



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

ANNOUNCEMENT – CANCELLATION OF LOAN AND INVESTMENT WITH INTERNATIONAL FINANCE CORPORATION

The Board of Directors of United Engineers Limited (the “**Company**”) refers to its announcement on 23 October 2007 in relation to, *inter alia*, the entry by the Company’s subsidiary, UE Envirotech Pte Ltd (“**UE Envirotech**”) into an agreement with International Finance Corporation (“**IFC**”) pursuant to which IFC agreed to grant to UE Envirotech a loan of US\$9,000,000 (the “**Loan**”), and the entry by UE Envirotech, UE UMC Pte Ltd and IFC into a subscription agreement pursuant to which IFC agreed to subscribe for and UE Envirotech agreed to allot and issue convertible redeemable cumulative preference shares to IFC for an aggregate consideration of US\$3,500,000 (the “**Subscription**”).

The Board of Directors of the Company wishes to announce that as part of an ongoing process of evaluating its business plan, the Company concluded that it will no longer require funding from IFC. Pursuant to which, UE Envirotech and IFC have mutually agreed to cancel the Loan and the Subscription.

The above transactions are not expected to have any significant impact on the net tangible assets or earnings per share of the Company for the current financial year.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary

4 September 2009