

MANDATORY CONDITIONAL CASH OFFER

to acquire all the issued and paid-up ordinary stock units

and

MANDATORY UNCONDITIONAL CASH OFFER

to acquire all the issued and paid-up preference shares in the capital of

UNITED ENGINEERS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 191200018G)

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting
in concert with the Offeror

by



DBS BANK LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 196800306E)

for and on behalf of

YANLORD INVESTMENT (SINGAPORE) PTE. LTD.

(FORMERLY KNOWN AS YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.)

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201715887D)

OFFER ANNOUNCEMENT

1. INTRODUCTION

DBS Bank Ltd. ("**DBS Bank**") wishes to announce, for and on behalf of Yanlord Investment (Singapore) Pte. Ltd. (formerly known as Yanlord Perennial Investment (Singapore) Pte. Ltd.) (the "**Offeror**"), that the Offeror intends to make:

- (a) a 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 in accordance with Rule 14 of the Singapore Code on Take-Overs and Mergers (the "**Code**") (the "**Ordinary Share Offer**"); and

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

Further information on the Offeror is set out in paragraph 6 below.

2. THE ACQUISITIONS AND THE UEL OFFERS

2.1 The Acquisitions

Yanlord Commercial Property Investments Pte. Ltd. ("**Yanlord Commercial**") has on 24 October 2019 entered into:

- (a) a sale and purchase agreement with Perennial UW Pte. Ltd. ("**Perennial UW**"), pursuant to which Yanlord Commercial has acquired from Perennial UW forty-five (45) ordinary shares in the share capital of the Offeror (each, an "**Offeror Share**") held by Perennial UW, representing 45% of the issued and paid-up share capital of the Offeror; and
- (b) a sale and purchase agreement with Heng Yue Holdings Limited ("**Heng Yue**"), pursuant to which Yanlord Commercial has acquired from Heng Yue six (6) Offeror Shares held by Heng Yue, representing 6% of the issued and paid-up share capital of the Offeror,

(collectively, the "**Acquisitions**").

As a result of the Acquisitions, Yanlord Commercial holds an aggregate of 100 Offeror Shares, representing 100% of the issued and paid-up share capital of the Offeror.

2.2 Payment pursuant to the Acquisitions

The total cash amount paid to Perennial UW and Heng Yue pursuant to the Acquisitions totalled approximately S\$229.7 million. Such amount was arrived at on a willing-buyer willing-seller basis, valuing the Offeror's UEL Shares and WBL Shares at S\$2.60 per UEL Share and S\$2.5947 per WBL Share respectively and took into account, *inter alia*, the capital funding (equity and debt) contributed by Perennial UW and Heng Yue to the Offeror, and the Offeror's cash and cash equivalents, outstanding bank debt and other liabilities as at 30 September 2019.

2.3 Offeror's Shareholding in UEL

As at the date of this Announcement (the "**Announcement Date**"), the Offeror holds an aggregate of 224,872,206 UEL Ordinary Shares, representing approximately 35.27% of the

total number of UEL Ordinary Shares¹, and 854,993 UEL Preference Shares, representing approximately 97.71% of the total number of UEL Preference Shares².

2.4 SIC Ruling

The Securities Industry Council of Singapore ("**SIC**") has confirmed in its ruling (the "**SIC Ruling**") that the chain principle set out in Note 7 to Rule 14.1 of the Code applies and upon completion of the Acquisitions, Yanlord Commercial will be required to make the UEL Offers, and it has no objections to the UEL Offers being made by the Offeror.

2.5 The UEL Offers

In connection with the above:

- (a) in accordance with Rule 14 of the Code, the Offeror is required to make a mandatory conditional cash offer for all 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; and
- (b) in accordance with Rule 18 of the Code, the Offeror is required to make a comparable offer for all the UEL Preference Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

3. TERMS OF THE ORDINARY SHARE OFFER

3.1 Ordinary Share Offer Terms

Subject to the terms and conditions to be set out in the formal offer document to be issued by DBS Bank for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Ordinary Share Offer for all the UEL Ordinary Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the "**Ordinary Offer Shares**") in accordance with Rule 14 of the Code on the following bases:

- (a) Offer Price

For each Ordinary Offer Share: S\$2.60 in cash ("Ordinary Share Offer Price")

As per the SIC Ruling, the Ordinary Share Offer Price is no less than the value of S\$2.60 that is attributed to each UEL Share in the amount paid to Perennial UW and Heng Yue pursuant to the Acquisitions as mentioned in paragraph 2.2 above.

¹ All percentage shareholdings of UEL Ordinary Shares in this Announcement are computed on the basis of 637,520,399 UEL Ordinary Shares.

² All percentage shareholdings of UEL Preference Shares in this Announcement are computed on the basis of 875,000 UEL Preference Shares.

(b) No Encumbrances

The Ordinary Offer Shares will be acquired:

- (i) fully paid-up;
- (ii) free from all liens, equities, mortgages, claims, charges, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date, and hereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by UEL in respect of the UEL Ordinary Shares on or after the Announcement Date).

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by UEL in respect of the UEL Ordinary Shares on or after the Announcement Date, the Offeror reserves the right to reduce the Ordinary Share Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

(c) Minimum Acceptance Condition

The Ordinary Share Offer will be conditional upon the Offeror having received, by the close of the Ordinary Share Offer, valid acceptances in respect of such number of Ordinary Offer Shares which, when taken together with the UEL Ordinary Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Ordinary Share Offer and pursuant to the Ordinary Share Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of UEL Ordinary Shares carrying more than 50% of the total voting rights attributable to the UEL Ordinary Shares as at the close of the Ordinary Share Offer (the "**Minimum Acceptance Condition**").

Accordingly, the Ordinary Share Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Ordinary Share Offer, unless at any time prior to the close of the Ordinary Share Offer, the Offeror has received valid acceptances in respect of such number of UEL Ordinary Shares which, when taken together with the UEL Ordinary Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Ordinary Share Offer and pursuant to the Ordinary Share Offer or otherwise), will result in the Offeror and parties acting in concert with it meeting the Minimum Acceptance Condition.

Save for the Minimum Acceptance Condition, the Ordinary Share Offer is unconditional in all other respects.

3.2 Further Information

Further information on the Ordinary Share Offer and the terms and conditions of the Ordinary Share Offer will be set out in the Offer Document.

4. TERMS OF THE PREFERENCE SHARE OFFER

4.1 Preference Share Offer Terms

Subject to the terms and conditions to be set out in the Offer Document, the Offeror will make the Preference Share Offer for all the UEL Preference Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it ("**Preference Offer Shares**") in accordance with Rule 18 of the Code on the following basis:

(a) Offer Price

For each Preference Offer Share: S\$2.60 in cash ("Preference Share Offer Price")

In the SIC Ruling, SIC has confirmed that it has no objections to the Preference Share Offer Price being the same as the Ordinary Share Offer Price.

(b) No Encumbrances

The Preference Offer Shares will be acquired:

- (i) fully paid-up;
- (ii) free from all liens, equities, mortgages, claims, charges, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and hereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by UEL in respect of the UEL Preference Shares on or after the Announcement Date).

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by UEL in respect of the UEL Preference Shares on or after the Announcement Date, the Offeror reserves the right to reduce the Preference Share Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

4.2 Unconditional Offer

As at the Announcement Date, the Offeror holds an aggregate of 854,993 UEL Preference Shares, representing approximately 97.71% of the total number of UEL Preference Shares, and as such, the Preference Share Offer will be unconditional in all respects.

4.3 Further Information

Further information on the Preference Share Offer and the terms and conditions of the Preference Share Offer will be set out in the Offer Document.

5. POSSIBLE CHAIN OFFER FOR WBL CORPORATION LIMITED

5.1 Possible Chain Offer

As at the Announcement Date, the Offeror owns 84,078,988 issued and paid-up ordinary shares in the capital of WBL Corporation Limited ("**WBL**"), representing approximately 29.90% of the total number of issued and paid-up ordinary shares in the capital of WBL (the "**WBL Shares**")³. In addition, based on publicly available information⁴, UEL indirectly owns an aggregate of 194,431,242 WBL Shares, representing approximately 69.14% of the total number of WBL Shares.

WBL was delisted from the Main Board of the SGX-ST on 18 February 2014 and as at the Announcement Date, WBL is an unlisted public company. The principal activities of the WBL group include property development, property investment, engineering, manufacturing and distribution.

In the SIC Ruling, the SIC has confirmed that the chain principle set out in Note 7 to Rule 14.1 of the Code applies such that a person (whether Yanlord Commercial or any other party making a competing offer to the UEL Offers) which acquires statutory control of UEL will also be required to make an offer for the WBL Shares not held by such offeror and its concert parties. Accordingly, in the event that the Ordinary Share Offer becomes unconditional as to acceptances or the Offeror acquires statutory control of UEL, whether pursuant to the Ordinary Share Offer or otherwise ("**WBL Chain Offer Condition**"), the Offeror will be required, pursuant to the chain principle in Note 7 to Rule 14.1 of the Code, to make a mandatory unconditional cash offer ("**WBL Chain Offer**") for all the issued WBL Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror ("**WBL Offer Shares**"). The SIC has further confirmed that it has no objection to the WBL Offer being made by a concert party of the Offeror.

The WBL Chain Offer will not be made unless and until the WBL Chain Offer Condition is satisfied.

³ All percentage shareholdings of WBL Shares in this Announcement are computed on the basis of 281,200,630 WBL Shares.

⁴ Based on the business profile of WBL extracted from the Accounting and Corporate Regulatory Authority of Singapore on 24 October 2019.

5.2 Offer Price for WBL Chain Offer

The offer price for the WBL Chain Offer, if and when made, shall be **S\$2.5947** ("**WBL Share Offer Price**").

As per the SIC Ruling, the WBL Share Offer Price is no less than the value of S\$2.5947 that is attributed to each WBL Share in the amount paid to Perennial UW and Heng Yue pursuant to the Acquisitions as mentioned in paragraph 2.2 above.

5.3 No Encumbrances

If and when the WBL Chain Offer is made, the WBL Offer Shares will be acquired:

- (a) fully paid-up;
- (b) free from all liens, equities, mortgages, claims, charges, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and hereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by WBL in respect of the WBL Shares on or after the Announcement Date).

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by WBL in respect of the WBL Shares on or after the Announcement Date, the Offeror reserves the right to reduce the WBL Share Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

6. INFORMATION ON THE OFFEROR

6.1 The Offeror

The Offeror is a special purpose vehicle incorporated in the Republic of Singapore by a consortium comprising Yanlord Commercial, Perennial UW and Heng Yue for the purposes of the 2017 UEL Acquisition and the 2017 Offer. Prior to the Acquisitions, Yanlord Commercial, Perennial UW and Heng Yue held stakes of 49%, 45% and 6%, respectively, in the Offeror.

As at the Announcement Date, the Offeror has an issued and paid-up share capital of S\$100 comprising 100 Offeror Shares. Following the completion of the Acquisitions, all of the 100 Offeror Shares are held by Yanlord Commercial, and the Offeror has become a wholly-owned subsidiary of Yanlord Commercial.

The board of directors of the Offeror comprises Mr. Zhong Sheng Jian and Mr. Zhong Ming.

6.2 Yanlord Commercial

Yanlord Commercial is a wholly-owned subsidiary of Yanlord Land Group Limited ("**Yanlord**"), a company listed on the Main Board of the SGX-ST. Yanlord is a real estate developer that focuses on developing high-end fully-fitted residential, commercial and integrated property projects in strategically selected key and high-growth cities in the People's Republic of China (the "**PRC**"). With an established presence in fifteen (15) key high-growth cities within six (6) major economic regions of the PRC, Yanlord has a diverse portfolio of residential, commercial and investment properties including retail malls, offices, hotels and serviced residence developments.

7. INFORMATION ON UEL

7.1 Based on publicly available information, UEL was incorporated in the Republic of Singapore on 12 July 1912 and is listed on the Main Board of the SGX-ST. UEL is one of Singapore's pioneer companies and over the years has evolved into a corporation with key business activities in property rental and hospitality, property development, engineering and distribution, as well as manufacturing.

7.2 As at the Announcement Date, based on publicly available information⁵:

- (a) the issued and paid-up share capital of UEL comprises 637,520,399 UEL Ordinary Shares and 875,000 UEL Preference Shares; and
- (b) the board of directors of UEL comprises:
 - (i) Mr. Zhong Sheng Jian (Executive Chairman);
 - (ii) Mr. Teo Ser Luck (Lead Independent Director);
 - (iii) Mr. Lee Suan Hiang (Independent and Non-Executive Director);
 - (iv) Mr. David Wong Cheong Fook (Independent and Non-Executive Director);
 - (v) Mr. Pua Seck Guan (Non-Independent and Non-Executive Director)⁶; and
 - (vi) Mr. Tan Chee Keong Roy (Group Managing Director).

⁵ Based on the business profile of UEL extracted from the Accounting and Corporate Regulatory Authority of Singapore on 24 October 2019.

⁶ It is agreed under the Perennial SPA that Mr. Pua Seck Guan will resign as a director of UEL on the earliest date on which such resignation is permitted under Rule 6.3 of the Code.

8. **RATIONALE FOR THE UEL OFFERS AND OFFEROR'S INTENTIONS**

8.1 **Compliance with the Code**

As both Perennial UW and Heng Yue wished to sell their respective Offeror Shares, Yanlord Commercial has agreed to acquire the Offeror Shares held by Perennial UW and Heng Yue. As mentioned in paragraph 2.4 above, Yanlord Commercial is required to make the UEL Offers in compliance with the requirements of the Code as a result of the Acquisitions. The UEL Offers will be made by the Offeror, which is now a wholly-owned subsidiary of Yanlord Commercial.

8.2 **Consolidation of Yanlord's interests in UEL and WBL in order to enhance portfolio access, expand property businesses and strengthen market position**

The Acquisitions and the UEL Offers are in line with Yanlord's objective of consolidating its interest in UEL and WBL, in order to increase Yanlord's access to the property portfolios of UEL and WBL in Singapore and the PRC, which are complementary to the existing property portfolios managed by Yanlord, and to enable Yanlord to expand its property businesses and strengthen its position in its existing markets.

An increased indirect ownership interest in UEL will also allow Yanlord to efficiently allocate its surplus resources as well as to exercise greater control over the deployment of UEL's resources, thereby enhancing the ability of Yanlord and UEL to leverage on the benefits of each other's track records, market positions, business strategies and institutional knowledge to create shareholder value.

8.3 **Opportunity for shareholders of UEL ("Shareholders") to realise all or part of their investments at a favourable valuation without incurring brokerage fees**

- (a) The Ordinary Share Offer Price is in line with the price of the 2017 Offer announced in July 2017 that followed a comprehensive formal sale process

On 26 September 2016, Oversea-Chinese Banking Corporation Limited ("**OCBC**") and Great Eastern Holdings Limited ("**GEH**") jointly announced that they were reviewing strategic options with respect to their combined stakes in UEL and WBL ("**2016 Joint Announcement**").

Following the 2016 Joint Announcement, OCBC, certain subsidiaries of GEH and other vendors conducted a comprehensive formal sale process in relation to their combined stakes in UEL and WBL. In July 2017, the Offeror emerged as the successful bidder and acquired approximately 33.4% of the total number of UEL Ordinary Shares and approximately 70.2% of the total number of UEL Preference Shares (the "**2017 UEL Acquisition**") at a price of S\$2.60 per UEL Share (the "**2017 Offer Price**"). As a consequence of the 2017 UEL Acquisition, the Offeror was required to make a mandatory general offer for all the UEL Ordinary Shares and UEL Preference Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its concert parties at the 2017 Offer Price (the "**2017 Offer**").

The 2017 Offer Price represented a **7.9% - 21.7%** premium to historical market prices prior to the 2016 Joint Announcement⁷.

As the Ordinary Share Offer Price is in line with the 2017 Offer Price, Shareholders will have the opportunity to realise their investment at a price that materialised as a result of a comprehensive formal sale process that saw competition from several bidders.

- (b) The net asset value multiple implied by the Ordinary Share Offer Price is in line with precedent transactions involving Singapore-listed property developers

The Ordinary Share Offer Price as a multiple of UEL's net asset value per share ("**P/NAV**") is in line with implied P/NAV multiples of selected transactions involving Singapore-listed property developers.

The P/NAV implied by the Ordinary Share Offer Price is 0.9x⁸, which is in line with the average P/NAV of 0.9x⁹ for selected transactions involving Singapore-listed property developers.

8.4 Opportunity for Shareholders to realise all or part of their investments amidst heightened economic uncertainty

Intensifying trade conflicts and geopolitical tensions such as the US-China trade war, Brexit, an escalating trade dispute between Japan and South Korea and rising tensions in the Middle East have resulted in uncertainty in the global economic outlook.

The challenging macroeconomic backdrop has impacted Singapore's growth outlook, with the Ministry of Trade and Industry announcing on 13 August 2019 that "the GDP growth forecast for 2019 is downgraded to "0.0 to 1.0 per cent", from "1.5 to 2.5 per cent", with growth expected to come in at around the mid-point of the forecast range."

As such, the UEL Offers represent an opportunity for Shareholders to recalibrate their portfolios at a favourable valuation.

8.5 Opportunity for Shareholders who may find it difficult to exit their investment in UEL due to low trading liquidity

The historical trading liquidity of the UEL Ordinary Shares on the SGX-ST has been low. The average daily trading volume of the UEL Ordinary Shares over the last one (1)-month, three-month, six (6)-month and 12-month periods up to and including 21 October 2019, being the last

⁷ As stated in the offer announcement dated 13 July 2017 in respect of the 2017 Offer, the 2017 Offer Price represented a 7.9% premium to the last transacted price of UEL Ordinary Shares on 26 September 2016, being the last full Market Day prior to the 2016 Joint Announcement. The 2017 Offer Price represented a 21.7% premium to the 12-month volume weighted average price prior to and including the last full Market Day prior to the 2016 Joint Announcement.

⁸ Based on UEL's reported net asset value as at 30 June 2019 and total number of issued UEL Ordinary Shares of 637,520,399.

⁹ The average P/NAV multiple is calculated as the simple average of the implied P/NAV multiple as disclosed in each offeree circular for the following successful transactions involving Singapore-listed property developers: (a) United SM Holdings Pte. Ltd. offer for Guthrie GTS Ltd. in 2013, (b) Keppel Corporation Limited offer for Keppel Land Limited in 2015, (c) Coronation 3G Pte. Ltd. offer for Sim Lian Group Limited in 2016, and (d) Star Attraction Limited offer for Wheelock Properties (Singapore) Limited in 2018.

full Market Day⁽⁴⁾ prior to the Announcement Date (the "**Last Trading Date**") are detailed in the table below:

	Average Daily Trading Volume ("ADTV")⁽¹⁾	ADTV as a percentage of total Shares⁽²⁾⁽³⁾
One (1)-month period prior to and including the Last Trading Date	135,181	0.02%
Three (3)-month period prior to and including the Last Trading Date	139,423	0.02%
Six (6)-month period prior to and including the Last Trading Date	479,461	0.08%
12-month period prior to and including the Last Trading Date	474,253	0.07%

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. The average daily trading volume is computed based on the total trading volume of the UEL Ordinary Shares divided by the number of Market Days with respect to the relevant period immediately prior to and including the Last Trading Date.
- (2) Calculated using the average daily trading volume of UEL Ordinary Shares traded divided by the total number of issued UEL Ordinary Shares of 637,520,399.
- (3) Rounded to the nearest two (2) decimal places.
- (4) "Market Day" means a day on which the SGX-ST is open for the trading of securities.

8.6 Offeror's Intentions for UEL

The Offeror currently intends for UEL to continue with its existing business activities and has no current plans to (a) introduce any major changes to the business of UEL and its subsidiaries (the "**Group**"), (b) re-deploy the Group's fixed assets, or (c) discontinue the employment of the existing employees of any member of the Group, in each case, other than in the ordinary and usual course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status

Under Rule 723 of the listing manual of the SGX-ST (the "**Listing Manual**"), UEL must ensure that at least 10% of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury) is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Ordinary Share Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury), the SGX-

ST may suspend the trading of the UEL Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury) are held by at least 500 Shareholders who are members of the public.

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury), thus causing the percentage of the total number of UEL Ordinary Shares (excluding any UEL Ordinary Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the UEL Shares only at the close of the UEL Offers.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, UEL must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of the UEL Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow UEL a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of UEL Ordinary Shares held in public hands to at least 10%, failing which UEL may be removed from the Official List of the SGX-ST.

9.2 **Compulsory Acquisition**

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), in the event that the Offeror receives valid acceptances pursuant to the UEL Offers and/or acquires UEL Shares otherwise than through valid acceptances of the UEL Offers in respect of not less than 90% of the total number of the UEL Ordinary Shares and/or UEL Preference Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Announcement Date and excluding any UEL Ordinary Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the UEL Ordinary Shares and/or UEL Preference Shares (as the case may be) of Shareholders who have not accepted the Ordinary Share Offer and/or the Preference Share Offer (the "**Dissenting Shareholders**") at a price equal to the Ordinary Share Offer Price and/or the Preference Share Offer Price (as the case may be).

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of UEL Ordinary Shares and/or UEL Preference Shares which, together with the UEL Ordinary Shares and/or UEL Preference Shares (as the case may be) held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued UEL Ordinary Shares or UEL Preference Shares (as the case may be), the Dissenting Shareholders will have a right to require the Offeror to acquire their UEL Ordinary Shares and/or UEL Preference Shares (as the case may be) at the Ordinary Share Offer Price and/or Preference Share Offer Price (as the case may be). **Such Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.**

9.3 **Offeror's Intentions**

It is the current intention of the Offeror to maintain the present listing status of UEL on the Main Board of the SGX-ST and the Offeror does not intend to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. However, in the event that UEL does

not meet the Free Float Requirement at the close of the UEL Offers, the Offeror reserves the right to re-evaluate its position, including its right of compulsory acquisition (if applicable) as described in paragraph 9.2 of this Announcement, depending on, *inter alia*, the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

10. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

10.1 Shareholdings

As at the Announcement Date, based on the latest information available to the Offeror, save as set out in the Appendix to this Announcement, none of (a) the Offeror and its directors; (b) Yanlord Commercial and its directors; (c) Yanlord and its directors; and (d) DBS Bank (collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any (i) UEL Shares, (ii) securities which carry voting rights in UEL, or (iii) convertible securities, warrants, options or derivatives in respect of the UEL Shares or securities which carry voting rights in UEL (collectively, "**UEL Securities**").

10.2 Other Arrangements

As at the date of this Announcement, the UEL Shares and WBL Shares which are owned by the Offeror are currently charged in favour of United Overseas Bank Limited.

As at the Announcement Date and based on the latest information available to the Offeror, save as disclosed in this Announcement, none of the Relevant Persons has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any UEL Securities or the securities of the Offeror which might be material to the Offer;
- (b) granted any security interest relating to any UEL Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any UEL Securities from another person (excluding borrowed UEL Securities which have been on-lent or sold); or
- (d) lent any UEL Securities to another person.

10.3 No Irrevocable Commitment

As at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable commitment from any party to accept the UEL Offers.

10.4 Further Enquiries

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties (save for the Relevant Persons) who are or may be presumed to be acting in concert

with the Offeror in connection with the UEL Offers. Similarly, DBS Bank also has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with DBS Bank in connection with the UEL Offers. Further enquiries will be made of such persons after the Announcement Date and the relevant disclosures, if any, will be made in due course and in the Offer Document.

10.5 Disclosure of Dealings

In accordance with the Code, the associates of UEL (as defined under the Code, and which includes all substantial Shareholders) and the Offeror are hereby reminded to disclose their dealings in any securities of UEL under Rule 12 of the Code.

11. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank, as financial adviser to the Offeror in connection with the UEL Offers, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the UEL Offers by the holders of the Ordinary Offer Shares and the Preference Offer Shares on the basis of the Ordinary Share Offer Price and the Preference Share Offer Price, respectively.

12. OVERSEAS SHAREHOLDERS OF UEL

12.1 Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The UEL Offers will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the UEL Offers, including details of how the UEL Offers may be accepted. For the avoidance of doubt, the UEL Offers shall be open to all Shareholders holding the relevant UEL Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the UEL Offers are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the UEL Offers would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The UEL Offers (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the UEL Offers will not be capable of acceptance by any such use, means, instrumentality or facilities.

12.2 **Overseas Shareholders of UEL**

The availability of the UEL Offers to Shareholders whose addresses are outside Singapore as shown in the register of members of UEL or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

The Offeror and DBS Bank each reserves the right to notify any matter, including the fact that the UEL Offers have been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

13. **OFFER DOCUMENT**

The Offer Document setting out the terms and conditions of the UEL Offers and enclosing the appropriate form(s) of acceptance of the UEL Offers will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Announcement Date. The UEL Offers will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document. **Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in the UEL Shares.**

14. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information in this Announcement has been extracted or reproduced from published or publicly available sources or obtained from UEL, WBL and their respective subsidiaries, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by
DBS BANK LTD.

For and on behalf of
YANLORD INVESTMENT (SINGAPORE) PTE. LTD.
25 October 2019

Any enquiries relating to this Announcement or the UEL Offers should be directed during office hours to:

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

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Yanlord Commercial, Yanlord or DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX

DETAILS OF UEL SECURITIES HELD BY RELEVANT PARTIES

Name	No. UEL Ordinary Shares	% ⁽¹⁾	No. of UEL Preference Shares	% ⁽²⁾
Offeror	224,872,206	35.27	854,993	97.71

Notes:

- (1) Calculated based on 637,520,399 UEL Ordinary Shares in issue and rounded to the nearest two decimal places.
- (2) Calculated based on 875,000 UEL Preference Shares in issue and rounded to the nearest two decimal places.