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

CLARIFICATION ANNOUNCEMENT – ACQUISITION OF HOLBORN ISLAND, A FREEHOLD 9-STOREY MIXED USE BUILDING LOCATED AT 120 HOLBORN, MIDTOWN, LONDON EC1 N2TD, UNITED KINGDOM ("PROPERTY")

Reference is made to the announcement of UIC Industrial Corporation Limited (the "Company") dated 30 September 2016 in relation to the acquisition of the Property (the "Announcement").

On 4 October 2016, the Singapore Exchange Securities Trading Limited ("SGX-ST") requested for clarification on the Announcement. The Board of Directors of the Company wishes to clarify the following:

1. DATE OF SALE AND PURCHASE AGREEMENT

The Sale and Purchase Agreement was entered into on 30 September 2016.

2. ADDITIONAL DISCLOSURES UNDER LISTING RULE 917

(a) Rationale for the joint venture

The joint venture ("JV") with UOL Venture Investments Pte. Ltd. ("UOL") enables the Company to mitigate its risks and allows the Company to take on more projects to diversify its investment property portfolio.

(b) Details of the joint venture

As mentioned in the Announcement, the JV between UIC Overseas Investments Pte. Ltd. and UOL is on a 50:50 basis. The principal activity of the joint venture company, United Venture Investments (HI) Pte. Ltd. ("UVIHI") is for investment holding.

The board of directors of UVIHI will comprise an equal number of directors representing each shareholder at all times. The approval of major decisions by UVIHI at both board and shareholder meetings will require at least one vote from each shareholder or their appointed director (as applicable).

Each shareholder has agreed that the costs and expenses incurred on behalf of UVIHI in relation to the Property will be funded by way of internal resources and external borrowings in their agreed proportions (50:50).

(c) Total value of all interested person transactions

Transaction	Amount (S$ 'million)	Percentage of the Group's latest audited net tangible assets (%)
Acquisition of the Property	203.0[1]	3.4
Contribution of shareholder's loan (including interest income) and equity in United Venture Development (Clementi) Pte. Ltd. for the development of The Clement Canopy	51.3	0.9
Contribution of shareholder's loan (including interest income) in United Venture Development (Thomson) Pte. Ltd. for the development of Thomson Three	3.1	0.1
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	**257.6**	**4.3**

The total value of all interested person transactions (excluding interested person transactions less than S$100,000) entered into between the Group and UOL during FY2016 amounted to 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. For the avoidance of doubt, no other interested person transactions were entered into for FY2016.

The interested person transactions are entered into by the Company in its ordinary course of business and are on an arm's length basis.

Save as disclosed above and in the Announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the above interested person transactions.

[1] Based on the currency exchange rate of £1: S$1.768 as at 30 September 2016

(d) Statement of the Audit Committee

The Audit Committee has reviewed the transaction 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 shareholders.

By Order of the Board

Susie Koh
Company Secretary

5 October 2016