

UNITED ENGINEERS LIMITED EXTRAORDINARY GENERAL MEETING

23 February 2018



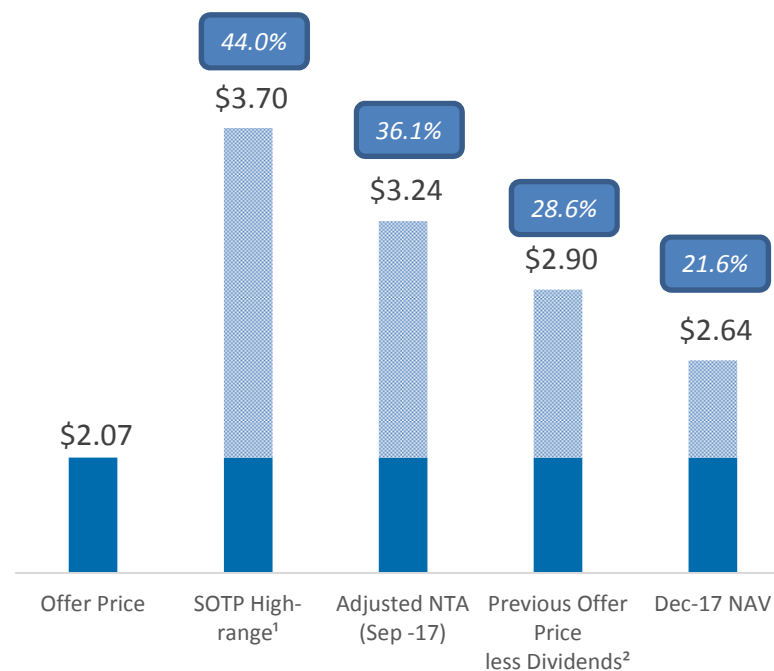
TRANSACTION OVERVIEW

Transaction	<ul style="list-style-type: none">• Voluntary unconditional cash offer for all the shares of WBL Corporation Limited (“WBL”) other than those already owned, controlled or agreed to be acquired by UE Centennial Venture Pte Ltd (the “Offeror”), its related corporations and their respective nominees
Intentions	<ul style="list-style-type: none">• For WBL to be a wholly-owned subsidiary of United Engineers Limited and generate further cost and operating synergies for the UEL Group
Offer Price	<ul style="list-style-type: none">• S\$2.07 per WBL Share in cash• The Offeror does not intend to revise the Offer Price
Irrevocable Undertaking	<ul style="list-style-type: none">• Yanlord Perennial Investment (Singapore) Pte Ltd (“YPIS”) has provided an irrevocable undertaking to the Offeror to tender the WBL Shares held by YPIS and any other WBL Shares which YPIS may subsequently acquire in acceptance of the Offer
Compulsory Acquisition	<ul style="list-style-type: none">• The Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act in the event that the Offeror acquires at least 90% of WBL Shares not held by the Offeror, its related corporations and their respective nominees

OFFER PRICE AT SIGNIFICANT DISCOUNT

▪ Offer price of \$2.07 represents significant discounts of...

- 44% compared to SOTP high-range
- 36.1% compared to adjusted NTA (as at Sep 17)
- 28.6% compared to previous Offer Price of \$4.50 less dividends
- 21.6% compared to Dec-17 NAV



Notes

1. Based on the higher valuation of the Sum-of-the-Parts valuation analysis in Section 6.3 of the IFA Letter

2. Based on the Final Offer Price of S\$4.50 (from the previous mandatory conditional cash offer resulting in the delisting of WBL on 18 Feb 2014) less \$1.60 of dividends distributed to WBL shareholders between FY13 and 23 Feb 2018. Please refer to Section 6.6 of the IFA Letter. Details on WBL dividends declared for FY13 can be found on the SGX website. Dividends declared for FY14, FY15 and FY16 can be found in Section 6.6.5 of the IFA Letter.

**NAV IMPROVED FROM \$2.59 PER WBL SHARE AS AT 30 SEP 2017
TO \$2.64 PER WBL SHARE AS AT DEC 2017**

	S\$ m	Per WBL Share (S\$)	Discount of Offer Price to NAV/NTA per WBL Share (%)
Unaudited NAV of the WBL Group as at 30 Sep 17	727.8	2.59	20.1
Unaudited NAV of the WBL Group as at 31 Dec 17	741.5	2.64	21.6
Adjusted NTA of the WBL Group as at 30 Sep 17	910.6	3.24	36.1

DIFFERENCE BETWEEN MARKET VALUES & BOOK VALUES OF CERTAIN PROPERTIES/ASSETS IS \$211.6 MILLION

- IFA adjusted unaudited NTA of the WBL Group as at 30 Sep 2017

	S\$ m	
Unaudited NTA of the WBL Group as at 30 Sep 2017	699.0	
Add: surplus on revaluation of the Appraised Properties held for Sale	129.6	} Difference between market values & book values (S\$211.6m)
Add: surplus on revaluation of the investment properties	15.3	
Add: surplus on revaluation of the properties held under the joint ventures	65.8	
Add: other adjustments	0.9	
Adjusted NTA of the WBL Group as at 30 Sep 2017	910.6	

RATIONALE AND BENEFITS OF THE OFFER TO UEL

- **An integral part of UEL's strategic plan for next phase of development**
 - UEL's and WBL's non-core businesses and assets have been steadily divested following delisting of WBL in Feb 2014 and strategic re-alignment of UEL's portfolio of businesses.
 - Enhancing existing commercial properties, investing in new property projects and seizing business opportunities in selected areas will be key drivers for the UEL Group.
 - It has always been UEL's objective to make WBL a wholly-owned subsidiary. This is an opportune time since OCBC Group¹ and YPIS have agreed to divest at S\$2.07 representing a significant discount to what we deem is fair value for WBL.
 - With UEL as a 100% shareholder of WBL, strategic decisions on investments, business structuring and effecting operational synergies can be executed efficiently.

¹ By virtue of the YPIS-OCBC Arrangement (as defined in the Circular). Please refer to Section 6.4 of the Circular.

RATIONALE AND BENEFITS OF THE OFFER TO UEL

- **A single integrated conglomerate for better cost & operating synergies**
 - Full control of WBL facilitates unlocking of potential value.
 - Enjoy greater flexibility and cost savings through business and corporate structuring including financing arrangements.
 - Enhance tax efficiency.

TRANSACTION PROCESS

1

SGX-ST review of Circular to shareholders
(clearance obtained on 19 January 2018)

2

UEL shareholders' approval for the Interested Person Transaction at EGM

- The Proposed IPT has to be approved by **more than 50%** of the total number of shares held by the Independent Shareholders present and voting either in person or by proxy.
- All the Independent Shareholders i.e. shareholders who are disinterested for the purposes of the Proposed IPT can vote.

RESPONSIBILITY STATEMENT

- The directors of UEL (the “**Directors**”) and the directors of the Offeror (the “**Offeror Directors**”) (including any director who may have delegated detailed supervision of this presentation) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this presentation are fair and accurate and that no material facts have been omitted from this presentation, the omission of which would render any statement herein misleading, and they jointly and severally accept responsibility accordingly.
- Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to WBL and its subsidiaries), the sole responsibility of the Directors and the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this presentation.