

UNITED INDUSTRIAL CORPORATION LIMITED
(Company Registration No.: 196300181E)

APPLICATION OF SCRIP DIVIDEND SCHEME TO THE FIRST AND FINAL DIVIDEND OF THREE (3) SINGAPORE CENTS PER ORDINARY SHARE TAX-EXEMPT (ONE-TIER) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. INTRODUCTION

The Board of Directors (the "**Board**") of United Industrial Corporation Limited (the "**Company**") refers to the announcement dated 21 February 2014 (the "**Scheme Announcement**") made by the Company in connection with the United Industrial Corporation Limited Scrip Dividend Scheme (the "**Scrip Dividend Scheme**"), as well as the announcement made on 17 April 2015 in respect of the Books Closure Date (the "**Previous Announcement(s)**").

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcements.

2. APPLICATION OF THE UNITED INDUSTRIAL CORPORATION LIMITED SCRIP DIVIDEND SCHEME

The Board wishes to announce that the Scrip Dividend Scheme will be applicable to the FY14 Dividend. The payment of the FY14 Dividend has been approved at the Annual General Meeting of the Company held on 24 April 2015.

The application of the Scrip Dividend Scheme will provide Shareholders with the option to elect to receive New Shares in lieu of all (and not part only) of the cash amount for the FY14 Dividend.

3. NOTICE OF BOOKS CLOSURE DATE AND DIVIDEND PAYMENT DATE

Notice has been given on 17 April 2015 that the Register of Members and Share Transfer Books of the Company will be closed at 5.00 p.m. on 4 May 2015, being the Books Closure Date, for the purpose of determining the entitlements of Shareholders to the FY14 Dividend.

Duly completed registrable transfers of Shares received by the Company's share registrar, KCK CorpServe Pte Ltd at 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 up to 5.00 p.m. on 4 May 2015 will be registered before entitlements to the FY14 Dividend are determined. Shareholders whose securities accounts with the CDP are credited with Shares as at 5.00 p.m. on 4 May 2015 will rank for the FY14 Dividend.

As announced on 17 April 2015, payment of the FY14 Dividend will be made on or about 23 June 2015.

4. ELIGIBILITY

Shareholders entitled to the FY14 Dividend will be eligible to participate in the Scrip Dividend Scheme subject to the terms and conditions as set out in the Scrip Dividend

Scheme Statement, and may elect to receive New Shares in the capital of the Company in respect of all (and not part only) of his/her entitlement to the FY14 Dividend.

As announced on 17 April 2015, Overseas Shareholders who have not provided the Company or CDP (as the case may be) with addresses in Singapore for the service of notices and documents no later than 5.00 p.m. on 24 April 2015, being five (5) market days prior to the Books Closure Date, are not be eligible to participate in the Scrip Dividend Scheme for the FY14 Dividend.

5. HOW TO PARTICIPATE

Notices of Election are proposed to be despatched to eligible Shareholders on or about 18 May 2015. Shareholders may elect to participate in respect of all (and not part only) of their holding of Shares to which each Notice of Election relates in respect of the FY14 Dividend.

Shareholders may also make a permanent election to participate in respect of all their holding of Shares for all future Qualifying Dividends. Where a permanent election has been made, the participating Shareholder may, by giving the appropriate notice, cancel his participation and withdraw from the Scrip Dividend Scheme at any time.

Shareholders do not need to take any action if they wish to receive their entitlement to the FY14 Dividend in cash.

6. PERMANENT ELECTIONS

Shareholders who have previously made permanent elections under the Scrip Dividend Scheme (and whose permanent elections have not been cancelled or deemed cancelled) will receive New Shares in lieu of the cash amount of the FY14 Dividend. **They will be sent Scrip Dividend entitlement advices instead of Notices of Election.**

Where a Shareholder has previously made a permanent election in respect of his holding of Shares to which a Notice of Election relates, the permanent election will be effective for all future Qualifying Dividends unless and until a notice of cancellation in the prescribed form is received by the Company or CDP (as the case may be).

7. ISSUE PRICE

In accordance with the terms of the Scrip Dividend Scheme, for the purpose of calculating the number of New Shares to be allotted to Shareholders, the issue price of a New Share (the "**Issue Price**") shall be set at a five per cent. (5%) discount to the average of the last dealt price of a Share on the SGX-ST during the period between 29 April 2015 and 4 May 2015 (both dates inclusive) being the period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST and ending on the Books Closure Date, such period being the Price Determination Period.

In the event that there is no trading in the Shares during the Price Determination Period, the Issue Price of a New Share shall not exceed the average of the last dealt prices of a Share on the SGX-ST for each of the Market Days during a period of five (5) Market Days immediately preceding the Price Determination Period.

The Issue Price will be announced on or around 4 May 2015.

8. FRACTIONAL ENTITLEMENTS

Fractional entitlements to New Shares under the Scrip Dividend Scheme will be rounded up or down to the nearest whole number or dealt with otherwise in such a manner as the Board may deem fit and as may be acceptable to the SGX-ST.

By Order of the Board

Susie Koh
Company Secretary

27 April 2015