



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

---

## **ANNOUNCEMENT – SALE OF INTEREST IN SUBSIDIARY COMPANY**

---

Pursuant to Rule 704(18)(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”), the Board of Directors of United Engineers Limited (“UEL” or the “Company”) wishes to announce that its wholly-owned subsidiary, United Engineers Developments Pte Ltd (“UED”) has entered into a sale and purchase agreement with Mitsui & Co., Ltd. (“Mitsui”) to sell (the “Sale”) 627,000 shares (“Sale Shares”) representing 19% of the total issued share capital of UE Managed Solutions Pte. Ltd. (“UEMS”). Mitsui is an existing shareholder of UEMS, holding 25% of UEMS’ total issued shares. The remaining 5% interest in UEMS is held by Mitsui & Co. (Asia Pacific) Pte. Ltd. (“Mitsui Asia Pacific”).

As the relative figures computed pursuant to Rule 1006 of the Listing Manual do not exceed 5%, the Sale does not constitute a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

The consideration for the Sale (“Consideration”) comprises:

- (a) an initial cash consideration of S\$3,230,000 (“Initial Payment”); and
- (b) a balance consideration (“Balance Consideration”) computed in the manner set out below:
  - (i) in the event the earnings before interest, taxes, depreciation and amortisation with respect to the audited consolidated financial statements of UEMS and its subsidiaries, UE Managed Solutions Singapore Pte. Ltd. UE Managed Solutions Malaysia Sdn. Bhd., UE Managed Solutions Taiwan Ltd, and ServiceMaster Hong Kong Limited for the financial year ending 31 December 2013 (the “EBITDA”) is less than S\$3,500,000, no Balance Consideration shall be payable by Mitsui;

- (ii) in the event the EBITDA is equal to or more than S\$3,500,000 but less than S\$4,000,000, the Balance Consideration shall be a sum equivalent to 15% of the EBITDA;
- (iii) in the event the EBITDA is equal to or more than S\$4,000,000 but less than S\$4,500,000, the Balance Consideration shall be a sum equivalent to 20% of the EBITDA; or
- (iv) in the event the EBITDA is equal to or more than S\$4,500,000, the Balance Consideration shall be a sum of S\$1,085,000.

The Consideration was arrived at on a willing-buyer willing-seller basis taking into consideration, inter-alia, the net assets value and earnings multiple of UEMS and its subsidiaries. Based on the unaudited consolidated financial statements of UEMS for the six-month period ended 30 June 2013, the net tangible assets value attributable to the Sale Shares amounted to approximately S\$3.1 million.

Upon completion of the Sale, Mitsui and Mitsui Asia Pacific will collectively hold 49% interest in UEMS and the remaining 51% interest will be held by UED.

The Sale is not expected to have any material effect on the consolidated net tangible asset per shares or the consolidated earnings per share of the Company for the financial year ending 31 December 2013.

None of the Directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect, in the above Sale.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn  
Company Secretary

Date: 29 August 2013