



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

ANNOUNCEMENT – ACQUISITION OF PROPERTY

The Board of Directors of United Engineers Limited (“**UEL**” or the “**Company**”) wishes to announce that it has entered into a sale and purchase agreement (the “**SPA**”) with Motorola Electronics Pte Ltd (“**Motorola**”), pursuant to which UEL shall purchase from Motorola a Property (hereafter defined) on the terms and subject to the conditions contained in the SPA (the “**Acquisition**”).

The Property/ Purchase Consideration

The Property comprises a land in Lot 9235W and Lot 13713T both of Mukim 18 located at Ang Mo Kio Street 64 Singapore, of an area of 13,717.9 square meters or thereabouts and 10,358.1 square meters or thereabouts respectively, including all buildings on the land and the plant & equipment (the “**Property**”). The total purchase consideration for the Property is S\$25,188,000 (the “**Consideration**”). The Consideration was arrived at on a “willing buyer willing seller” basis after taking into account the current market conditions and estimated market value of the aforesaid Property, among other factors.

Financial impact of the Acquisition

The Company is financing the Consideration through internal resources. The Acquisition is not expected to have a material impact on the Group’s net earnings and net tangible assets per share for the current financial year.

Based on UEL’s latest announced unaudited consolidated financial statements for the year ended 31 December 2009, the financial impact to the Group’s earnings and net tangible assets per share will not be material.

Market Capitalisation Test – The relative figures that were computed on the basis set out in Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”) are as set out below:

The Consideration paid for the acquisition constitutes approximately 4.13% of the market capitalisation of the Company. The market capitalisation of the Company, based on the weighted average price of the Company’s shares transacted on 1 April 2010, being the last market day preceding the date of this announcement, is S\$609,300,000.

The relative figures in Rule 1006(a), Rule 1006(b) and Rule 1006(d) of the Listing Manual are not applicable.

Rationale for the acquisition of the Property

The Board of Directors considers the Acquisition to be strategic one for the Group. With the Acquisition, it will enable the Company to consolidate some of its major subsidiaries together under one roof, vis-à-vis the present situation where these subsidiaries are occupying rented premises at various locations. With a centralised location for the Group, it would enhance management and operational efficiencies and foster closer interaction among staff.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the above transaction (other than their shareholdings in the Company).

Documents for inspection

A copy of the SPA is available for inspection during normal business hours at the office of the Company's at 83 Clemenceau Avenue #18-01 UE Square Singapore 239920 for 3 months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Company Secretary

5 April 2010