



## **ANNOUNCEMENT OF INTERESTED PERSON TRANSACTION PURSUANT TO RULE 905 OF THE LISTING MANUAL**

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The Board of Directors of United Industrial Corporation Limited ("**UIC**" or the "**Company**") wishes to announce that its indirect subsidiary, Aquamarina Hotel Private Limited ("**AHPL**"), has today appointed Pan Pacific Hospitality Pte Ltd ("**PPH**"), an indirect wholly-owned subsidiary of UOL Group Limited ("**UOL**"), as hotel operator with effect from 1 January 2020 for the 575-room hotel ("**Hotel**") owned by AHPL currently known as Marina Mandarin Singapore.

### **Terms of Appointment**

AHPL and PPH have entered into a Hotel Management Agreement ("**HMA**") in relation to the Hotel for the provision of hotel management services by PPH for 10 years, with 2 consecutive options to renew for 5 years each, for a basic management fee at a fixed percentage of the gross revenue and an incentive management fee at a fixed percentage of the adjusted gross operating profit.

In connection with the HMA, AHPL also entered into ancillary agreements with wholly-owned subsidiaries of UOL, namely a Licence Agreement ("**LA**") with Parkroyal International Pte Ltd ("**PRI**") and a Marketing Services Agreement ("**MSA**") with Pan Pacific Marketing Services Pte Ltd ("**PPMS**") for the duration of the HMA; and a short-term Technical Services Agreement ("**TSA**") with Pan Pacific Technical Services Pte Ltd ("**PPTS**").

### **Rationale**

As the existing hotel management agreement for the Hotel is scheduled to terminate on 31 December 2019, PPH has been appointed to operate the Hotel from 1 January 2020 as part of the Company's ordinary course of business following careful consideration of proposals received from interested hotel operators. With a proven track record of operating hospitality assets globally, PPH would be a reputable operator for the Hotel and appointment of PPH will enable the Company to tap on UOL's expertise and network in the hospitality industry.

### **Interested Person Transactions**

As UOL is a controlling shareholder of the Company, the abovementioned agreements ("**Transactions**") are interested person transactions within the meaning set out in the SGX Listing Manual.

Dr Wee Cho Yaw, the Chairman and a director of UIC, UOL and AHPL, is also a controlling shareholder of UIC and UOL. Mr Liam Wee Sin is a director of UIC, UOL and AHPL 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 Transactions.

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 (and its subsidiaries and associated companies), including the Company's share of the estimated value of the Transactions of approximately S\$31.8 million, is approximately S\$322.2 million representing approximately 4.22% 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 terms of the Transactions and is of the view that the Transactions are on normal commercial terms, and are not prejudicial to the interests of UIC and its minority shareholders.

#### **Financial effects**

The Transactions are 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 Teo Hwee Ping, Company Secretary, United Industrial Corporation Limited on 23 August 2019 to the SGX.