



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

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**ANNOUNCEMENT – SALE OF 35% STAKE IN XIANGXI UE ENVIROTECH CO., LTD.**

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The Board of Directors of United Engineers Limited (the “Company”) wishes to announce that its wholly-owned subsidiary, UE Envirotech Pte Ltd (“UE Enviro”) has entered into a Sale & Purchase Agreement (the “Agreement”) with its joint venture partner, Xiangxi Qingyuan Environmental Industry Co., Ltd (“Xiangxi Qingyuan”) under which UE Enviro will sell its entire 35% stake in Xiangxi UE Envirotech Co., Ltd (“Xiangxi UE”) to Xiangxi Qingyuan (the “Sale”). Upon completion of the Sale, UE Enviro will no longer hold any interest in Xiangxi UE and hence Xiangxi UE would cease to be an associated company.

The aggregate cash consideration is RMB2,280,590 (the “Consideration”), subject to post-completion adjustment. The Consideration was arrived at a willing-buyer willing-seller basis after due negotiation.

The Sale is in line with the Company's on-going process of evaluating its business plan to streamline the operations of the Group. The Sale is not expected to have any significant impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2009.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Sale.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn  
Company Secretary

12 November 2009