

UNITED INDUSTRIAL CORPORATION LIMITED
(Incorporated in Singapore)
Company Registration Number: 196300181E

ANNOUNCEMENT ON THE VOLUNTARY UNCONDITIONAL CASH OFFER TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SINGAPORE LAND LIMITED OTHER THAN THOSE SHARES HELD, DIRECTLY OR INDIRECTLY, BY UNITED INDUSTRIAL CORPORATION LIMITED AND ITS SUBSIDIARIES (INCLUDING UIC ENTERPRISE PTE LTD) AS AT THE DATE OF THE OFFER

1. INTRODUCTION

1.1 The Offer

- (a) The Board of Directors of United Industrial Corporation Limited ("**UIC**") wishes to announce that United Overseas Bank Limited ("**UOB**"), has today, for and on behalf of UIC Enterprise Pte Ltd (the "**Offeror**"), a wholly-owned subsidiary of UIC, made an announcement (the "**Offer Announcement**") that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**SLL Shares**") in the capital of Singapore Land Limited (the "**SLL**"), other than those SLL Shares held, directly or indirectly, by UIC and its subsidiaries (including the Offeror) (the "**UIC Group**") as at the date of the Offer (the "**Offer Shares**").
- (b) Further details of the Offer (including its terms and conditions, and the rationale and benefits of the Offer) are set out in the Offer Announcement, which is incorporated by reference and a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

1.2 Chapter 10 of the Listing Manual

This announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST ("**Listing Manual**"), and should be read in conjunction with the Offer Announcement.

2. OFFER

2.1 Terms and Conditions

Please refer to paragraph 2 of the Offer Announcement for information on the terms and conditions of the Offer.

2.2 Rationale for the Offer

Please refer to paragraph 5 of the Offer Announcement for the rationale and benefits of the Offer.

3. INFORMATION ON SLL

3.1 SLL and its Principal Activities

Based on publicly available information, SLL was incorporated under the laws of Singapore on 21 June 1963 and is listed on the Main Board of the SGX-ST. The principal activity of SLL is that of an investment holding company. The principal activities of SLL and its subsidiaries (the "**SLL Group**") consist of development of properties for investment and trading, investment holding, property management, and investment in hotels and retail centres.

As at the date hereof, based on publicly available information, SLL has an issued and paid-up capital of S\$840,348,143 consisting of 412,477,559 SLL Shares.

3.2 Asset Value of the Offer Shares

The market value represented by the assets being acquired (being the Offer Shares), calculated based on the volume weighted average price ("**VWAP**") of approximately S\$8.315 per SLL Share on all the trades done on 19 February 2014 (being the last full day of trading in the SLL Shares on the SGX-ST immediately prior to the date of the Offer Announcement ("**Last Trading Day**")) pursuant to Rules 1002(4) and 1003(1)(b) of the Listing Manual is approximately S\$673.8 million.

4. CONSIDERATION

4.1 Offer Price

As stated in paragraph 2.1 of the Offer Announcement, the Offer Price for each Offer Share is S\$9.40 in cash (the "**Offer Price**"). The Offer Price was arrived at taking into account, *inter alia*, the prevailing market conditions, financial position, financial performance and net asset value of the SLL Group, and the market value of the SLL Shares as traded on the SGX-ST on 19 February 2014 (being the Last Trading Day).

4.2 Assumed Maximum Consideration

Assuming that:

- (a) the total number of Offer Shares is 81,029,175 SLL Shares (representing approximately 19.64% of the total number of SLL Shares) as at 19 February 2014 (being the Last Trading Day); and
- (b) there is full acceptance of the Offer in respect of all the Offer Shares,

the maximum aggregate consideration for the acquisition of all the Offer Shares pursuant to the Offer would be S\$761,674,245 (the "**Assumed Maximum Consideration**"), based on the Offer Price of S\$9.40 for each Offer Share.

4.3 Source of Funding for the Offer

The Assumed Maximum Consideration will be funded by internal resources and external borrowings. UOB, being the financial adviser of the Offeror for the Offer, has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures as computed on the bases set out in Rule 1006 of the Listing Manual for the Offer, based on the unaudited consolidated financial statements of the UIC Group and the SLL Group for the financial year ended 31 December 2013, are set out below.

Bases under Rule 1006 of the Listing Manual for the Offer	
Rule 1006(a)	
Net asset value of the assets to be disposed of, compared with the UIC Group's net asset value	Not applicable to an acquisition of assets
Rule 1006(b)	
Net profits attributable to the assets being acquired (being the Offer Shares) ⁽¹⁾ (S\$'000)	90,093
Net profits of the UIC Group ⁽¹⁾ (S\$'000)	506,613
Size of relative figure	17.78%
Rule 1006(c)	
Aggregate amount of consideration (S\$'000) ⁽²⁾	761,674
Market capitalisation of the UIC Group (S\$'000) ⁽³⁾	4,054,037
Size of relative figure	18.79%
Rule 1006(d)	
Number of equity securities to be issued by the UIC Group as consideration for the Offer compared with the number of equity securities previously in issue	Not applicable as the consideration payable for the Offer will not be settled with equity securities
Rule 1006(e)	
Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the UIC Group's proved and probable reserves	Not applicable to an acquisition of assets. Only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company

Notes:

- (1) In this announcement, the term "**net profits**" means profit before taxation, minority interests and extraordinary items.
- (2) The aggregate amount of consideration is based on the Assumed Maximum Consideration.
- (3) Based on 1,378,924,220 ordinary shares in the capital of UIC ("**Shares**") and the 1-day VWAP per Share as at 19 February 2014 (being the Last Trading Day) of S\$2.940.

As the relative figures under Rules 1006(b) and 1006(c) of the Listing Manual exceed 5% but do not exceed 20%, the Offer is a discloseable transaction for the purposes of Chapter 10 of the Listing Manual.

6. FINANCIAL EFFECTS OF THE OFFER

6.1 Bases and Assumptions

- (a) The financial effects of the Offer set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Offer on the consolidated net tangible assets ("**NTA**") per Share, the earnings per Share ("**EPS**") of UIC, nor represent the actual or future financial position and/or results of the UIC Group immediately after the close of the Offer or upon the completion of the acquisition of all the Offer Shares pursuant to the Offer.
- (b) The financial effects of the Offer have been prepared based on the unaudited consolidated financial statements of the UIC Group for the financial year ended 31 December 2013 ("**FY2013**") and on the following assumptions:
- (i) the total number of Offer Shares is 81,029,175 Offer Shares;
 - (ii) there is full acceptance of the Offer in respect of all the Offer Shares;
 - (iii) for the purpose of computing the financial effects on UIC's NTA per Share, that the Offer is completed on, and UIC Group owns 100% of SLL as at, 31 December 2013, being the end of FY2013; and
 - (iv) for the purpose of computing the financial effects on UIC's EPS, that the Offer is completed on, and UIC Group owns 100% of SLL as at, 1 January 2013, being the commencement of FY2013.

6.2 Effect on NTA per Share and EPS

The financial effects of the Offer on the consolidated NTA per Share and EPS of UIC are set out below:

	Before adjusting for the Offer	After adjusting for the Offer
NTA per Share		
NTA (S\$ million)	4,982	5,280
NTA per Share ⁽¹⁾ (S\$)	3.61	3.83
EPS		
Profit attributable to shareholders of UIC (S\$ million)	316	371
Basic EPS ⁽²⁾ (Singapore cents)	22.9	26.9
Diluted EPS ⁽³⁾ (Singapore cents)	22.9	26.9

Notes:

- (1) Based on 1,378,924,220 Shares as at 31 December 2013.
- (2) Based on the weighted average number of Shares of 1,378,749,220 for FY2013.
- (3) Based on the weighted average number of Shares of 1,379,077,163 for FY2013, after taking into account the exercise of outstanding employee share options that are dilutive.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

7.1 Interests

- (a) Dr. Wee Cho Yaw, a controlling shareholder and Chairman of the board of directors of UIC, is also: (i) Chairman of the board of directors of SLL; and (ii) a controlling shareholder and Chairman Emeritus & Adviser of the board of directors of UOB.
- (b) Dr. John Gokongwei, Jr., a controlling shareholder and Deputy Chairman of the board of directors of UIC, is also a controlling shareholder and the Deputy Chairman of the board of directors of SLL.
- (c) Mr. Gwee Lian Kheng, a director of UIC, is also (i) a director of SLL; and (ii) is deemed to have an interest in 80,000 SLL Shares¹.
- (d) Mr. Wee Ee Lim, a director of UIC, is also: (i) a director of SLL; and (ii) a substantial shareholder of UOB.
- (e) Mr. Lim Hock San, a shareholder and director of UIC, is also a shareholder and director of SLL.
- (f) Mr. James L. Go, a director of UIC, is also a director of SLL.
- (g) Mr. Lance Yu Gokongwei, a director of UIC, is also a director of SLL.
- (h) Mr. Hwang Soo Jin, a shareholder and director of UIC, is also a director of SLL.
- (i) Mr. Yang Soo Suan, a director of UIC, is also a director of SLL.
- (j) Mr. Yeo Khirn Hai Alvin, a director of UIC, is also a director of SLL.
- (k) Each of UOL Group Limited, UOL Equity Investments Pte Ltd, Telegraph Developments Limited, JG Summit Philippines Limited and JG Summit Holdings, Inc., being controlling shareholders of UIC, is deemed to have an interest in the 331,448,384 SLL Shares held by UIC Group².

Save as disclosed in this announcement and in the Offer Announcement, none of the directors and controlling shareholders of UIC has any interest in the Offer.

7.2 No Directors' Service Contracts

No person is proposed to be appointed as a director of UIC in connection with the Offer. Accordingly, no service contract has been entered into between UIC and any such person.

¹ Mr. Gwee Lian Kheng is deemed to be interested in 30,000 SLL Shares held by his spouse, Low Rowee, and 50,000 SLL Shares held by Melda Investment Pte Ltd, a company which his spouse has a controlling interest.

² UIC Group's interest in the 331,448,384 SLL Shares is derived from the direct interests of three of its wholly-owned subsidiaries, namely, the Offeror (245,652,688 SLL Shares), UIC Development (Private) Limited (85,643,196 SLL Shares) and UIC Investment Pte Ltd (152,500 SLL Shares).

8. RESPONSIBILITY STATEMENT

The directors of UIC (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or publicly available sources or obtained from SLL, the sole responsibility of the directors of UIC has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of UIC jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
UNITED INDUSTRIAL CORPORATION LIMITED

24 February 2014