
ANNOUNCEMENT – UES ENTERS AGREEMENT TO FORM JOINT VENTURE COMPANY FOR ENVIRONMENTAL ENGINEERING INCLUDING WATER AND WASTEWATER IN REPUBLIC OF CHINA

United Engineers Limited (the “Company”) wishes to inform that its wholly-owned subsidiary United Engineers (Singapore) Private Limited (“UES”) has entered into a shareholders’ agreement with Asia Development Bank, (“ABD”) Crest Spring Pte Ltd (“CS”) and Konzen Environment Pte Ltd (“KZ”) to incorporate a joint venture company in Singapore, know as Asia Infrastructure Project Development Company Pte Ltd (“AIPD”).

AIPD was incorporated with an initial issued and paid up capital of US\$2.5 million. The shareholding structure of AIPD shall be as follows:

- (a) ADB 40%,
- (b) UES 35%
- (c) CS 12.5%
- (d) KZ 12.5%.

AIPD will assist developing countries in Asia to develop commercially viable public-private partnership (PPP) projects in water supply, sanitation and wastewater treatment. It will initially focus on projects in People’s Republic of China (PRC) but also explore business opportunities in India and Vietnam in a subsequent phase.

The incorporation of AIPD is not expected to have any significant impact on the net tangible assets or earnings per share of the Company for the current year.

Save as otherwise disclosed, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in this matter.

BY ORDER OF THE BOARD

Heng Fook Pyng, Jeslyn
Group Company Secretary

5 May 2008