



INTERESTED PERSON TRANSACTIONS

Pursuant to the requirements of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board of Directors of United Industrial Corporation Limited (“**UIC**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following updates in relation to its joint venture projects:

1. Acquisition of the leasehold property comprised in Lot 6521X of Mukim 17 and which is also the development known as “Raintree Gardens” at 110-112 Potong Pasir Avenue 1, Singapore (“Raintree Gardens”)

With reference to the Company’s announcements on 5 October 2016 and 6 October 2016, the Company wishes to announce that, on 21 October 2016:

- (a) Singland Homes Pte. Ltd. (“**SHPL**”), a subsidiary of the Company; and
- (b) UOL Venture Investments Pte. Ltd. (“**UVI**”), a wholly-owned subsidiary of UOL Group Limited (“**UOL**”),

(collectively referred hereinafter as the “**Raintree JV Partners**”) have agreed to extend to UVD (Projects) Pte. Ltd. (“**UVDP**”) unsecured shareholders’ loans amounting to a total of S\$11.2 million, chargeable with interest at 1.5% over the 3-month Singapore Dollar swap rate per annum on the date of drawdown (or such other rates as may be agreed between the Raintree JV Partners in writing from time to time) (“**Raintree Loan**”).

UVDP may, from time to time, draw down on the Raintree Loan to pay for stamp duties as well as expenses (including without limitation legal fees and professional fees) incurred by UVDP in connection with its acquisition of Raintree Gardens. The Raintree Loan is offered to UVDP by the Raintree JV Partners on a **50:50 basis** (i.e. in proportion to the equity of each Raintree JV Partner’s equity in UVDP) and on the same terms.

2. Acquisition of Holborn Island, a freehold 9-storey mixed use building located at 120 Holborn, Midtown, London EC1 N2TD, United Kingdom (“Holborn Island”)

With reference to the Company’s announcements on 30 September 2016 and 5 October 2016, the Company wishes to announce that, on even date:

- (a) UIC Overseas Investments Pte. Ltd. (“**UICOI**”), a subsidiary of the Company; and
- (b) UVI,

(collectively referred hereinafter as the “**Holborn JV Partners**”) have agreed to extend to United Venture Investments (HI) Pte. Ltd. (“**UVIHI**”) unsecured shareholders’ loans amounting to a total of £15.2 million, chargeable with interest at 1.5% over the 3-month LIBOR per annum on the date of drawdown (or such other

rates as may be agreed between the Holborn JV Partners in writing from time to time) (“**Holborn Loan**”).

UVIHI may, from time to time, draw down on the Holborn Loan to pay for stamp duties as well as expenses (including without limitation legal fees, professional fees, agent fees and insurances) incurred by UVIHI in connection with its acquisition of Holborn Island. The Holborn Loan is offered to UVIHI by the Holborn JV Partners on a **50:50 basis** (i.e. in proportion to the equity of each Holborn JV Partner’s equity in UVIHI) and on the same terms.

3. Acquisition and development of residential site at Clementi Avenue 1, Singapore (“The Clement Canopy”)

With reference to the Company’s announcements on 11 December 2015 and 28 December 2015, the Company wishes to announce that, on even date:

(a) SHPL; and

(b) UVI,

(collectively referred hereinafter as the “**CC JV Partners**”) have agreed to extend to United Venture Development (Clementi) Pte. Ltd. (“**UVDC**”) unsecured shareholders’ loans of S\$7.0 million, chargeable with interest at 1.5% over the 3-month Singapore Dollar swap rate per annum on the date of drawdown (or such other rates as may be agreed between the CC JV Partners in writing from time to time) (“**CC Loan**”).

UVDC may, from time to time, draw down on the CC Loan to pay for expenses incurred by UVDC in connection with its development and marketing of The Clement Canopy. The CC Loan is offered to UVDC by the CC JV Partners on a **50:50 basis** (i.e. in proportion to the equity of each CC JV Partner’s equity in UVDC) and on the same terms.

4. Rationale of the Shareholders’ Loans

As the proceeds from the Raintree Loan, Holborn Loan and CC Loan (collectively, the “**Shareholders’ Loans**”) will be used for funding part of UVDP, UVIHI and UVDC’s (collectively, the “**JVCos**”) land acquisition and development costs for their respective joint venture projects, the Shareholders’ Loans will facilitate the participation of the Group (through the JVCos) in the joint venture projects.

5. Interested Person Transaction

Under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), UOL is considered a controlling shareholder of the Company. Hence, the joint ventures entered into by the Group with UVI for the acquisitions of Raintree Gardens, The Clement Canopy and Holborn Island, (collectively the “**Joint Ventures**” and each a “**Joint Venture**”) are interested person transactions within the meaning set out in the Listing Manual. Additionally, as the Company has a 50% indirect interest in each of the JVCos, the provision of the Shareholders’ Loans is an interested person transaction under the Listing Manual.

The Company’s Audit Committee had previously reviewed, and was satisfied that the terms of each Joint Venture are in proportion to the equity of each joint venture partner and not prejudicial to the interests of the Company and its minority shareholders.

The Group's contributions to the respective Shareholders' Loans are in accordance with the terms of the Joint Ventures.

For the current financial year, the aggregate value of all transactions (excluding other interest person transactions less than S\$100,000) entered into with UOL, including the Shareholders' Loans, is approximately S\$447.7 million, representing approximately 7.5% of the Group's latest audited net tangible assets as at 31 December 2015 of S\$5.96 billion. Details of these transactions are as follows:

Transaction	Amount (S\$' million)	Percentage of Group's latest audited net tangible asset (%)
Acquisition of Raintree Gardens by UVDP which shall be funded by a mix of equity in and shareholders' loans to UVDP	167.1	2.8
Contribution of additional shareholders' loans (namely, the Raintree Loan) and estimated interest income arising from these shareholders' loans, to UVDP	5.6	0.1
Acquisition of the Holborn Island by UVIHI which shall be funded by a mix of equity in and shareholders' loans to UVIHI	203.0 ¹	3.4
Contribution of additional shareholders' loans (namely, the Holborn Loan) and estimated interest income arising from these shareholders' loans, to UVIHI	13.5 ²	0.2
Contribution of (a) shareholders' loans (including but not limited to the CC Loan) to UVDC and estimated interest income arising from these shareholders' loans; and (b) equity in UVDC, for expenses incurred in connection with the development of The Clement Canopy	55.2	0.9
Contribution of shareholders' loans to United Venture Development (Thomson) Pte. Ltd. for the development of Thomson Three, and estimated interest income arising from these shareholders' loans	3.1	0.1

¹ Based on the currency exchange rate of £1: S\$1.768.

² Based on the currency exchange rate of £1: S\$1.700.

Project management fee and marketing fee income from United Venture Development (Thomson) Pte. Ltd.	0.1	<0.1
Project management fee income from United Venture Development (Bedok) Pte. Ltd.	0.1	<0.1
Total	447.7	7.5

There are no other interested person transactions entered into with any other party.

6. Exceptions to the requirement for shareholders' approval under Rules 916(2) and 916(3) of the Listing Manual

As set out in Paragraphs 1 to 3 of this announcement, the Shareholders' Loans were extended by the Raintree JV Partners, the Holborn JV Partners and the CC JV Partners (as the case may be) in proportion to their equities and on the same terms. Additionally, neither UOL nor UIC had (through their respective subsidiaries set out below) an existing equity interest in:

- (a) UVDP prior to the participation of UVI and SHPL in the Joint Venture for the acquisition of Raintree Gardens;
- (b) UVIHI prior to the participation of UVI and UICOI in the Joint Venture for the acquisition of Holborn Island; and
- (c) UVDC prior to the participation of UVI and SHPL in the Joint Venture for the acquisition and development of The Clement Canopy.

The Company's Audit Committee has reviewed the terms of each Joint Venture and the terms of the Shareholders' Loans and is of the view that:

- (a) the terms of each Joint Venture and the provision of the Shareholders' Loans are not prejudicial to the interests of the Company and its minority shareholders; and
- (b) risks and rewards of each Joint Venture are in proportion to the equity of each joint venture partner and the terms of each Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

Therefore, although the value of the Joint Ventures (after taking into account the Shareholders' Loans and other interested person transactions with UOL) is more than 5% of the Group's latest audited net tangible assets, the exceptions under Rules 916(2) and 916(3) of the Listing Manual have been met. Accordingly, the Company is exempted from the requirement of seeking shareholders' approval for the Joint Ventures and Shareholders' Loans.

7. Interests of Directors and Controlling Shareholders

UOL is a controlling shareholder of UIC. 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 Joint Ventures and the Shareholders' Loans.

8. Financial Effects

The above-mentioned transactions are 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 2 November 2016 to the SGX.