandate**"). The purpose of this letter is to provide Members with information relating to Resolution 9.

2. RENEWAL OF THE IPT MANDATE

2.1 **Background.** At the One Hundredth Annual General Meeting of the Company held on 25 April 2014 (the "**last AGM**"), Members had approved (*inter alia*) the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The terms of the IPT Mandate were set out in Appendix A of the Company's letter to Members dated 8 April 2014. The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual, to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company's interested persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions.

2.2 **Renewal of the IPT Mandate.** Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. Hence, the IPT Mandate renewed at the last AGM was expressed to continue in force until the conclusion of the next Annual General Meeting of the Company, being the forthcoming 101st AGM, which is to be held on 24 April 2015. Accordingly, it is proposed that the IPT Mandate be renewed at the forthcoming 101st AGM, to take effect until the conclusion of the next Annual General Meeting of the Company.

2.3 **Particulars of the IPT Mandate.** The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remain unchanged. As at 9 March 2015, Oversea-Chinese Banking Corporation Limited ("**OCBC**") and its associates (which include Great Eastern Holdings Limited ("**GEH**") and its subsidiaries) are regarded as "interested persons" of the Company for the purposes of Chapter 9 of the Listing Manual, and OCBC is considered a controlling shareholder of the Company. Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of interested persons, are set out in Appendix A of this letter.

2.4 **Audit & Risk Committee's confirmation.** The Audit & Risk Committee of the Company confirms that:

(a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the last AGM; and

(b) the methods or procedures referred to in (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

2.5 **Chapter 9 of the Listing Manual.** General information on the listing rules relating to interested person transactions, including the meanings of terms such as "associate", "approved exchange", "entity at risk", "interested person", "same interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual, is set out in Appendix B of this letter.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 **Interests in stock units and preference shares.** The interests of the Directors and substantial shareholders of the Company in the issued share capital of the Company can be found on pages 52 and 182 of the Company's Annual Report 2014.

3.2 **Abstention from voting.** Mr Tan Ngiap Joo, an Independent Director and Non-Executive Chairman of the Company, is also an Independent Director of OCBC. Mr Norman Ip Ka Cheung, an Independent Director of the Company, is also a Director and the Acting Group Chief Executive Officer of GEH. Mr Koh Beng Seng, an Independent Director of the Company, is also an Independent Director and the Non-Executive Chairman of GEH. Mr Koh Poh Tiong, an Independent Director of the Company, is also an Independent Director of The Great Eastern Life Assurance Company Limited, a subsidiary of GEH. As OCBC and GEH are interested persons in relation to the IPT Mandate, each of Mr Tan Ngiap Joo, Mr Norman Ip Ka Cheung, Mr Koh Beng Seng and Mr Koh Poh Tiong has abstained from making any recommendation to Members in relation to the proposed renewal of the IPT Mandate and will abstain from voting his holding of shares (if any) on Resolution 9 relating thereto at the 101st AGM.

Mr Tan Ngiap Joo, Mr Norman Ip Ka Cheung, Mr Koh Beng Seng and Mr Koh Poh Tiong respectively will also decline to accept appointment as proxy for any Member to vote in respect of Resolution 9 relating to the renewal of the IPT Mandate at the 101st AGM unless the Member concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 9.

As OCBC and its associates (including GEH) are interested persons in relation to the renewal of the IPT Mandate, they will abstain from voting their shareholdings (if any) in the Company on Resolution 9 relating to the renewal of the IPT Mandate at the 101st AGM.

4. RECOMMENDATION

The Directors who are considered independent for the purpose of the renewal of the IPT Mandate are Mr Chew Leng Seng, Dr Michael Lim Chun Leng and Mr David Wong Cheong Fook. They are of the opinion that the entry by the UE Group (as described in paragraph 2 of Appendix A) into the Interested Person Transactions (as described in paragraph 7 of Appendix A) with the Interested Persons (as described in paragraph 6 of Appendix A) in the ordinary course of business will enhance the efficiency of the UE Group, and is in the interests of the Company. Accordingly, they recommend that minority shareholders vote in favour of Resolution 9 for the renewal of the IPT Mandate at the 101st AGM.

5. RESPONSIBILITY STATEMENT

5.1 **Directors' responsibility.** The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the proposal to renew the IPT Mandate at the 101st AGM, and the Company and its subsidiaries which are relevant to the proposed renewal of the IPT Mandate at the 101st AGM, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading. Where information in this letter 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 letter in its proper form and context.

5.2 **Disclaimer.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this letter. Members who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
For and on behalf of
the Board of Directors of United Engineers Limited

Tan Ngiap Joo
Chairman

Singapore, 7 April 2015

THE INTERESTED PERSON TRANSACTIONS MANDATE

1. **Introduction.** Due to the diverse business interests and activities of the interested persons of United Engineers Limited (the "**Company**"), it is envisaged that in the ordinary course of their businesses, transactions between the UE Group (as defined below) and the Company's interested persons are likely to occur with some degree of frequency, and may arise at any time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the UE Group to the Company's interested persons or the obtaining of goods and services from them for day-to-day operational needs.

2. **Rationale for the General Mandate.** In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of a general mandate (the "**IPT Mandate**") pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual (together, the "**UE Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions set out in paragraph 7 below (the "**Interested Person Transactions**"), with the classes of the Company's interested persons specified in paragraph 6 below (the "**Interested Persons**"), provided that such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its members (excluding those who are Interested Persons) (the "**Minority Shareholders**").

3. **Scope of the IPT Mandate.** The IPT Mandate covers various types of Interested Person Transactions under each category of activities to which the IPT Mandate applies, and describes the review procedures for ensuring that such transactions will be entered into with the specified classes of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and the Minority Shareholders.

   The IPT Mandate will not apply to any transaction by a company in the UE Group with an Interested Person that:

   (a) is below S$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such a transaction; or

   (b) is equal to or exceeds S$100,000 in value, but qualifies as an excepted transaction for the purposes of Chapter 9 of the Listing Manual and is thus exempted from the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual.

   Transactions by the UE Group with Interested Persons that do not fall within the ambit of either the exceptions in (a) or (b) above, or the scope of the IPT Mandate, will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

4. **Benefit to members.** The obtaining of the IPT Mandate (and its subsequent renewal on an annual basis) will enhance the ability of the UE Group to pursue business opportunities that are time-sensitive in nature, and will eliminate the need (pursuant to materiality thresholds imposed under Chapter 9 of the Listing Manual) for the Company to announce such transactions, or, to announce and convene separate general meetings as and when potential transactions with the specified classes of Interested Persons arise to seek members' prior approval for the entry by the relevant company in the UE Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled toward attaining other corporate objectives.

5. **Validity period of the IPT Mandate.** The IPT Mandate will take effect from the passing of the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next Annual General Meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from members will be sought for the renewal of the IPT Mandate at the next Annual General Meeting and at each subsequent Annual General Meeting of the Company, subject to satisfactory review by the Audit & Risk Committee of the Company ("**Audit & Risk Committee**") of its continued application to the Interested Person Transactions.

6. **Classes of Interested Persons.** The IPT Mandate will apply to the Interested Person Transactions (described in paragraph 7 below) that are carried out with the following classes of Interested Persons:

   (a) Great Eastern Holdings Limited and its associates (collectively, the "**GEH Entities**"); and

   (b) Oversea-Chinese Banking Corporation Limited and its associates (other than the GEH Entities) (the "**OCBC Entities**").

   Great Eastern Holdings Limited is a subsidiary of Oversea-Chinese Banking Corporation Limited. Solely for the purposes of illustration, the GEH Entities would comprise Great Eastern Holdings Limited and its subsidiary companies as well as any company in which it or they or any of them taken together (directly or indirectly) have an equity interest of 30% or more, while the OCBC Entities would comprise Oversea-Chinese Banking Corporation Limited and its related corporations as well as any company in which it or they or any of them taken together (directly or indirectly) have an equity interest of 30% or more, but excluding the GEH Entities.

7. **Categories of Interested Person Transactions.** The types of Interested Person Transactions to which the IPT Mandate will apply, and the benefits to be derived therefrom, are set out below.

   (a) Engineering & Building Transactions

   This category of transactions pertains to the Engineering & Construction and Integrated Facility Management business, including property development activities, of the UE Group ("**Engineering & Building Transactions**"). The transactions within this category comprise:

   (i) the tender (whether by way of public tender, invitation or otherwise) and/or the award of contracts as main contractors, sub-contractors, suppliers and/or consultants for construction, building and/or engineering works for residential, commercial, industrial, institutional, recreational, infrastructural and other projects, turnkey projects, design-build-operate projects, building engineering systems and environmental engineering works;

   (ii) the provision or obtaining of consultancy, technical and/or advisory services in relation to property development and property investment;

   (iii) the provision or obtaining of project management services, asset management services, hospitality management services, property development services, design and installation services, cleaning services and procurement services;

   (iv) the provision or obtaining of building systems (such as air-conditioning and ventilation, building automation, fire protection, electrical distribution and plumbing and sanitation);

   (v) the provision or obtaining of renovation services (such as fitting-out, retro-fitting, upgrading and tenancy works);

   (vi) the provision or obtaining of property-linked services (such as property and rental valuation services, building maintenance services, estate management services, security services and property management and marketing services);

   (vii) the provision or obtaining of performance bonds and performance guarantees; and

   (viii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (vii) above.

The UE Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner. The UE Group would also benefit from having access to competitive quotes from Interested Persons.

(b) General Transactions

This category of transactions pertains to the property investment activities of the UE Group and general business transactions for services and products arising in the day-to-day operations of various companies in the UE Group ("**General Transactions**"). The transactions within this category comprise:

(i) the purchase and/or sale, and the rental and/or leasing of vehicles, construction equipment and machinery;

(ii) the purchase and/or sale of building materials, building systems, environmental engineering systems (such as water, medical and waste management and treatment systems), cleaning products and related equipment;

(iii) the leasing and/or rental of properties;

(iv) the obtaining of insurance, insurance products and insurance brokerage services;

(v) the provision or obtaining of office equipment, furniture and fittings;

(vi) the provision or obtaining of telecommunication and broadcasting facilities and equipment;

(vii) the provision or obtaining of information technology products and accessories, and information technology services (including repair, maintenance and technical services); and

(viii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (vii) above.

The UE Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner. The UE Group would also benefit from having access to competitive quotes from Interested Persons.

(c) Corporate Finance and Treasury Transactions

This category of transactions pertains to various corporate finance and treasury related activities ("**Corporate Finance and Treasury Transactions**") of the UE Group. It includes the obtaining of project financing or other financial assistance and services from Interested Persons, as well as transactions that are undertaken by the UE Group in connection with the management of its finances, investments and funding requirements. The transactions within this category comprise:

(i) the placement of funds or deposits with any Interested Person;

(ii) the borrowing of funds from any Interested Person;

(iii) the entry into with any Interested Person of foreign exchange, swap and option transactions for hedging purposes; and

(iv) the subscription of debt securities issued by any Interested Person and the issue of debt securities to any Interested Person, and the buying from, or selling to, any Interested Person of debt securities.

The UE Group can benefit from competitive rates or quotes offered by Interested Persons, as well as by leveraging on the financial strength and credit standing of the Interested Persons in an expeditious manner.

8. **Review procedures for Interested Person Transactions.** The Company has an internal control system in place to ensure that transactions with Interested Persons are made on normal commercial terms, supported by independent valuation where appropriate, and consistent with the UE Group's usual policies and practices.

(a) The internal control system includes the following guidelines:

(i) In relation to Engineering & Building Transactions and General Transactions, any transaction proposed to be carried out with an Interested Person for the obtaining or provision of the services or products described shall be made at the prevailing rates/ prices of the service or product provider which (in relation to services or products to be provided to an Interested Person) are no more favourable to the Interested Person than those extended to third parties, or (in relation to services or products to be obtained from an Interested Person) are no less favourable than those extended by the Interested Person to third parties, on the service or product provider's usual commercial terms or otherwise in accordance (where applicable) with industry norms.

For the above purposes, market rates will be reviewed where applicable. As a basis for comparison to determine whether the price and terms offered to the Interested Person are no more favourable than those extended to third parties, at least two recent contracts for the same or substantially the same types of transactions entered into by the UE Group with third parties will be used. As a basis for comparison to determine whether the terms offered by the Interested Person are fair and reasonable (taking into account, where relevant, factors such as pricing, delivery schedule, rebates or discounts accorded for bulk purchases), quotes will be obtained wherever possible from at least two third party suppliers, for the same or substantially similar quantities and quality of products and/or services. Where it is impractical or not possible for such contracts or (as the case may be) quotes to be obtained:

(aa) in relation to the sale of goods or services to the Interested Person, the terms of supply will be determined in accordance with the UE Group's usual business practice and consistent with the margins obtained by the UE Group in its business operations; and

(bb) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Persons and third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such services or products and be based on the commercial merits of the transaction.

(ii) In relation to Corporate Finance and Treasury Transactions, any transaction proposed to be carried out with an Interested Person for the obtaining or provision of the services described shall be made on terms no less favourable than those offered by the Interested Person to third parties on the Interested Person's usual commercial terms, and on terms no less favourable than those offered by third parties for the same or substantially similar type of services or otherwise in accordance (where applicable) with industry norms.

(b) The following review and approval procedures will apply to Engineering & Building Transactions:

(i) Transactions equal to or exceeding S$100,000 each in value but below the Financial Limit (as defined below) each in value, will be reviewed and approved by the Group Managing Director for the time being of the Company ("**Group Managing Director**") or such other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and tabled for review by the Audit & Risk Committee on a quarterly basis.

(ii) Transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by the Audit & Risk Committee.

(iii) The Group Managing Director or other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and the Audit & Risk Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

For the purposes of sub-paragraphs (i) and (ii) above, the Financial Limit shall be the amount equivalent to 5% of the Company's audited consolidated net tangible assets for the time being, as determined by reference to the Company's latest announced audited consolidated financial statements.

(c) The following review and approval procedures will apply to General Transactions:

(i) Transactions equal to or exceeding S$100,000 each in value but below S$5 million each in value, will be reviewed and approved by the Group Managing Director or such other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and tabled for review by the Audit & Risk Committee on a quarterly basis.

(ii) Transactions equal to or exceeding S$5 million each in value will be reviewed and approved by the Audit & Risk Committee.

(iii) The Group Managing Director or other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and the Audit & Risk Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

(d) In relation to Corporate Finance and Treasury Transactions, the following procedures will be implemented to supplement the internal control system:

(i) Placements

In relation to the placement of funds with any Interested Person by the UE Group of its funds, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates of deposits with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the UE Group. The UE Group will only place funds with such Interested Person provided that the terms quoted are no less favourable to the UE Group than the terms quoted by such banks.

(ii) Borrowings

In relation to the borrowing of funds from any Interested Person by the UE Group, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for loans from such banks of an equivalent amount, and for the equivalent period, of the funds to be borrowed by the UE Group. The UE Group will only borrow funds from such Interested Person provided that the terms quoted are no less favourable to the UE Group than the terms quoted by such banks.

(iii) Foreign Exchange, Swaps and Options

In relation to the entry into of foreign exchange, swap and option transactions by the UE Group with any Interested Person, the Company will require that rate quotations shall be obtained from such Interested Person and at least two banks. The UE Group will only enter into the foreign exchange, swap or option transactions with such Interested Person provided that the rates quoted are no less favourable to the UE Group than the rates quoted by such banks.

(iv) Debt Securities

In relation to the subscription of debt securities issued by, or the purchase of debt securities from, Interested Persons, the UE Group will only enter into the subscription or purchase of such debt securities issued provided that the price(s) at which the UE Group subscribes for or purchases such debt securities will not be higher than the price(s) at which such debt securities are subscribed for or purchased by third parties.

In relation to the issue or sale to Interested Persons of debt securities, the UE Group will only issue or sell such debt securities to Interested Persons provided that the price(s) at which the UE Group issues or sells such debt securities will not be lower than the price(s) at which such debt securities are issued or sold by the UE Group to third parties.

In addition, the Company will monitor Corporate Finance and Treasury Transactions entered into by the UE Group as follows:

Borrowings from and Debt Securities issued or sold to Interested Persons

Where the interest expense on any borrowing from, or any debt securities to be issued or sold to, an Interested Person when aggregated with the interest expense incurred by the UE Group on previous borrowings from, and debt securities issued or sold to, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) in the financial year equals to or exceeds S$5 million, such (and each subsequent) borrowing from that Interested Person, or issue or sale of debt securities to, that Interested Person in the same financial year shall require the prior approval of the Audit & Risk Committee.

Borrowings from, or issue or sale of debt securities to, the same Interested Person in respect of which the interest expense in aggregate does not exceed the limit set out above will be reviewed and approved by the Group Managing Director or such other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and shall be tabled to the Audit & Risk Committee for review on a quarterly basis.

Placements with and Debt Securities subscribed or purchased from Interested Persons

Where the value (including the applicable interest income) of funds to be placed with, or any debt securities to be subscribed which are issued by/purchased from, an Interested Person when aggregated with the value (including the applicable interest income) of previous funds placed with, and debt securities subscribed/purchased from, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) by the UE Group in the financial year exceeds S$50 million, such (and each subsequent) placement of funds with, or subscription of debt securities issued by, or purchase of debt securities from, the same Interested Person in the same financial year shall require the prior approval of the Audit & Risk Committee.

Placements of funds with, or subscription of debt securities issued by, or purchase of debt securities from, the same Interested Person where the value (including the applicable interest income thereof) does not in aggregate exceed the limit set out above will be reviewed and approved by the Group Managing Director or such other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and shall be tabled to the Audit & Risk Committee for review on a quarterly basis.

Foreign Exchange, Swaps and Options entered into with Interested Persons

Where the principal amount of any foreign exchange, swap or option transaction to be entered into with an Interested Person when aggregated with the principal amount of previous foreign exchange, swap and option transactions entered into by the UE Group with same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) in the financial year exceeds S$50 million, such (and each subsequent) foreign exchange, swap or option transaction to be entered into with the same Interested Person in the same financial year shall require the prior approval of the Audit & Risk Committee.

Entry into of foreign exchange, swap or option transactions with the same Interested Person where the principal amount thereof does not in aggregate exceed the limit set out above will be reviewed and approved by the Group Managing Director or such other senior executive(s) of the Company designated by the Audit & Risk Committee from time to time for such purpose, and shall be tabled to the Audit & Risk Committee for review on a quarterly basis.

(e) The following will apply to the review and approval process for all categories of Interested Person Transactions:

(i) If the Group Managing Director has an interest in the transaction or is a nominee for the time being of the Interested Person, the review and approval process shall be undertaken by such other senior executive of the Company designated by the Audit & Risk Committee from time to time for such purpose.

(ii) If the Group Managing Director and such other senior executive has an interest in the transaction or are nominees for the time being of the Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit & Risk Committee or another member of the Audit & Risk Committee (who is not a nominee of the Interested Person and has no interest in the transaction) designated by the Chairman of the Audit & Risk Committee from time to time for such purpose.

(iii) If a member of the Audit & Risk Committee has an interest in a transaction or is a nominee for the time being of the Interested Person, he shall abstain from participating in the review and approval process of the Audit & Risk Committee in relation to that transaction.

(iv) If a member of the Audit & Risk Committee (who is not a nominee of the Interested Person and has no interest in the transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Interested Person, and he participates in the review and approval process of the Audit & Risk Committee in relation to a transaction with that Interested Person, he will abstain from participating on any decision before the board or committee of that Interested Person with respect to such transaction.

(f) The Company will maintain a register of Interested Person Transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit & Risk Committee will review the internal audit reports on Interested Person Transactions to ascertain that the guidelines and review procedures for Interested Person Transactions have been complied with.

(g) If during any of the reviews by the Audit & Risk Committee, the Audit & Risk Committee is of the view that the guidelines and review procedures for Interested Person Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the UE Group or the Interested Persons are conducted, the Company will revert to members for a fresh general mandate based on new guidelines and review procedures so that Interested Person Transactions will be carried out at arm's length, on commercial terms and will not be prejudicial to the interests of the Company and the Minority Shareholders.

9. Disclosures. In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will (a) disclose in the Company's Annual Report the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the Annual Reports for subsequent financial years that the IPT Mandate continues in force), and (b) announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1. **Chapter 9 of the Listing Manual.** Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "at risk", with the listed company's interested persons. The objective of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

2. **General requirements.** Except for any transaction which is below S$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated net tangible assets ("**NTA**")), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

   (a) 5% of the listed company's latest audited consolidated NTA; or

   (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

   (Note: Based on the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**")) for the year ended 31 December 2014, the NTA of the Group was S$1,772,881,000. Accordingly, in relation to the Company, for the purpose of Chapter 9 of the Listing Manual, in the current financial year and until the audited consolidated financial statements of the Group are published for the year ended 31 December 2014, 5% of the Company's latest audited consolidated NTA would be S$88,644,050.)

3. **Mandate from shareholders.** Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

4. **Terminology.** For the purposes of Chapter 9 of the Listing Manual:

   - an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;

   - an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

- an "**entity at risk**" means:

  (i) the listed company;

  (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

  (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

- an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

- an "**interested person transaction**" means a transaction between an entity at risk and an interested person;

- a "**transaction**" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and

- in interpreting the term "**same interested person**" for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Listing Manual, the following applies:

  (i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

  (ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.