

YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201715887D)

22 September 2017

To: The holders of United Engineers Limited Preference Shares ("**Shareholders**")

Dear Sir/Madam

RIGHTS OF HOLDERS OF UEL PREFERENCE SHARES UNDER SECTION 215(3) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) ("**ACT**")

1. INTRODUCTION

1.1 **Offer.** We, Yanlord Perennial Investment (Singapore) Pte. Ltd. (the "**Offeror**") refer to the Offer Document dated 1 August 2017 (the "**Offer Document**") issued by United Overseas Bank Limited ("**UOB**"), for and on behalf of the Offeror, in connection with:

- (a) the mandatory conditional cash offer for all the issued and paid-up ordinary stock units in the capital of United Engineers Limited ("**UEL**") 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**"); and
- (b) the comparable offer for all the issued and paid-up preference shares ("**UEL 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 (the "**Preference Share Offer**").

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 **Non-Acceptance of the Preference Share Offer.** According to the records as at 20 September 2017 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 Preference Share Offer in respect of your UEL Preference Shares.

1.3 **Final Closing Date.** As announced by UOB, for and on behalf of the Offeror, on 19 September 2017, the Preference Share Offer has closed at 5.30 p.m. on 19 September 2017.

2. RIGHTS OF SHAREHOLDERS UNDER SECTION 215(3) OF THE ACT

2.1 **Aggregate Holdings of UEL Preference Shares.** As at the close of the Preference Share Offer, the total number of (a) UEL Preference Shares owned, controlled or agreed to be acquired by the Offeror; and (b) valid acceptances to the Preference Share Offer, amount to an aggregate of 850,243 UEL Preference Shares (the "**Relevant Shares**"), representing approximately 97.17%¹ of the total number of UEL Preference Shares.

¹ Unless otherwise stated, all references to the total number of issued UEL Preference Shares in this Letter shall be to 875,000 UEL Preference Shares.

2.2 **Section 215(3) of the Act.** As the Relevant Shares comprise more than 90% of the total number of UEL Preference Shares, holders of Preference Offer Shares who have not accepted the Preference Share Offer have the right under Section 215(3) of the Act, to require the Offeror to acquire their Preference Offer Shares, **on the same terms as those set out in the Offer Document (the “Section 215(3) Right”). Shareholders who wish to exercise their Section 215(3) Right are advised to seek their own independent legal advice.**

2.3 **Form 58.** In connection with the foregoing, a Notice to Non-Assenting Shareholder in the form prescribed under the 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 22 December 2017 (the “**Expiry Date**”)), give notice in the manner set out in the Appendix to this Letter to require the Offeror to acquire your UEL Preference Shares. Where you have given such notice with respect to your UEL Preference Shares, the Offeror shall be entitled and bound to acquire those UEL Preference Shares on the same terms as those set out in the Offer Document.

Please refer to the Appendix for instructions on exercising your Section 215(3) Right.

2.4 **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.

3. TERMS OF THE OFFER

As you have the right to require the Offeror to acquire your UEL Preference Shares on the same terms as those set out in the Offer Document, we wish to draw your attention to the following salient terms of the Preference Share Offer as set out in Offer Document which will be similarly applicable to your exercise of the Section 215(3) Right:

(a) Offer Price

As mentioned in the Offer Document, the offer price for each Preference Offer Share is S\$2.60 in cash (the “**Preference Share Offer Price**”).

The Offer Document further states that if any dividend, right or other distribution or return of capital is announced, declared, paid or made by UEL in respect of UEL Preference Shares on or after the Offer 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.

(b) No Encumbrances

The Preference Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter 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 UEL Preference Shares) on or after the Offer Announcement Date.

(c) Warranty

The exercise of the Section 215(3) Right will be deemed to constitute an unconditional and irrevocable warranty by the Shareholder that each UEL Preference Share in respect of which such Shareholder has exercised the Section 215(3) Right is sold by the Shareholder, as or on behalf of the beneficial owner(s) thereof, (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter 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 UEL Preference Shares) on or after the Offer Announcement Date.

4. SETTLEMENT

Subject to the receipt by the Offeror from you of all relevant documents required by the Offeror which are complete in all respects and in accordance with such requirements as may be stated in this Letter and in the Form of Exercise and Authorisation ("**FEA**") and/or the Form of Exercise and Transfer ("**FET**") (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of UEL Preference Shares are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time(s), remittances in the form of cheques in S\$ drawn on a bank in Singapore for the appropriate amount will be despatched to you (or if you hold share certificate(s) which are not deposited with CDP, your designated agents (if any), as you may direct) by ordinary post, at your risk, or in such manner as you may have agreed with CDP for the payment of any cash distributions, as soon as practicable but in any case within seven (7) business days after receipt of notice of exercise of your Section 215(3) Right and all relevant documents required by the Offeror.

5. OTHERS

Any inquiries relating to this Letter should be directed during office hours to the UOB helpline at (65) 6539 7066.

Yours faithfully,

For and on behalf of

YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.



Zhong Ming
Director

APPENDIX

PROCEDURES FOR REQUIRING THE OFFEROR TO ACQUIRE YOUR UEL PREFERENCE SHARES UNDER SECTION 215(3) OF THE ACT

1. DEPOSITORS

1.1 If you have UEL Preference Shares standing to the credit of the "Free Balance" of your Securities Account, you should receive this Letter together with the FEA.

1.2 If you wish to exercise your rights under Section 215(3) of the Act, you should:

(a) complete and sign the accompanying FEA in accordance with the provisions and instructions in this Letter and the provisions and instructions printed on the FEA. In particular, if you wish to exercise your rights under Section 215(3) of the Act, you must insert in Part A of the FEA the number of UEL Preference Shares already standing to the credit of the "Free Balance" of your Securities Account in respect of which you wish to exercise your rights under Section 215(3) of the Act. If:

(i) the number of UEL Preference Shares inserted in Part A of the FEA exceeds the number of UEL Preference Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the date of receipt of the FEA by CDP ("**Date of Receipt**") or, in the case where the Date of Receipt is on the Expiry Date, as at 5.30 p.m. (Singapore time) on the Expiry Date (provided always that the Date of Receipt is on or before the Expiry Date); or

(ii) no such number of UEL Preference Shares is inserted in Part A of the FEA,

then you are deemed to have exercised your rights under Section 215(3) of the Act in respect of all the UEL Preference Shares already standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Expiry Date (if the FEA is received by CDP on the Expiry Date); and

(b) deliver the duly completed and signed original FEA, **either by hand** to:

YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.

c/o The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20
The Metropolis
Singapore 138588

or by post in the enclosed pre-addressed envelope at your own risk, to:

YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD.

c/o The Central Depository (Pte) Limited
Robinson Road Post Office
P.O. Box 1984
Singapore 903934

so as in either case to arrive **NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE EXPIRY DATE.**

- 1.3 No acknowledgement will be given for submissions made by post, deposited at boxes located at CDP's premises or by hardcopies at CDP's counter. All communications, notices, documents and payments will be sent by ordinary post at the risk of the person(s) entitled thereto to the mailing address appearing in the records of CDP.
- 1.4 CDP will, upon receipt on behalf of the Offeror of the duly completed and signed original FEA, accompanied with any other relevant documents (if any), transfer the UEL Preference Shares in respect of which you have exercised your rights under Section 215(3) of the Act from the "Free Balance" of your Securities Account to a "Suspense Account" until the consideration for such UEL Preference Shares has been despatched to you.
- 1.5 For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of UEL Preference Shares in your Securities Account. You can verify the number of UEL Preference Shares in your Securities Account: (a) through CDP Online if you have registered for CDP Internet Access Service; or (b) through CDP Phone Service if you have a T-PIN.

2. SHAREHOLDERS WHO HOLD UEL PREFERENCE SHARES WHICH ARE NOT DEPOSITED WITH CDP

2.1 If you hold UEL Preference Shares which are not deposited with CDP, you should receive this Letter together with the FET.

2.2 If you wish to exercise your rights under Section 215(3) of the Act, you should:

(a) complete and sign the accompanying FET in accordance with the provisions and instructions in this Letter and the provisions and instructions printed on the FET. Please note that you must insert the number of UEL Preference Shares in respect of which you wish to exercise your rights under Section 215(3) of the Act under Section A of the FET and state in Section B of the FET, the share certificate number(s) of the relevant share certificate(s). If you:

(i) do not specify a number in Section A of the FET; or

(ii) specify a number in Section A of the FET which exceeds the number of UEL Preference Shares represented by the share certificate(s) attached thereto and/or other document(s) of title accompanying the FET,

then you shall be deemed to have exercised your rights under Section 215(3) of the Act in respect of all the UEL Preference Shares as represented by the share certificate(s) attached to the FET and/or other document(s) of title accompanying the FET;

(b) sign the FET in accordance with the provisions and instructions in this Letter and the provisions and instructions in the FET; and

(c) deliver:

(i) the duly completed and signed original of the FET in its entirety (no part may be detached or otherwise mutilated);

(ii) the share certificate(s), other document(s) of title and/or relevant document(s) required by the Offeror relating to the UEL Preference Shares in respect of which you wish to exercise your rights under Section 215(3) of the Act. If you are recorded in the register of members of UEL (the "**Register**") as holding UEL Preference Shares but do not have the relevant share certificate(s) relating to such

UEL Preference Shares, you, at your own risk, are required to procure UEL to issue such share certificate(s) in accordance with the Constitution of UEL and then deliver such share certificate(s) in accordance with the procedures set out in this Letter and the FET. If your share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror is/are not readily available or is/are lost, the FET should nevertheless be completed and returned by the aforesaid time and the share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror should be forwarded to **YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD., c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898**, as soon as possible thereafter but in any event to arrive not later than **5.30 p.m. (Singapore time) on the Expiry Date**; and

(iii) any other relevant document(s),

either **BY HAND** or **BY POST** in the enclosed pre-addressed envelope **AT YOUR OWN RISK** to **YANLORD PERENNIAL INVESTMENT (SINGAPORE) PTE. LTD., c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898**, so as to arrive **not later than 5.30 p.m. (Singapore time) on the Expiry Date**. Settlement of the consideration pursuant to the exercise of your rights under Section 215(3) of the Act cannot be made until all relevant documents have been properly completed and delivered.

- 2.3 If your UEL Preference Shares are represented by share certificate(s) which are not registered with UEL in your own name, you must send in, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant documents required by the Offeror together with a duly completed and signed original of the FET in its entirety accompanied by transfer form(s), duly completed and executed by the person(s) registered with UEL as the holder of the UEL Preference Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).
- 2.4 No acknowledgement of receipt of any FET, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) will be given.
- 2.5 All communications, notices, certificates, documents and remittances will be sent to you (or your designated agent or, in the case of joint holders of UEL Preference Shares who have not designated any agent, to the one first named in the Register) by ordinary post to your respective addresses as it appears in the FET or in the Register (if no such address is indicated in the FET) at your sole risk.

3. OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR REQUIRING THE OFFEROR TO ACQUIRE YOUR UEL PREFERENCE SHARES UNDER SECTION 215(3) OF THE ACT

- 3.1 If you wish to exercise your rights under Section 215(3) of the Act, it is your responsibility to ensure that the relevant FEA and/or FET, as the case may be, is properly completed and executed in all respects, submitted with original signature(s) and that all required documents are provided. The Offeror, UOB, CDP and/or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) will be entitled, at their sole and absolute discretion, to reject any FEA and/or FET, as the case may be, which does not comply with the provisions and instructions contained in this Letter and in the FEA and/or FET, as the case may be, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect.

ANY DECISION TO REJECT ANY FEA AND/OR FET, AS THE CASE MAY BE, WILL BE FINAL AND BINDING, AND NONE OF THE OFFEROR, UOB, CDP AND/OR TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.) ACCEPTS ANY RESPONSIBILITY OR LIABILITY FOR SUCH A DECISION, INCLUDING THE CONSEQUENCES THEREOF.

- 3.2 Any exercise of your right under Section 215(3) of the Act in the form of the FEA and/or FET received by the Offeror, UOB, CDP and/or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) on a Saturday, Sunday or public holiday will only be processed and validated on the next business day.
- 3.3 Submission of the duly completed and signed original of the FEA and/or FET through CDP and/or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) and/or, as the case may be, the Offeror or UOB, shall be conclusive evidence in favour of the Offeror, UOB, CDP and Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of the right and title of the persons signing it to deal with the same and with the UEL Preference Shares to which it relates.

