
ANNOUNCEMENT - DIVESTMENT OF SHARES IN APG GEO-SYSTEMS SDN BHD BY UED DEVELOPMENTS (M) SDN. BHD. (FORMERLY KNOWN AS APPLIED CONSTRUCTION & ENGINEERING (M) SDN. BHD.)

The Board of Directors of United Engineers Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that its wholly-owned subsidiary, UED Developments (M) Sdn. Bhd. (“UEDDM”) (formerly known as Applied Construction & Engineering (M) Sdn. Bhd.) has entered into an Agreement for Sale and Purchase of Shares (the “Agreement”) with Greatearth Holding Pte Ltd (“Greatearth”), a wholly-owned subsidiary of UE E&C Ltd. Pursuant to the Agreement, UEDDM will divest its 1,800,000 ordinary shares (the “Divestment”) representing 60% of the issued and paid-up share capital of APG Geo-Systems Sdn Bhd (“APG”), a subsidiary in Malaysia, to Greatearth for a consideration of RM8.4 million.

The consideration for the Divestment was arrived at after arm’s length negotiations on a willing-buyer willing-seller basis, taking into consideration factors including the book value of the net assets and the business prospects of APG.

APG is a joint venture company between UEDDM and three unrelated third parties. Pursuant to the Agreement, Greatearth will acquire 30% of the issued and paid-up share capital of APG from the three unrelated third parties. The Company’s effective equity interest held in APG and APG’s wholly-owned subsidiary, APG Systems (E.M.) Sdn Bhd, through UE E&C Ltd. will consequently increase from 60% to 61.4% following the Divestment based on the 90% stake acquired by Greatearth.

The Divestment is in line with the Group’s strategy to streamline its construction business in Singapore and Malaysia.

The Divestment will not have any significant impact on the net tangible assets or earnings per share of the Company for the current year.

Save for Mr Norman Ip Ka Cheung, Dr Tan Eng Liang and Mr Jackson Chevalier Yap Kit Siong, and based on the information available to the Company as at the date of this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Divestment.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary
Date: 17 October 2012