



UNITED INDUSTRIAL CORPORATION LIMITED
(REG. NO. 196300181E)

SUCCESSFUL TENDER BID FOR RESIDENTIAL SITE AT CLEMENTI AVENUE 1

The Board of Directors of United Industrial Corporation Limited (the “Company” or “UIC”) wishes to announce that UIC Homes Pte. Ltd. (“UIC Homes”), the Company’s wholly-owned subsidiary, and UOL Venture Investments Pte. Ltd. (“UOL Venture”), a wholly-owned subsidiary of UOL Group Limited (“UOL”) (collectively, the “Parties”) have on 3 July 2019 submitted a joint bid to the Urban Redevelopment Authority (“URA”) on a 20:80 basis respectively to acquire and develop a residential site located at Clementi Avenue 1 (“Site”) for a total consideration of \$491.3 million (“Tender Price”). On 9 July 2019, URA officially awarded the Site to the Parties.

Rationale

The joint tender bid was submitted in the ordinary course of the Company’s business and would enable the Company to replenish its land bank for residential development in Singapore. Parties intend to develop the Site into a condominium, subject to all necessary approvals from relevant authorities being obtained.

The joint venture with UOL will enable UIC to mitigate risks and take on more projects to diversify its property portfolio and tap on the expertise and network of its joint venture partner.

Description of Site

Brief details of the Site are as follows:

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|---------------------------|------------------------------|
| (1) Location | : Clementi Avenue 1 |
| (2) Tenure of Land | : 99 years |
| (3) Total Site Area | : 178,064.1 sf (16,542.7 sm) |
| (4) Allowable Development | : Residential |
| (5) Estimated GFA | : 623,230.4 sf (57,900.0 sm) |

Tender Price

Under the terms of the tender, the Parties have submitted a deposit of approximately 5% of the Tender Price on 3 July 2019 to URA. A sum equivalent to 25% of the Tender Price (in which the tender deposit is included) will be paid within 28 days of the award of the tender, and the remaining 75% will be paid within 90 days of the award of the tender. The Tender Price shall be financed principally from bank borrowings and internal funds.

Joint Venture

UIC Homes and UOL Venture have entered into a Consortium Agreement and will enter into a joint venture agreement to incorporate a joint venture company (“JVCo”)

on a 20:80 basis to complete the acquisition and undertake the proposed development of the Site. Pursuant to the Consortium Agreement, the Parties will enter into a joint venture agreement which will provide that the rights and obligations of the Parties in the joint venture for the acquisition and development of the Site will be borne by the Parties in proportion to their shareholding.

Interested Person Transactions

As UOL is a controlling shareholder of the Company, the joint venture is an interested person transaction within the meaning set out in the SGX Listing Manual.

Dr Wee Cho Yaw, the Chairman of UIC and UOL, is also a controlling shareholder of UOL. Mr Liam Wee Sin is a director of UIC and UOL, and the Group Chief Executive of UOL. Mr Wee Ee Lim is a director of UIC and UOL.

Saved as disclosed above, none of the directors or controlling shareholders of UIC have any interest, direct or indirect, in the above transaction.

For the current financial year, the aggregate value of all current transactions entered into and estimated value of all future transactions anticipated to be entered into with UOL including this transaction is approximately \$290.4 million representing approximately 3.8% of the Company's latest audited net tangible assets as at 31 December 2018 of \$7.63 billion.

UIC's Audit Committee has reviewed the joint venture and is of the view that the joint venture is not prejudicial to the interests of the Company and its minority shareholders.

Financial effects

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

Submitted by Kenneth Lee, Senior Financial Controller, United Industrial Corporation Limited on 9 July 2019 to the SGX.