

INCORPORATION OF JOINT VENTURE COMPANY IN SINGAPORE

The Board of Directors of United Industrial Corporation Limited (“**UIC**” or the “**Company**”) wishes to announce that the Company’s subsidiary, Singland Homes Pte. Ltd. (“**Singland Homes**”) together with UOL Venture Investments Pte. Ltd (“**UOL Venture**”), a wholly-owned subsidiary of UOL Group Limited (“**UOL**”), have incorporated a joint venture company known as UVD (Projects) Pte. Ltd. (“**UVD Projects**”) in Singapore, details of which are set out below:

Brief details of Joint Venture Company

Name of Company	: UVD (Projects) Pte. Ltd.
Country of Incorporation	: Singapore
Date of Incorporation	: 5 October 2016
Principal activities	: Real Estate Development / Real Estate Activities
Issued and Paid-up share capital	: \$2/-

Singland Homes and UOL Venture have each subscribed for one (1) ordinary share (representing 50% interest each) in UVD Projects at the subscription price of S\$1/- per share. Following Singland Home’s subscription and the issuance of UVD Projects shares, UVD Projects becomes an associate of UIC.

The board of directors of UVD Projects will comprise an equal number of directors representing each shareholder at all times.

The incorporation of UVD Projects will enable the Company to explore new business opportunities jointly with UOL as and when such opportunities arise. If there is any material development relating to UVD Projects, the Company will make relevant disclosures accordingly.

Interested Person Transaction

Under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), UOL is controlling shareholder of the Company. Hence, the above transaction is an interested person transaction within the meaning set out in the Listing Manual.

The Company’s Audit Committee has reviewed the joint venture and is of the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholder.

For the current financial year, the aggregate value of all transactions entered into with UOL, including this transaction, is approximately S\$257.6 million, representing approximately 4.3% of the Group’s latest audited net tangible assets as at 31 December 2015 of S\$5.96 billion.

UIC’s Chairman, Dr Wee Cho Yaw is also Chairman and a controlling shareholder of UOL. Mr Gwee Lian Kheng is a Director of UIC, UOL and the Group Chief Executive of UOL. Mr Wee Ee Lim is a director of UIC and UOL.

Save as disclosed above, none of the directors or controlling shareholders of the Company has any interest, direct or indirect in the above transaction.

The above-mentioned transaction is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company for the current financial year.

Submitted by Susie Koh, Company Secretary on 5 October 2016 to the SGX.