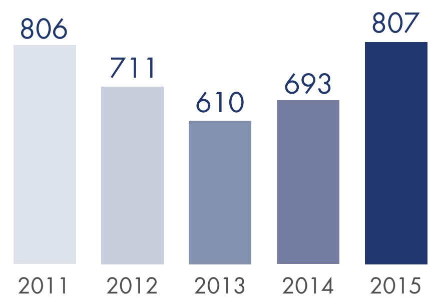
United Industrial Corporation Limited

ANNUAL REPORT 2015

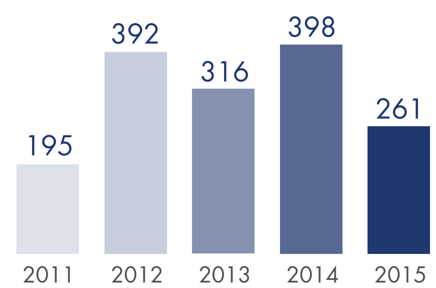
CONTENTS

GROUP FINANCIAL HIGHLIGHTS

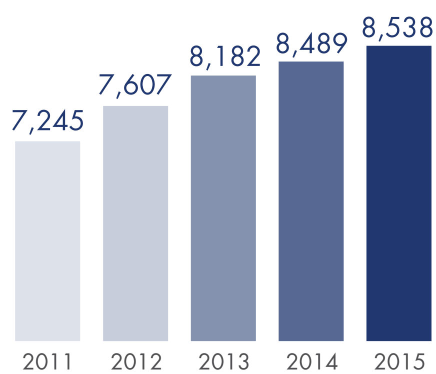
Revenue ($'million)



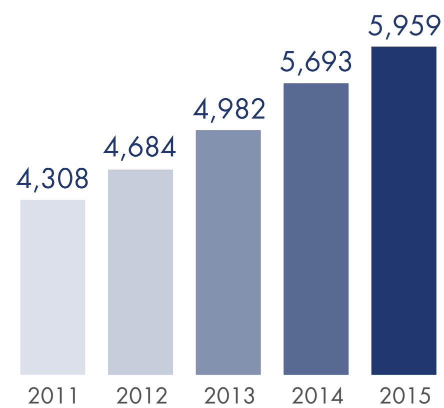
Attributable profit ($'million)



Total assets ($'million)



Shareholders' equity ($'million)



($'million)	2011	2012	2013	2014	2015
Revenue	806	711	610	693	807
Net profit from operations	200	168	167	223	236
Net fair value (loss)/gain on investment properties	(5)	224	149	175	25
Attributable profit	195	392	316	398	261
Total assets	7,245	7,607	8,182	8,489	8,538
Shareholders' equity	4,308	4,684	4,982	5,693	5,959

CHAIRMAN'S STATEMENT

2015 Review

The Singapore economy grew at 2% in 2015.

After 18 months of growth, the office market softened in the third quarter of 2015. This is due to cautious demand and substantial supply expected to enter the market in the second half of 2016.

The local residential market remained weak with ongoing property cooling measures. With cautious sentiments amongst buyers, demand was generally soft, although there were tentative signs of recovery in certain segments of the market.

Performance Review and Dividend

The Group's total revenue rose 16% year-on-year to $807.2 million, driven by higher residential property sales, contributions from hotel operations and rental income from investment properties.

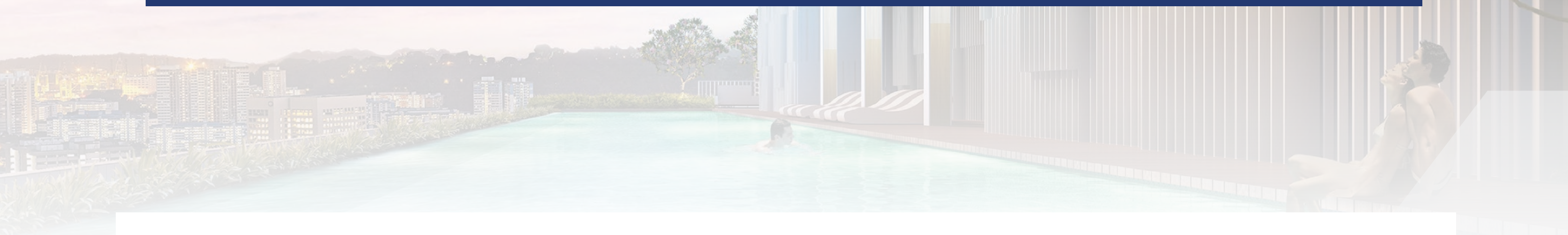
Sales of residential properties increased to $291.0 million, a 58% increase over the previous year, with revenue recognition on a percentage of completion basis from key projects namely, 'V on Shenton', 'Alex Residences', 'Mon Jervois' and the latest development launched in 2015, 'Pollen & Bleu'.

Revenue from hotel operations remained stable at $148.7 million with contributions from Pan Pacific Singapore and Westin Tianjin, China.

The Group posted a gross rental income of $271.1 million from investment properties, dropping marginally by 2%. At Marina Square Shopping Mall, rental income was affected by the inconvenience from the ongoing asset enhancement improvement works. However, rental income from the Group's office buildings registered a slight increase of 4% over the preceding year.

Contribution from joint-venture residential development projects saw a decline of 22% to $29.1 million as a result of lower contribution from the 'Archipelago' with the project's completion in September 2015. This effect was partially offset by increased contribution from the 'Thomson Three' residential project.

The Group posted an overall net attributable profit of $260.6 million for the year (2014: $398.0 million). Revaluation of investment properties resulted in a net fair



value gain of $24.3 million (2014: $175.2 million), representing a 0.3% increase in capital values. Excluding the fair value gain, net profit from operations achieved was $236.3 million, improving by $13.5 million, or 6%, from the year before. The improved performance was driven by higher profit contribution from the Group's residential projects.

The Board is recommending a first and final tax-exempt (one-tier) dividend of 3.0 cents (2014: 3.0 cents) for the financial year ended 31 December 2015. The final payout will amount to $42.2 million (2014: $41.8 million).

Singapore Office and Retail Properties, Hotels

During the year, the Group's office buildings maintained a healthy overall occupancy of 97%. Gross rental income improved to $184.7 million, up 4% from $177.8 million in 2014.

Construction on the mixed office/residential development at 5 Shenton Way is progressing on schedule, with expected completion in 2017. This landmark development will yield 280,000 square feet of Grade A office space, and 510 residential units totalling 510,000 square feet in 'V on Shenton'. The project offers metropolitan living in the midst of Singapore's bustling business district.

At Marina Square Shopping Mall, the second phase of asset enhancement works was completed in the third quarter of 2015, reinventing 150,000 square feet of prime retail space facing Marina Bay and The Esplanade. The new wing attracted several new-to-market retail and dining outlets, which complement existing retail offerings and increase dining options for shoppers. Emporium Shokuhin, Singapore's first integrated Japanese Emporium, was well received when it opened in September 2015. The 34,000 square feet Japanese food enclave provides an extensive range of eight dining concepts, featuring a Japanese gourmet grocer with a beef dry-aging facility, farm produce from Ehime Prefecture, as well as a live seafood market. With the new wing, Marina Square has reinforced its position as one of the largest prime city shopping and dining destinations in Singapore, with a total net lettable retail space of approximately 770,000 square feet.

West Mall, located adjacent to Bukit Batok MRT, continues to be a popular retail destination for residents in the area, as well as the neighbouring Jurong East, Hillview and Upper Bukit Timah precincts. Despite the fall in discretionary spending and challenging retail conditions, the mall enjoys near full occupancy and maintained its total revenue. West Mall also embarked on a cost-effective upgrading programme to refurbish and refresh the mall to ensure its competitiveness against the newer suburban malls.

Novena Square, in which the Group has a 20% interest, enjoyed high occupancy rates with its accessible location. Sports and lifestyle mall Velocity@Novena Square achieved 100% occupancy, while occupancy is 97% for Office Tower A and 100% for Office Tower B. Riding on its popularity amongst both shoppers and sports interest groups, the mall brought back its crowd-pulling sports events which have proven successful in the past.

The Pan Pacific Singapore, Marina Mandarin Singapore and Mandarin Oriental Singapore performed well, despite additional hotel room supply. The rebound in visitor arrivals was affected by a slowdown in the global economy. With revenue growth hampered by external factors, the hotels had to raise productivity, with operations kept nimble to meet the challenges.

Singapore Residential Projects

At 'V on Shenton', the site of the former UIC Building in Shenton Way, 77% of the 510 apartment units were sold as of December 2015. Sales at boutique development 'Mon Jervois' was 41% of 109 units, whilst sales at the 40-storey 'Alex Residences' was 59% of 429 units. Nestled in the lush greeneries of the Farrer Drive residential enclave, 11% of 106 units at 'Pollen & Bleu' was sold. This latest development by the Group was launched in 2015.

At 'Thomson Three', the joint-venture development with UOL Group Limited ("UOL Group"), 98% of the project was sold as of December 2015. The development is located near the upcoming Upper Thomson MRT station and comprises 435 apartments and 10 strata houses.

On 11 December 2015, the Group and UOL Group, on a 50:50 joint venture basis, successfully acquired a land parcel in Clementi Avenue 1, close to Clementi MRT station. The development is expected to be launched in the second half of 2016, and will comprise two 40-storey towers with about 500 units.

Overseas Investments

The Group's wholly-owned 'The Excellency' in Chengdu, China was 82% sold as of December 2015, leaving a balance of 78 units. Located close to the popular Chun Xi shopping belt, the development has a saleable area of approximately 54,000 square metres, comprising two 51-storey residential blocks and 3,300 square metres of retail and commercial space.

Structural works for the Shanghai Chang Feng project have been completed and the sales launch is scheduled in 2016. The development covers 39,540 square metres, and the Group has a 30% interest in the project. The remaining 70% is held 40:30 by UOL Group and Kheng Leong Company (Private) Limited respectively. The site is strategically located about 5 kilometres from the Hongqiao Transportation Hub and less than 10 kilometres from the Bund.

The Westin Tianjin, in which the Group has a 51% interest is located at Tianjin City Centre. It registered an average occupancy of 56% during the year, amidst a difficult hotel environment in an over-supply situation.

Outlook for 2016

The year ahead will be challenging with the uncertainty in the global economy. Singapore's economy is expected to post growth of between 1% and 3% in 2016.

With the impending supply of 3.6 million square feet of office space from the second half of 2016, office rents are expected to continue to soften slightly. The residential market is expected to remain subdued on the back of higher interest rates, property cooling measures and the supply of completed housing in the pipeline next year.

Adaptation to market demands will be critical as manpower shortages, declining tourist arrivals and competition from online retailers continue to pose challenges to the retail, food and beverage sectors. With new retail space supply, enhancing shopping experience to sustain rental values remains the focal point of mall operators.

The Singapore hospitality industry is likely to face continued headwinds in 2016. Hotel room supply is expected to increase at a faster pace than room-nights demand, although slower growth in visitor arrivals may be alleviated by longer average lengths of stay. As the tight labour market and the uncertain global economic environment continue to pose challenges, cost management and operational efficiency are key to remaining competitive.

The Group is committed to pursuing sustainable growth and will continue to leverage upon its financial strength as well as deep market knowledge to remain competitive.

Acknowledgement

On behalf of the Board, I would like to thank the management and staff at UIC for their active contributions and commitment. To our shareholders, business partners, customers and tenants, thank you for your continued support and trust in UIC. Finally, our steady progress was made possible through the leadership of my fellow directors throughout the year and I would like to take this opportunity to express my sincere appreciation for their stewardship and guidance.

WEE CHO YAW
Chairman
February 2016

BOARD OF DIRECTORS

Dr Wee Cho Yaw was appointed a Director and Chairman of United Industrial Corporation Limited ("UIC") in 1992. A veteran banker with more than 50 years' experience in the banking industry, Dr Wee is the Chairman Emeritus and Adviser of United Overseas Bank Limited and Far Eastern Bank Limited. He also chairs the boards of United Overseas Insurance Limited, UOL Group Limited, Haw Par Corporation Limited, Pan Pacific Hotels Group Limited, Marina Centre Holdings Private Limited, and Wee Foundation. He is a director of Chung Cheng High School. He was previously the Chairman of United International Securities Limited and Singapore Land Limited.

Dr Wee is the Honorary President of the Singapore Federation of Chinese Clan Associations, Singapore Hokkien Huay Kuan and Singapore Chinese Chamber of Commerce and Industry.

Dr Wee received Chinese High School education. He was conferred an Honorary Doctor of Letters by the National University of Singapore in 2008 and by the Nanyang Technological University in 2014. Both Honorary Doctor of Letters were conferred on him in recognition of his long-standing support of education, community welfare and the business community. In 2011, he received the Distinguished Service Order, Singapore's highest National Day Award from the President of Singapore for his outstanding contributions to the economic, education, social and community development fields in Singapore. Since 2004, he has been the Pro-Chancellor of Nanyang Technological University.

Dr Wee was conferred the Businessman Of The Year award twice at the Singapore Business Awards in 2001 and 1990. He received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award in 2006 for his exceptional achievements in the Singapore business community. In 2009, *The Asian Banker* presented him the Lifetime Achievement Award.

Dr John Gokongwei, Jr. was appointed a Director and Deputy Chairman of UIC in 1999.

As of January 2002, he is a Director and Chairman Emeritus of JG Summit Holdings, Inc., a company incorporated in the Philippines and listed on the Philippines Stock Exchange Inc., since its formation in 1990. He is the Chairman of the Gokongwei Brothers Foundation, Inc. and Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc.. He is also a Director of Marina Centre Holdings Private Limited. He is currently Director and Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation and JG Summit Petrochemical Corporation and a Director of Cebu Air Inc., Oriental Petroleum and Minerals Corporation, Manila Electric Company and A. Soriano Corporation.

He was the Director and Deputy Chairman of Singapore Land Limited from 1999 to 2014.

Dr Gokongwei received a Master in Business Administration from the De la Salle University in the Philippines, and attended the Advanced Management Program at Harvard University, Boston, Massachusetts, USA.

Mr Lim Hock San, the President and Chief Executive Officer, was appointed a Director of UIC in 1992. Mr Lim is also the President and Chief Executive Officer of Singapore Land Limited.

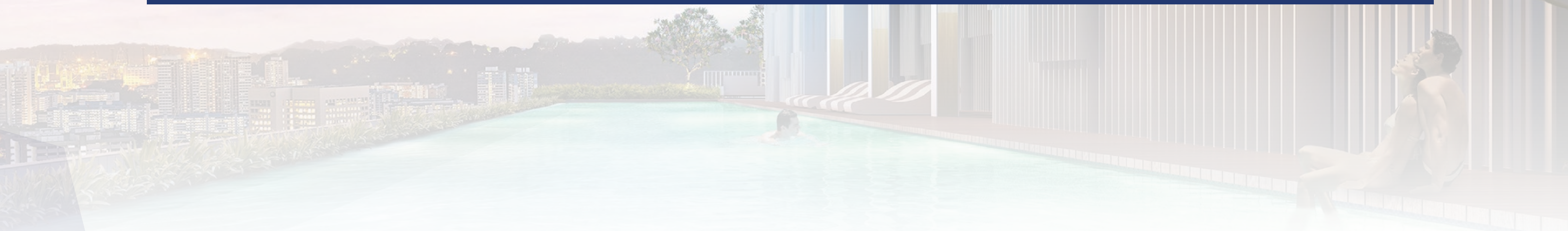
Mr Lim graduated with a Bachelor of Accountancy from the University of Singapore. He obtained a Master of Science in Management from the Massachusetts Institute of Technology, and attended the Senior Executive Programme at London Business School, and the Advanced Management Program at Harvard Business School. He is a Fellow of the Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Certified Public Accountants of Singapore.

Mr James L. Go was appointed a Director of UIC in 1999. He is currently the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Vice Chairman and Deputy Chief Executive Officer of Robinsons Retail Holdings, Inc. and a Director of Cebu Air, Inc., Marina Centre Holdings Private Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc.. He has been a Director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a Director of Manila Electric Company on December 16, 2013. He was formerly a Director of Singapore Land Limited.

Mr Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Mr Gwee Lian Kheng was appointed a Director of UIC in 1999. He is the Group Chief Executive of UOL Group Limited and has been with the UOL Group since 1973.

Mr Gwee graduated with a Bachelor of Accountancy (Honours) Degree from the University of Singapore. He is a Fellow of the Chartered Institute of Management Accountants, Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.



Mr Hwang Soo Jin was appointed a Director of UIC in January 2003 and is currently the Chairman of the Nominating Committee. He is a Chartered Insurer and an Associate of the Chartered Insurance Institute, UK, and has more than 50 years' business experience.

Mr Hwang is currently the Chairman Emeritus and Director of Singapore Reinsurance Corporation Ltd and also sits on the boards of directors of United Overseas Insurance Ltd and Haw Par Corporation Ltd. Among numerous other directorships in the past, he was formerly a director of Singapore Land Limited and Chairman of Singapore Reinsurance Corporation Ltd.

Mr Yang Soo Suan was appointed a Director of UIC on 27 April 2012 and is currently the Chairman of the Audit Committee. He is an architect by training and has more than 48 years of professional practice experience.

He is a Director of United Overseas Insurance Limited and a former Director of United International Securities Ltd., and currently the Chairman of Audit Committee of United Overseas Insurance Limited. He is a Life Fellow of the Singapore Institute of Architects, a Fellow Member of the Singapore Society of Project Managers, and a member of the Singapore Institute of Directors. He is the former Chairman of architects61 Pte Ltd and National Fire Prevention Council. He is also a former board member of the Housing and Development Board, the Board of Architects and Singapore Land Limited, a former President of the Singapore Institute of Architects and a former member of the Appeals Board (Land Acquisition).

Mr Yang holds a Bachelor of Architecture (Honours) in Design, Town Planning and Building (1961) from Melbourne University, Australia and was awarded the Bintang Bakti Masyarakat (Public Service Star, Singapore) in 1996.

Mr Alvin Yeo was appointed a Director of UIC in 2002 and is currently the Chairman of the Remuneration Committee. He is a lawyer and Chairman and Senior Partner of WongPartnership LLP. Mr Yeo was appointed Senior Counsel of the Supreme Court of Singapore in January 2000. He is a member of the Appeals Advisory Panel of the Monetary Authority of Singapore, and the Court of the Singapore International Arbitration Centre. He is also a Director of Keppel Corporation Ltd. and Neptune Orient Lines Limited. He resigned on 26 August 2014 as Director of Singapore Land Limited. Mr Yeo is a former Member of Parliament, having served for 2 terms from 2006 to 2015.

Mr Yeo graduated with a Bachelor of Laws (Honours) from King's College, University of London, and is a Barrister-at-Law (Gray's Inn).

Mr Wee Ee Lim was appointed a Director of UIC in 1999. He is presently the President and Chief Executive Officer of Haw Par Corporation Limited. He is a Director and the Deputy Chairman of UOL Group Limited. In addition, he sits on the board of directors of Wee Foundation.

Mr Wee was previously a Director of Pan Pacific Hotels Group Limited, Singapore Land Limited and Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange).

Mr Wee graduated with a Bachelor of Arts (Economics) from Clark University, USA.

Mr Lance Yu Gokongwei was appointed a Director of UIC in 1999. He is the President and Chief Operating Officer and a Director of JG Summit Holdings, Inc.. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc., JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Vice Chairman and Chief Executive Officer of Robinsons Land Corporation. He is also the Chairman of Robinsons Bank, Vice Chairman of Robinsons Retail Holdings, Inc., Vice Chairman of Manila Electric Company and a Director of Oriental Petroleum and Minerals Corporation. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc.. He was formerly a Director of Singapore Land Limited.

Mr Gokongwei graduated with a Bachelor of Science (Applied Science) from Pennsylvania Engineering School and a Bachelor of Science (Finance) from Wharton School, USA. He also attended the management and technology program at the University of Pennsylvania.

Mr Antonio L. Go was appointed a Director of UIC in April 2007. He is currently a Chairman and President of Equitable Computer Services, Inc. and Chairman of Equicom Savings Bank and Algo Leasing and Finance Inc.. He is a Trustee of Go Kim Pah Foundation and Equitable Foundation Inc.. He sits on the boards of Cebu Air, Inc., Maxicare Healthcare Corporation, Oriental Petroleum and Minerals Corporation, Robinson Retail Holdings, Inc., Equicom Information Technology, Equicom Inc., Equicom Manila Holdings, Medilink Network, Inc., and Equitable Development Corporation. From Year 2006 to 2011, he was an Independent Director of Digital Telecommunications, Philippines, Inc.

Mr Go graduated with a Bachelor of Business Administration from Youngstown University, USA. He also attended the International Advanced Management programme at the International Management Institute, Geneva, Switzerland, and the ABA National School of Bankcard Management, Northwestern University, USA.

CORPORATE GOVERNANCE REPORT

United Industrial Corporation Limited ("UIC" or the "Company", together with its subsidiaries, the "Group") is committed to maintaining high standards of corporate governance and this Report outlines the Company's corporate governance practices with reference to the principles and guidelines of the Code of Corporate Governance 2012 ("Code"). Where there is any deviation, an explanation has been provided within this Report.

BOARD MATTERS

Board's Conduct of its Affairs

The Board of Directors ("Board") oversees the business affairs of the Company and ensures the long-term success of the Group. The principal functions of the Board are to: (a) provide entrepreneurial leadership, set strategic objectives and commitments, review recommendations of the Nominating Committee ("NC"), Remuneration Committee ("RC"), and Audit Committee ("AC"), and ensure that the necessary financial and human resources are in place for the Company to meet its objectives; (b) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interest and the Group's assets; (c) review the business results of the Group and monitor the performance of Management; (d) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; (e) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; (f) consider the sustainability issues e.g. environmental and social factors, as part of its strategic formulation; and (g) assume responsibility for corporate governance, act in good faith, and in the interests of the Group.

The Board delegates certain functions to the NC, RC and AC (collectively, the "Board Committees") each having its own written terms of reference. Each committee reviews specific issues and reports its decisions to the Board, which decides whether or not to endorse the Board Committees' recommendations and in turn, accepts ultimate responsibility on all matters.

The membership of the various Board Committees is set out on page 27 of this Report.

The schedule of all Board and Board Committee meetings for the next calendar year is planned in advance in consultation with the Board. The Board meets on a quarterly basis and as and when warranted by circumstances. Telephonic conferences at Board meetings are permitted under the Company's existing Constitution (the"Constitution"). The Board and Board Committees may also make decisions by way of circulation of Resolutions. The number of Board and Board Committee meetings held in 2015, as well as the attendance of each Board member at these meetings, are disclosed as follows:

Name	Attendance at 4 Board Meetings	Attendance at 6 Audit Committee Meetings	Attendance at 1 Nominating Committee Meeting	Attendance at 1 Remuneration Committee Meeting
Wee Cho Yaw	4	n/a	1	1
John Gokongwei, Jr.	3	n/a	n/a	n/a
Lim Hock San	4	n/a	n/a	n/a
James L. Go	2	4	0	1
Lance Yu Gokongwei	4	n/a	n/a	n/a
Gwee Lian Kheng	3	n/a	n/a	n/a
Hwang Soo Jin	4	5	1	1
Antonio L. Go	4	n/a	1	1
Wee Ee Lim	4	n/a	n/a	n/a
Alvin Yeo Khirn Hai	3	5	n/a	1
Yang Soo Suan	4	6	1	n/a

The Company has adopted internal guidelines and a financial authority limits structure which set forth matters that require Board approval. Under these guidelines, Board approval is required for material commitments and payments of operating and capital expenditures.

Newly appointed directors would receive formal letters setting out their duties and obligations, copies of the Company's Annual Report, Constitution, and corporate and organisation charts, and if applicable, charters of each Board Committee they represent. The Company conducts induction and orientation programmes for all incoming directors to introduce and familiarise them with the Group's management, business and governance practices.

The Company funds training programmes for first-time directors and appropriate courses, conferences and seminars to update existing directors of the Company ("Directors") on relevant new laws and regulations. Directors are provided with opportunities to attend courses and talks on Board matters organised by professional and reputable organisations, such as the Singapore Institute of Directors and the Institute of Singapore Chartered Accountants. The external auditor would brief and update the AC and Board on developments in accounting and governance standards, and issues which may have a direct impact on the financial statements. The Company Secretary would, from time to time, circulate to the Board, articles and press releases relevant to the Directors' and Group's business, and material announcements issued to/by SGX-ST and the Accounting & Corporate Regulatory Authority. The Company Secretary also keeps the Board informed of relevant laws and regulations, industry issues, practices and trends pertaining to Corporate Governance affecting the Board.

BOARD'S COMPOSITION AND GUIDANCE

The Board comprises eleven Directors, of whom four, namely, M/s Hwang Soo Jin, Antonio L. Go, Alvin Yeo Khirn Hai and Yang Soo Suan are considered to be independent Directors. Each Director brings with him a wealth of knowledge, expertise and experience and collectively, contribute valuable direction and insight, drawing from their vast experience in matters relating to accounting, finance, legal, banking, business, management, property and general corporate matters. A brief background of each Director is set out in the "Board of Directors" section found on pages 5 to 8 of this Report.

The independence of each Director is reviewed annually by the NC. For financial year 2015, the independence of M/s Alvin Yeo Khirn Hai, Hwang Soo Jin and Antonio L. Go who has each served on the Board beyond 9 years was subjected to particularly rigorous scrutiny by the NC (with Mr Yeo, Mr Hwang and Mr Antonio L. Go abstaining from discussion and deliberation). Despite their long periods of service, the NC found, and recommended to the Board, that each independent Director has exercised independent judgement and made decisions objectively in the best interests of the Company and its shareholders. Details of these findings can be found on Page 13 of this Report. Following the NC's recommendation, the Board is of the view that the independent Directors make up one third of the Board.

Taking into account the nature and scope of the Group's operations, the Board is satisfied that the current Board size and composition are appropriate and that no individual or small group of individuals dominates the Board's decision-making process.

In addition, non-executive Directors effectively check on Management by constructively challenging Management's proposals, assisting in the development of strategic proposals, reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of such performance. Where necessary, the non-executive Directors are encouraged to meet without the presence of Management to facilitate a more effective check on Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure an appropriate balance of power, increased accountability and a greater capacity of the Board for independent decision-making, the Company has a clear division of responsibilities at the top management level. Such division of responsibilities is established and agreed by the Board. The non-executive Chairman and the President/Chief Executive Officer ("President/CEO") have separate roles and are not related to each other.

The Chairman's responsibilities include: (a) leading the Board to ensure its effectiveness on all aspects of its role; (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) promoting a culture of openness and debate at the Board; (d) ensuring that the Directors receive complete, accurate and timely information; (e) ensuring effective communication with shareholders;

(f) encouraging constructive relations within the Board and between the Board and Management; (g) facilitating the effective contribution of non-executive Directors in particular; and (h) promoting high standards of corporate governance.

The President/CEO has full executive responsibility for the management of the Group's business operations and the effective implementation of the Group's strategies and policies.

Lead Independent Director

Given the fact that all the independent Directors are long serving and well experienced, the Board does not consider it necessary to appoint a lead independent director amongst them. The regular and active interactions amongst them at Board and Board Committee meetings provide sufficient opportunities for the independent Directors to co-ordinate and work together as a group. To-date, there have been no complaints from shareholders of any non-accessibility of independent Directors due to the absence of a lead independent director.

BOARD MEMBERSHIP

Through the NC, the Board reviews its composition and the composition of Board Committees annually.

Nominating Committee

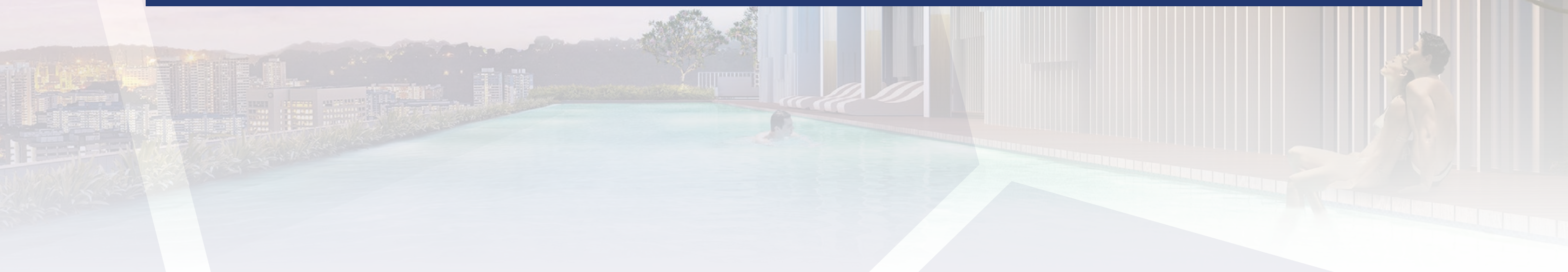
The NC comprises five non-executive Directors, namely, M/s Hwang Soo Jin (NC Chairman), Wee Cho Yaw, James L. Go, Antonio L. Go and Yang Soo Suan, three of whom, including the NC Chairman are independent. The NC Chairman is not directly associated with the Company's substantial shareholders.

The main Terms of Reference of the NC are: (a) reviewing the Board's succession plans for Directors, in particular, the Chairman and CEO; (b) developing the process for the evaluation of the performance of the Board, its Board Committees and Directors; (c) reviewing the training and professional development programmes for the Board; (d) recommending all new Board appointments and re-appointments to the Board; (e) reviewing skills required by the Board; (f) reviewing the size of the Board; (g) determining annually the independence of each Director, and ensuring that independent directors form one-third of the Board; (h) deciding whether a Director with multiple Board representations is able to and has been adequately carrying out his duties as a Director; (i) deciding how the performance of the Board, its Committees, and Directors may be evaluated and proposing objective performance criteria to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each Director; and (j) carrying out annual assessment of the effectiveness of the Board, its Board Committees and individual Directors.

The NC oversees and reviews the Company's succession, induction, training and leadership development plans for the Board's approval. The nominated candidates will be closely examined by the NC for suitability and recommendation to the Board.

When the need arises, the NC and the entire Board will leverage on their combined extensive social network and resources to recruit suitable candidates.

In the nomination and selection process for a new director, the NC identifies key attributes of an incoming director based on the requirements of the Group, taking into account broader diversity considerations such as age, gender and nationality/ ethnicity, and recommends to the Board the appointment of the new director. The NC conducts a yearly review of the re-appointment of Directors.



In line with the Company's Constitution, the Directors submit themselves for re-election on regular intervals of at least once every three years except in the case of a newly appointed director who is required to retire and submit himself for re-appointment at the next Annual General Meeting ("AGM") following his appointment.

In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's competencies, commitment, contributions and performance (including attendance, participation and candour), and the evolving needs of the Group.

The NC is also responsible for determining annually, and as and when circumstances require, whether or not a director is independent and provides its views to the Board for consideration. For financial year ended 2015, the NC has reviewed each independent Director's confirmation of his independence, a declaration drawn according to the guidelines of the Code.

The NC further noted that Mr Alvin Yeo Khirn Hai is a partner of WongPartnership LLP, which has provided legal services to the Group for the year 2015, for total fees of more than $200,000. The NC noted that Mr Yeo was not personally involved in providing the legal services and did not involve himself in the selection or appointment of WongPartnership LLP's legal counsels by the Group.

The NC assessed the independence of character and judgement of each of the independent Director and is satisfied with their openness and in-depth knowledge of the Group's business. The NC also noted that they have independent mindsets and have acted objectively at all times in the interests of the Group and its shareholders.

The Board, having considered the NC's recommendations and weighing the need for the Board's refreshment against tenure, deems M/s Alvin Yeo Khirn Hai, Antonio L. Go and Hwang Soo Jin as independent and agrees that their years of service have not compromised their independence and ability to discharge their duties as Board and Board Committee members.

The NC considered the multiple board representations of the Directors and is satisfied that notwithstanding their multiple directorships, each Director has been able to commit time and effort to the affairs of the Group and has participated actively and robustly in Board discussions and meetings, and related Board Committee Meetings.

The NC requires a Director who is unable to attend any meetings to give his views, if any, in writing to the Chairman of the Board and/or Board Committee.

The Board is of the view that as different companies have different complexities and directors have different capabilities, each Director has to evaluate his own obligations and time commitment on the Board, taking into consideration his other directorships and commitments. The Board has therefore currently not prescribed a cap on the number of Board memberships a Director may hold. The NC has considered this and is of the opinion that the Directors' other appointments have not impeded their performance in carrying out their duties to the Company. This review is conducted annually.

The information on the Company's independent, executive and non-executive Directors, including the year of their initial appointment, last re-election and membership on Board Committees is set out in the section of this Report entitled "Corporate Data" on page 27.

Board Performance

With the Board's approval, the NC has adopted objective performance criteria for assessing the effectiveness of the Board as a whole, the Board Committees and the individual Directors. In evaluating the Board's performance as a whole, the NC has adopted quantitative indicators which include return on equity, return on assets and economic value added. In addition, the NC also takes into consideration the qualitative criteria of the effectiveness of the Board in monitoring Management's performance and the success of Management in achieving strategic and budgetary objectives set by the Board.

As part of the yearly assessment of contribution of each Director to the effectiveness of the Board, the NC would assess whether each Director has contributed effectively and discharged his duties responsibly, taking into account the individual Director's industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence, attendance and participation at the Board and Board Committee meetings. The Board would then be informed of the results of the performance evaluation and where appropriate, the Chairman would act on such results in consultation with the NC.

For the full year 2015, the NC was satisfied with the effectiveness of the Board as a whole and its Board Committees. The NC also found that all Directors, including the Chairman, have discharged their duties responsibly and effectively.

Access to Information

To enable the Board to discharge its duties and fulfill its responsibilities, Management recognises the importance of providing Directors with complete, adequate and timely information on an ongoing basis to enable them to make informed decisions.

Management provides Directors with monthly management accounts. For Board and Board Committee meetings, Directors are provided with Board papers and related materials, one week in advance and any additional material or information requested by the Directors would be promptly furnished. The Directors also have separate and independent access to the Company Secretary and Management.

The Company Secretary attends all Board and Board Committee meetings and ensures that good information flows within the Board and its Committees and between Senior Management and non-executive Directors. The Board as a whole decides on the appointment and the removal of the Company Secretary.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, the Directors may seek and obtain separate and independent professional advice to assist them in their duties at the Company's expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Remuneration Committee

The Group has a formal and transparent procedure for developing policies on executive remuneration and fixing remuneration packages of individual Directors and key management personnel. The members of the RC are M/s Alvin Yeo Khirn Hai ("RC Chairman"), Wee Cho Yaw, James L. Go, Hwang Soo Jin and Antonio L. Go. The RC is made up of non-executive Directors, majority of whom, including the RC Chairman are independent.

The RC's main Terms of Reference are: (a) reviewing the existing benefit and remuneration systems, including the Performance or Variable Bonus Schemes and the employee Share Option Scheme ("ESOS") of UIC applicable to the Group and proposing any amendment/update, where appropriate, to the Board for approval; (b) approving the remuneration packages of the President/CEO and senior management of the Group; (c) administering the allocation of the UIC ESOS to qualifying executives, including the executive Director of the Company; (d) recommending appropriate fees for Directors, taking into account their services and contributions on the various Board Committees; and (e) reviewing the Company's obligations arising in the event of termination of an executive Director or key management personnel's contract of service to ensure that contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Board, through the RC, oversees and sets an appropriate remuneration policy for the Group. The RC reviews and recommends for the Board's endorsement, a remuneration framework for Directors and senior management/key management personnel. In its review, the RC examines the Group's performance targets via Key Performance Indicators ("KPIs") such as Profits, Return on Equity, total Shareholders Returns, leasing rates and residential properties sale and will also benchmark the KPIs against the industry average of comparable companies. In addition, the RC will look at the individual's performance and consider market practices in compensation. In recommending a specific remuneration package for each Director and senior management/key management personnel for the Board's endorsement, the RC covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options and benefits in kind.

The RC reviews and ensures that contracts of service of its executive Director and senior management/key management personnel are fair and contain a reasonable termination clause which is not overly generous. The present contracts of service for staff require a service notice period of up to three months or such payment in lieu of this notice period.

When recommending Directors' fees, the RC would receive in-house assistance from the Company and its head of Human Resource and seek professional advice from external consultants, when necessary.

No member of the RC or any Director is involved in the deliberations in respect of any remuneration and compensation to be granted to him. The President's/CEO's remuneration is decided by the RC and the President/CEO is not present in the discussion.

Level and Mix of Remuneration

In recommending to the Board, a level and mix of remuneration for its Directors and senior management/key management personnel, the RC ensures that the Group's compensation strategies are flexible and adaptable to align with the Group's long term goals and risk policies, create value for shareholders, and are compatible with the market so as to attract, motivate and retain key talents for the success and growth of the Group.

A proportion of the Company's executive Director's and senior management/key management personnel's remuneration is structured so as to link rewards to the performance of the individual and the Group. The Company ensures that such performance-related remuneration is aligned with the interests of the shareholders, promotes the long-term success of the Group, and takes into account the risk policies of the Group. The remuneration consists of the following components:

(a) fixed remuneration, which includes his basic salary, the Company's Central Provident Fund contributions and annual wage supplement. To ensure that such remuneration is compatible with market practice, the RC would consider the remuneration components of companies in the similar industry;

(b) variable bonus based on the Group's and the individual's performance, as well as industry payment. The percentage of the variable component against the total compensation paid out to an individual would depend on that individual's level of seniority within the Group and that individual's contribution to the Group;

(c) benefits provided including medical benefits, transport and telephone allowances. Eligibility is dependent on the individual's job requirement, salary, grade and length of service; and

(d) share options granted under the UIC ESOS (vested within a 4-year period from the date of grant according to a vesting schedule). The quantum of allocation is based on the individual's performance and contribution to the Group. Details of the UIC ESOS are set out in the Directors' Statement section of this Report on page 44 under Share Options and can also be found on the Company's website www.uic.com.sg.

For the full year 2015, the RC was satisfied that the performance conditions used to determine the entitlement of the Company's executive Director and senior management/key management personnel under the above schemes have been met.

Disclosure on Remuneration

Non-executive Directors are paid basic Directors' fees and where applicable, additional fees for serving on Board Committees. The Chairman and Deputy Chairman of the Board and Chairman of each Board Committee receive more than the basic fee in view of the greater responsibility carried by that office. The RC ensures that the recommended compensation commensurates with the effort, time spent and role of the non-executive Directors. The payment of Directors' fees is subject to shareholders' approval at the Company's AGM and there is no share-based compensation scheme.

In respect of the UIC ESOS, the RC also ensures that there are appropriate contractual provisions which will allow the Company to reclaim incentive components of remuneration from the respective recipient in the event of any misstatement of financial results or of misconduct resulting in financial loss to the Company. In such an event, share options granted to the individual personnel may be cancelled.

There are no special service contracts offered by the Company.

Remuneration of Directors for the Year Ended 31 December 2015 is as follows:

Remuneration Band & Name of Director	Base/ Fixed Salary %	Variable or Performance-Related Income/ Bonuses %	Directors' Fees* %	Share Options Granted, Allowances and Other Benefits %	Total $'000
Chief Executive Officer					
Lim Hock San	57	33	1	9	1,286
Non-Executive Directors					
Wee Cho Yaw	n/a	n/a	100	n/a	64
John Gokongwei, Jr.	n/a	n/a	100	n/a	40
James L. Go	n/a	n/a	100	n/a	51
Lance Yu Gokongwei	n/a	n/a	100	n/a	18
Gwee Lian Kheng	n/a	n/a	100	n/a	33
Hwang Soo Jin	n/a	n/a	100	n/a	41
Antonio L. Go	n/a	n/a	100	n/a	27
Wee Ee Lim	n/a	n/a	100	n/a	18
Alvin Yeo Khirn Hai	n/a	n/a	100	n/a	36
Yang Soo Suan	n/a	n/a	100	n/a	36

* Includes fees payable for directorship in subsidiary companies (if applicable)

Remuneration of top Key Executives (who are not also Directors) for The Year Ended 31 December 2015 is as follows:

Remuneration Band & Name of Key Executive	Base/ Fixed Salary %	Variable or Performance-Related Income/ Bonuses %	Share Options Granted, Allowances and Other Benefits %
$750,000 - $1,000,000			
Michael Ng Seng Tat	59	24	17
$250,000 - $500,000			
Kenneth Lee Ngai Hon#	74	20	6
Han Chan Juan	63	17	20
Goh Poh Leng	55	18	27
Susie Koh	61	17	22
Koh Kim Meng	63	19	18
Below $250,000			
Loy Chee Chang##	51	16	33

appointed as Senior Financial Controller on 29 July 2015. His total remuneration included those he obtained as Financial Controller in a subsidiary of the Group from 1 January 2015 to 29 July 2015

resigned as Senior Financial Controller on 2 August 2015

The total aggregate remuneration paid to the above top key executives is S$2,549,343.

The aggregate amount of post-employment benefits of the Directors, the President/CEO and the top key management personnel (who are not Directors) for financial year ended 2015 is nil.

REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE PRESIDENT/CEO

No employee of the Company and its subsidiaries was an immediate family member of a Director or the President/CEO and whose remuneration exceeded $50,000 during the financial year ended 2015.

INFORMATION ON KEY EXECUTIVES

Michael Ng Seng Tat

(Group General Manager)

Mr Michael Ng was the Managing Director of Savills Singapore before joining the Group in October 2010. His other previous appointments were Managing Director of Hamptons International; General Manager of the real estate arm of COSCO Singapore where he handled investment and development projects in Singapore and China; and Associate Director of investment sales at Richard Ellis. He was a member of the Strata Titles Board from 1999 to 2008.

Mr Michael Ng holds a Bachelor of Science (Estate Management) (Honours) degree from the National University of Singapore and is in charge of property investments and development projects for the Group.

Han Chan Juan

(Senior General Manager, Asset Management)

Mr Han Chan Juan qualified as a chartered accountant in 1980, and is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants. Prior to joining the Group in 2009, he was Senior Vice President (Performance Management) of the Pan Pacific Hotels Group Limited. He has over 20 years of experience in financial and asset management of hotels.

Kenneth Lee Ngai Hon

(Senior Financial Controller)

Mr Kenneth Lee was appointed as the Senior Financial Controller in July 2015. He has more than 20 years of experience in financial management. Prior to his appointment, he was the Financial Controller/Company Secretary of one of the Group's subsidiaries. He began his career as an auditor in an international accounting firm and subsequently took on financial management positions in the manufacturing, retail and hospitality industries.

Mr Kenneth Lee graduated from Nanyang Technological University with a Bachelor of Accountancy (Second Class Upper Honours) and is a member of the Institute of Singapore Chartered Accountants.

Goh Poh Leng

(Senior General Manager, Marketing)

Ms Goh Poh Leng graduated with a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore in 1990 and subsequently obtained her Certified Diploma in Accounting and Finance conducted by The Association of Chartered Certified Accountants, UK. Prior to joining the Company, Ms Goh worked in an international property consultancy firm for two years. She joined in 1992 and held various positions until her appointment as Senior General Manager, Marketing in January 2010.

Susie Koh

(Company Secretary/Head, Legal)

Mrs Susie Koh obtained her LLB (Honours), University of London and Barrister-at-Law (The Honourable Society of Gray's Inn) in the UK. Mrs Koh was in private legal practice in Singapore as an Advocate & Solicitor from 1985. She became an in-house corporate lawyer and held the position of Company Secretary/General Manager (Legal) in Scotts Holding Ltd in 1991 until 1995 when she joined Sembawang Corporation Ltd as Senior Vice President, Group Legal/Group Company Secretary. She is currently the Company Secretary/Head, Legal for the Group. She is a member of the Singapore Academy of Law.

Koh Kim Meng

(General Manager, Projects & Development)

Mr Koh Kim Meng has a Bachelor of Engineering (Honours) Degree from the University of Technology, Loughborough, United Kingdom, a Diploma in Structural Engineering from the Singapore Polytechnic, and a Certificate in Management Studies from the Singapore Institute of Management Studies. He brings with him a wealth of experience in real estate developments ranging from hotels, commercial and residential developments, retail malls, industrial buildings to golf courses. At various points in his career, he had led the project development, marketing and property management functions. He joined our organisation in 2007 as General Manager to head the projects and development division.

ACCOUNTABILITY AND AUDIT

Accountability

The Board recognises the need to provide shareholders with a balanced and understandable assessment of the Group's performance and prospects. Accordingly, the Board ensures that disclosure of material corporate developments and other ad hoc announcements, as required by Singapore Exchange Securities Trading Limited ("SGX-ST"), are released on a timely basis. Results for the first three quarters are released within 45 days from the end of the quarter and full year results are released within 60 days from the financial year-end.

Management provides the Directors with management accounts, including consolidated income statement, balance sheet, performance statistics and explanations for significant variances against budget on a monthly basis and significant variances against the prior year's actual statistics on a quarterly basis. In addition, Management also provides the Directors with other business reports on a quarterly basis and as the Board may require from time to time.

Risk Management and Internal Controls

The Board, with the assistance of the AC, is responsible for the governance of risk and ensures that the Group maintains a sound system of risk management and internal controls with a view to, among other things, ensure proper accounting records and reliable financial information and to safeguard shareholders' interests and the Group's assets.

The Group has put in place a risk management system to identify, evaluate, manage and report all material risks arising from the Group's business transactions and activities. This system is steered by the Risk Management Committee ("RMC"), which comprises the President/CEO and the respective Heads of Department of the Group.

The RMC (a) oversees various aspects of control and risk management policies and processes of the Group; (b) identifies, evaluates, manages and reports all material risks arising from the Group/Company's business transactions and activities; (c) performs ongoing reviews to monitor implementation and effectiveness of the risk management activities and make refinements as necessary; (d) reviews and guides the Group in formulating its risk policies; (e) reviews the Group's risk profile periodically and risk limits where applicable; (f) reports to the AC and/or the Board on material matters, findings and recommendations; and (g) performs such other functions as the Board may determine.

A risk register, which reflects documentary evidence and output of the risk management exercise, is completed by the respective business units/ departments, with the identification, evaluation and risk mitigating measures of the various risks clearly documented on the risk register. The completed risk register is then reviewed and approved by the President/CEO.

The RMC meets every quarter to review and evaluate the risk register to ensure all material risks including financial, operational, compliance (legislation and regulatory) and information technology controls are properly identified and sufficient internal controls are in place to manage and mitigate such risks. In addition, the RMC assesses the impact of new regulations and changes in business environment when necessary.

The results of the respective risk management exercises are submitted to the AC on a quarterly basis.

The AC reviews the Group's key risks and levels of risk tolerance, assesses the adequacy and effectiveness of the Group's risk management and internal control systems, and thereafter, reports the findings of its assessments and recommendations to the Board for the Board's consideration.

For the financial year ended 2015, the Board received assurance from the President/CEO and Senior Financial Controller that the Group's financial records had been properly maintained and the financial statements gave a true and fair view, in all material aspects, of the Group's operations and finances, and that the risk management and internal control systems were adequate and effective in addressing the material risks in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management and internal control systems established and maintained by the Group, work performed by the internal and external auditors and the RMC, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems including financial, operational, compliance and information technology controls are adequate and effective.

The Board notes that although the risk management and internal control systems established by the Group provide reasonable assurance that the Group will not be materially affected by any event that can be reasonably foreseen, no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, fraud or other irregularities.

Audit Committee

The AC comprises four non-executive Directors, namely, M/s Yang Soo Suan (AC Chairman), James L. Go, Hwang Soo Jin and Alvin Yeo Khirn Hai, the majority of whom, including the AC Chairman, are independent. The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities and that at least two AC members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC carries out its duties in accordance with the Terms of Reference which include the following: (a) reviews with the external auditor the scope and results of the audit report and its cost effectiveness; (b) reviews the significant financial reporting issues and judgements made and any announcements relating to the Group's financial performance; (c) reviews and reports to the Board the adequacy and effectiveness of the Group's risk management and internal controls; (d) reviews the adequacy and effectiveness of the internal audit function; (e) reviews the assistance given by the Group's officers to the external and internal auditors; (f) commissions investigations into, and reviews, findings likely to have a material impact on the Group's operating results or financial position; (g) reviews significant interested person transactions; (h) meets with the external and internal auditors annually without the presence of Management; (i) reviews the independence of the external auditor annually; and (j) decides and awards major tender contracts.

The AC has explicit authority to investigate any matter within its Terms of Reference, full access to and co-operation by the Management, full discretion to invite any Directors or executive Directors to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Management has put in place, with the AC's endorsement, arrangements by which staff of the Group may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence.

A whistle blowing policy, implemented since February 2004, enables staff to raise concerns on fraud, theft and corruption at work to their managers or write to the President/CEO and/or Internal Audit Manager for their investigation. The policy provides reassurance to whistle-blowers that they will not be victimised if they have acted in good faith. The Company will also consider, as far as is reasonably practicable, concerns raised anonymously.

During the financial year 2015, the AC held six meetings. The announcements of the quarterly and full year results, the financial statements of the Group, and the Auditor's Report thereon for the full year were reviewed by the AC prior to the consideration and approval of the Board. The AC met with external and internal auditors, without the presence of Management, at least once during the financial year.

For the financial year 2015, the AC undertook a review of the fees and expenses of the audit and non-audit services provided by the external auditors, PricewaterhouseCoopers LLP. Details of the aggregate amount of fees paid to the external auditors and the breakdown of fees payable in respect of audit and non-audit services can be found on Note 7 to the Financial Statements.

The AC also assessed the nature and extent of the non-audit services and whether such services might prejudice the independence and objectivity of the external auditor before confirming their re-nomination. The AC was satisfied that such services did not affect the external auditor's independence. Having regard to the adequacy of resources, the experience of the firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group, and the number of supervisory and professional staff assigned to the audit, the AC is satisfied that the external auditor is a suitable audit firm to meet the Group's audit obligations. The AC then recommended to the Board, for shareholders' approval, the proposal to re-appoint the external auditor and its remuneration.

The Company confirms that Rules 712 and 715 of the SGX-ST Listing Manual on the appointment of Auditors have been complied with. Please refer to Note 35 to the Financial Statements.

Internal Audit

The Group maintains accountability through an in-house internal audit function that is adequately resourced, has appropriate standing within the Group, and is independent of the activities it audits.

The hiring, removal, evaluation and compensation of the head of the internal audit team are under the purview of the AC. The internal audit team comprises suitably qualified professional staff who have the requisite skill sets and experience and is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal audit team reports directly to the AC Chairman and, administratively, to the President/CEO.

The Group's internal audit team assists the Board and senior management by providing an independent and objective evaluation of the adequacy and effectiveness of the Group's risk management system and internal controls. The internal audit team, which has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, reviews the effectiveness of the Group's risk management and internal control systems encompassing material internal controls, including financial, operational, compliance and information technology risks. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC, who would then review the adequacy and effectiveness of the internal audit function on a quarterly basis.

Sustainability Reporting

In line with the SGX-ST's initiative to implement sustainability reporting as an integral part of good corporate governance, the Group has considered and now reports on sustainability issues such as environmental and social factors as part of its strategic formulation. The sustainability report can be found in this Report on page 26.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

The Company adopts an open and non-discriminatory approach in regard to its shareholders' rights.

The Company's investor relations policy ensures that pertinent information conveyed to its shareholders should be as descriptive and detailed as possible. The Board also provides shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly basis via quarterly announcements of results and other ad hoc announcements as required by SGX-ST.

The Company continues to keep shareholders and analysts informed of its corporate activities on a timely, consistent and even-handed basis. The disclosures are made on an immediate basis as required under the SGX-ST Listing Manual or as soon as possible where immediate disclosure is not practicable. Briefings and meetings with analysts are also held upon request.

In the interest of transparency and broad dissemination, material announcements are posted on the Company's website at www.uic.com.sg.

To encourage shareholder participation, shareholders will receive the Summary Financial Report and notice of the AGM, one month prior to the AGM. The full Annual Report will be provided upon shareholders' submission of a request form to the Company. The notice of AGM is also advertised in the main press and issued via SGXNET. At the AGM and immediately thereafter, shareholders have the opportunity to communicate their views and discuss with the Board and Management on matters affecting the Company.

The external auditor and respective Chairman of the Board Committees, namely the AC, NC and RC, are present at the AGM to address shareholders' queries, if any. Any such queries or comments from shareholders relating to the agenda of the meeting will, where relevant, be minuted and made available to the shareholders, upon their request.

Currently, the Constitution allows a shareholder of the Company to appoint up to 2 proxies to attend and vote in his or her place at general meetings. In the case of shareholders who hold shares through companies which provide nominee or custodial services, the Company allows the beneficiaries and CPF Investors to attend general meetings as observers. Under the Companies (Amendment) Act 2014 ("the new CA amendments"), members of the Company who are bank nominees, custodial services licensees or the CPF Board can appoint one proxy per share or shares. These multiple proxies have the right to vote on a show of hands at general meetings. While this new requirement applies to all companies without exclusion, the Company intends to amend its Constitution to be in line with the new CA amendments, which fully came into effect on 3 January 2016, as part of good corporate governance.

To ensure transparency in the voting process and better reflect shareholders' interest, the Company has conducted electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the AGM. The Company intends to continue with electronic poll voting for the forthcoming AGM. Except in cases where resolutions are interdependent and linked, there are separate resolutions on each substantially separate issue. Votes cast, for or against, on each resolution will be tallied and displayed "live-on-screen" to shareholders immediately at the AGM. The total number of votes cast for or against the resolution will also be announced after the AGM via SGXNET.

The Company aims to enhance total shareholder return, by balancing cash return to shareholders and investment for sustaining growth whilst maintaining an efficient capital structure. The Company strives to provide consistent and sustainable ordinary payments to its shareholders on an annual basis.

CODE ON SHARE DEALINGS

The Company has adopted Rule 1207(19) of the SGX-ST Listing Manual with respect to dealings in the Company's securities. Circulars are issued to all Directors and employees of the Group to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company on short term consideration and during the "prohibitive periods" commencing two weeks before the announcement of the Company's financial year and one month before the announcement of the Company's full year financial results.

INTERESTED PERSON TRANSACTIONS POLICIES

The Company has adopted an internal policy in respect of any transaction with interested persons.

The Company's disclosure according to Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions ("IPT") for the financial year ended 31 December 2015 is set out as follows:

Name of Interested Person	Aggregate value of all IPT during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) S$'million	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000) S$'million
UOL Venture Investments Pte. Ltd. Contribution of shareholders' loan (including interest income) and equity in United Venture Development (Clementi) Pte. Ltd. for the development of a land parcel at Clementi Avenue 1	14.6	n/a
Contribution of shareholders' loan (including interest income) in United Venture Development (Thomson) Pte. Ltd. for the development of Thomson Three	2.9	n/a
Project management fee income from United Venture Development (Thomson) Pte. Ltd.	0.2	n/a
Interest income from United Venture Development (Bedok) Pte. Ltd.	2.1	n/a

The above IPTs were conducted on normal commercial terms. The AC was also of the view that the risks and rewards of the aforementioned IPTs/joint ventures were in proportion to the equity of each joint venture partner, and that the IPTs/joint ventures were not prejudicial to the interests of the Company and its minority shareholders.

Material Contracts

There were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not, then subsisting entered into since the end of the previous financial year save as disclosed above and as follows:

(a) Singland China Holdings Pte. Ltd. (a subsidiary of UIC), UOL Capital Investments Pte. Ltd. (a subsidiary of UOL Group Limited) and Peak Star Pte Ltd, (a subsidiary of Kheng Leong Company (Private) Limited), have established a joint venture company, Shanghai Jin Peng Realty Co., Ltd on a 30:40:30 basis respectively to develop Parcel 11, Changfeng District, Shanghai, PRC, into a mixed use development comprising residential units and retail component. The purchase price of the land was RMB 2.06 billion.

The aforesaid transaction was on normal commercial terms, and the risks and rewards of the joint consortium are in proportion to the equity of each joint venture partner.

(b) S.L. Development Pte Limited (a subsidiary of UIC) and UOL Venture Investments Pte Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company, United Venture Development (Bedok) Pte. Ltd. on a 50:50 basis to develop Archipelago, a residential development at Bedok Reservoir Road. The purchase price of the land was S$320 million.

The aforesaid transaction was on normal commercial terms, and the risks and rewards of the joint consortium are in proportion to the equity of each joint venture partner.

(c) Singland Homes Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company, United Venture Development (Thomson) Pte. Ltd. on a 50:50 basis to develop Thomson Three, a residential development at Bright Hill Drive. The purchase price of the land was S$292 million.

The aforesaid transaction was on normal commercial terms, and the risks and rewards of the joint consortium are in proportion to the equity of each joint venture partner.

(d) Singland Homes Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company, United Venture Development (Clementi) Pte. Ltd. on a 50:50 basis to develop a land parcel at Clementi Avenue 1. The purchase price of the land was S$302 million.

The aforesaid transaction was on normal commercial terms, and the risks and rewards of the joint consortium are in proportion to the equity of each joint venture partner.

As a leading developer, the Group is committed to conduct all its operations in a responsible and sustainable manner.

ENVIRONMENT

Green Initiatives

The Group promotes Green initiatives and encourages employees to be conscientious about saving electricity and water, and recycling. These include recycling bins in office lobbies and bin centres, as well as the use of energy-saving light bulbs in common areas and water-saving fittings in restrooms. Older chillers are replaced as they approached end of life with newer energy-efficient ones and variable speed drives have been installed on most air-handling units, chillers and cooling towers to save electricity.

Environmentally Friendly Development

The Group commits to environmentally friendly buildings and promotes sustainability in the built environment by including environmentally sustainable features in its property developments. The Group has been awarded the Gold Green Mark Award from the Building and Construction Authority (BCA) for its residential development, The Trizon. Its mixed development at 5 Shenton Way, which is under construction, has been awarded the Gold-Plus Certification for the office tower and the residential tower. The Group will endeavour in its efforts to contribute to green and environmentally friendly living.

HUMAN CAPITAL

Workplace Health Programme

The Group has a strong workplace health culture that promotes a healthy workforce and environment. Through its participation in the Workplace Health Programme (WHP) since 2005, the Group has obtained many awards ranging from bronze to platinum.

Workplace Safety

The Group promotes a safety culture at its workplace to achieve a safe working environment for employees with adherence to safety standards and practices. Safety issues at workplace are assessed and discussed regularly at management meetings. Risk assessments are carried out to identify hazards and adequate controls are put in place to minimise these exposures. For project management, contracting partners are required to present safety reports and address issues in weekly meetings and take preventive actions. Safety audits by external safety consultants are also carried out regularly to ensure a safe working environment.

Whistle-Blowing Policy

The Group's whistle-blowing policy is communicated to staff and provides a well-defined channel for any reported cases of suspected improper conduct by any employee of the Group.

COMMUNITY AND SOCIETY

Community Involvement

During the year, employees visited Ju Eng Home for Senior Citizens to share the joy of giving through the distribution of gifts and interaction with the elderly residents there. In conjunction with World Food Day, employees participated in the Clean Plate Campaign at Marsiling Primary School where they helped to educate students on reducing food wastages. The Group partnered with the Food for the Heart organisation where employees volunteer in the packing of goodie bags for the needy.

CORPORATE DATA

Board of Directors	Board Appointment	Date of Initial Appointment	Date of Last Re-Election
Wee Cho Yaw	Non-Executive Chairman	26.06.92	24.04.15
John Gokongwei, Jr.	Non-Executive Deputy Chairman	27.07.99	24.04.15
Lim Hock San	President & Chief Executive Officer	01.04.92	25.04.14
Antonio L. Go	Non-Executive and Independent Director	25.04.07	24.04.15
James L. Go	Non-Executive Director	28.05.99	24.04.15
Lance Yu Gokongwei	Non-Executive Director	28.05.99	24.04.15
Gwee Lian Kheng	Non-Executive Director	28.05.99	24.04.15
Hwang Soo Jin	Non-Executive and Independent Director	31.01.03	24.04.15
Wee Ee Lim	Non-Executive Director	28.05.99	26.04.13
Yang Soo Suan	Non-Executive and Independent Director	27.04.12	24.04.15
Alvin Yeo Khirn Hai	Non-Executive and Independent Director	11.09.02	24.04.15

Audit Committee

Yang Soo Suan	Chairman
James L. Go	Member
Alvin Yeo Khirn Hai	Member
Hwang Soo Jin	Member

Nominating Committee

Hwang Soo Jin	Chairman
Wee Cho Yaw	Member
James L. Go	Member
Yang Soo Suan	Member
Antonio L. Go	Member

Remuneration Committee

Alvin Yeo Khirn Hai	Chairman
Wee Cho Yaw	Member
James L. Go	Member
Hwang Soo Jin	Member
Antonio L. Go	Member

Company Secretary

Susie Koh

Auditors

PricewaterhouseCoopers LLP
8 Cross Street #17-00 PWC Building
Singapore 048424
Audit Partner: Choo Eng Beng
(appointed with effect from financial year 2013)

Share Registrars

KCK CorpServe Pte Ltd
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721
Telephone: 6837 2133
Facsimile: 6338 3493

Registered Office

24 Raffles Place #22-01/06
Clifford Centre
Singapore 048621
Telephone: 6220 1352
Facsimile: 6224 0278
Website: www.uic.com.sg

Company Registration Number

196300181E

MANAGEMENT REVIEW

2015 Overview

After 18 months of growth, office rents fell in the third quarter of 2015 due mainly to a slowdown in demand for office space and the impending supply of 3.6 million square feet of office space entering the market in the second half of 2016. The local residential market continued to remain challenging due to both global and domestic headwinds. Since peaking in the third quarter of 2013, local private residential prices have fallen for nine consecutive quarters until fourth quarter 2015 by 8.4%. Primary residential sales volume hovered around 7,000 units, comparable to 2014, but half of that in 2013.

Artist's impression of 5 Shenton

PROPERTY PORTFOLIO

SINGAPORE COMMERCIAL OFFICE PROPERTIES

Commercial Development At 5 Shenton Way

This mixed development comprises a 23-storey office tower and a 54-storey residential tower. Construction progress is on schedule with expected completion in 2017. Designed by world-renowned Dutch architect, Ben van Berkel of UN Studio, in collaboration with prominent local architect, architects61, the development, when completed, will yield 280,000 square feet of Grade A office space and 510 residential apartments.

Artist's impression of the lobby and driveway of 5 Shenton Way

Singapore Land Tower

Singapore Land Tower

Singapore Land Tower in Raffles Place continued to perform well in the year under review. Despite strong competition from newer Grade A buildings within Raffles Place and Marina Bay Financial District, the building improved its rental income by 6% and achieved average occupancy of 99% compared to 97% achieved in the preceding year.

During the year, six new chillers were reconfigured and replaced to improve the performance of the building's air conditioning system to meet the expected demand and efficiency based on BCA's Gold-Plus rating for Green Mark Certification.

Clifford Centre

Clifford Centre is located in the heart of Raffles Place, the financial district of Singapore. Despite being the oldest building in the Group, Clifford Centre managed to maintain its average occupancy at 98%, with rental income at 4% higher, compared to the previous year.

The retail premises, which formed 20% of the total lettable area, contributed about 23% of the total rental revenue. To help retail tenants maintain healthy sales revenue, year-end marketing promotions were organised during the festive period.

Further upgrading works were undertaken during the year as part of an ongoing programme to enhance the building's facilities. Studies were also carried out to refresh the building and improve its security to meet with tenants' expectations and to keep the building abreast with the times.


SGX Centre

SGX Centre

In Shenton Way, the Group owns 36,000 square feet and 240,000 square feet of lettable space in SGX Centre 1 and SGX Centre 2 respectively. In the year under review, SGX Centre improved its rental income by 4% and maintained average occupancy at 98%.

The Group continued to serve as the managing agent for SGX Centre during the year. In the fourth quarter of 2015, security barriers were installed at the main lobby of SGX Centre 2 to enhance security and surveillance of the building.

Clifford Centre

Stamford Court

ABACUS Plaza and Tampines Plaza

The Gateway

The twin towers are located along Beach Road, just outside the Central Business District. Although 31% of its leases expired during the year, the twin office buildings maintained average occupancy at 97% and improved its rental revenue by 2% compared to the preceding year.

During the year, a new driveway canopy was constructed to improve the connectivity of the twin towers at street level. Other improvement works carried out included the installation of a fireman intercom system and upgrading of the buildings' washrooms in phases.

Stamford Court

Stamford Court is a neo-classical office cum retail boutique building situated at the junction of Stamford Road and Hill Street, directly opposite the Singapore Management University. In the year under review, the building achieved 94% occupancy as at the end of the year and improved its rental income by 1%.

ABACUS Plaza And Tampines Plaza

The twin office towers in the Tampines Regional Centre are within walking distance to the Tampines MRT station and several shopping malls. In the year under review, ABACUS Plaza managed to maintain its rental income and achieved 100% occupancy from December 2015. In the case of Tampines Plaza, the building improved its rental income by 6% and achieved full occupancy for the year.

The Gateway

SINGAPORE COMMERCIAL RETAIL PROPERTIES

The new wing at Marina Square

Marina Square Shopping Mall

In the third quarter of 2015, Marina Square Shopping Mall completed its second phase of asset enhancement works, adding a new retail wing with approximately 150,000 square feet of net lettable space facing Marina Bay and The Esplanade Theatres ("new wing"). With the completion of this new wing, the mall has a total net lettable retail space of approximately 770,000 square feet, offering a diverse selection of shopping, dining and lifestyle options.

The new wing has secured several new-to-market concepts which will further complement existing retail offers and expand dining choices in the mall. These include Emporium Shokuhin, Singapore's first integrated Japanese Emporium, which opened its doors in September 2015, at level one. The 34,000 square feet space features a Japanese Gourmet Grocer with a beef dry-aging facility, a section dedicated to produce from Ehime prefecture, a live seafood market, and eight unique dining concepts. Popular South Korean character-themed indoor playground, Pororo Park also made its first foray into South East Asia with a 11,000 square feet playground complete with a theatre and activities room. Another highlight is Times The Bookshop, a major book retail chain, which has reopened with a 2,800 square feet store and a fresh new look after completion of the enhancement works.

Reinforcing its position as a prime shopping destination within the Marina Centre area, Marina Square boasts several international fashion labels such as Massimo Dutti, Zara, Desigual, Promod and Levis. Other international stores include Japanese lifestyle store, MUJI, UK department store, Marks & Spencer and luxury watch brands such as Tag Heuer and Longines.

The advertising and promotional programme during the year included the annual iconic balloon event and SG50 celebration activities. The iconic balloon fair was organised during the March school holidays and a thematic dinosaur balloon display, constructed using 90,300 balloons by 45 balloon artists from 9 countries, was installed at the atrium. The massive display scored a spot in the Singapore Book of Records for the "Largest Balloon Landscape" for the fourth consecutive year.

The SG50-themed activities were organised from June to August in celebration of the nation's Golden Jubilee. Key events included a nostalgic old-fashioned mosaic playground with traditional childhood games, a local-flavour cookie baking competition and Singapore's largest word formation event where shoppers along with Mediacorp artistes, penned down their birthday wishes for Singapore on badges and pinned them to form the words "WE ♥ SG". The event made another mark in Singapore Book of Records for the "Largest Word Formation" using badges.

Pan Pacific Singapore hotel lobby

Marina Square Hotels

The expected rebound in visitor arrivals to Singapore in 2015 was tapered by a slowdown in the global economy. Weak market sentiments, coupled with the increase in supply of new hotel rooms, moderated the performance of the three Marina Square hotels, namely Pan Pacific Singapore, Marina Mandarin Singapore and Mandarin Oriental Singapore. With limited upside in revenue growth, various initiatives were implemented to improve efficiency and productivity and costs were kept nimble and flexible to meet challenging market conditions.

West Mall

West Mall, located adjacent to Bukit Batok MRT, continued to be a popular retail destination for residents in the Bukit Batok, Jurong East, Hillview and Upper Bukit Timah precincts.

The mall held various events and promotional campaigns throughout the year. In keeping with Chinese New Year traditions, shoppers were treated to traditional Lion and Dragon Dance Performances.

The month of May was dedicated to mothers who inspire our lives. For food lovers, the Annual Manja Cooking Event hosted by Chef Bob was held in June where special recipes were shared with shoppers for the festive season.

To commemorate SG50 and support community outreach, West Mall collaborated with Bukit Batok Community Centre to host a series of community events such as People's Association "Our Root's Photography Exhibition", and Band Fiesta by Band Directors' Association (Singapore), where 19 different school bands came together to delight shoppers with nine hours of music. During the Mid-Autumn Festival, Mr David Ong, Member of Parliament for Bukit Batok, joined the residents for a Lantern Walkabout and performances in West Mall. The year ended with the mall's traditional Christmas celebration showcasing an exclusive Elves & The Shoemaker Christmas performance.

In the year under review, the mall continued to enjoy near full occupancy and maintained its total revenue despite challenging retail conditions. West Mall also continued its upgrading programme to keep up to date and compete with other malls in the vicinity.

Velocity@ Novena Square

Novena Square

The Group has a 20% interest in Novena Square, a commercial development located above the Novena MRT Station. For 2015, the development enjoyed 100% occupancy for the retail mall, Velocity@Novena Square ("Velocity") and 97% occupancy for Office Tower A and near full occupancy for Office Tower B.

For 2015, Velocity brought back some of its past successful events which were popular with sports enthusiasts and shoppers. The popular Velocity B-ball Battle continued to attract the best basketball players in Singapore with a record 100 participating teams. Urban Attack also made a comeback after a three-year hiatus to the delight of past and new participants.

Velocity partnered with various associations to bring shoppers to the mall. The Singapore Table Tennis Association held its Crocodile Cup Finals and Singapore Heritage Board held its yearly HeritageFest 2015 with an exhibition on the history of car racing in Singapore at the mall. Velocity was also used as a launch pad by the National Gallery for their "Portraits of the People" campaign.

In November, Velocity brought in Legend players from Liverpool and Manchester United for an exclusive autograph session with shoppers in the mall.

Velocity continued to be the preferred venue for race kit collections with 15 major runs such as Race Against Cancer, NS Home Team Run, 2XU Compression Run, among others.

West Mall

SINGAPORE RESIDENTIAL PROPERTIES

V on Shenton

This development on the former UIC Building site, comprises 510 apartment units in a 54-storey residential tower and a 23-storey Grade A office building. As at December 2015, construction of the residential tower has reached level 33. It is strategically located at the confluence of Shenton Way and the Marina Bay Financial District. The development is designed by world-renowned Dutch architect, Ben van Berkel of UN Studio working in collaboration with local architectural firm, architects61.

As at the end of 2015, 77% of 510 units of the residential tower have been sold.

Mon Jervois

The 96,424 square feet site is located in District 10 in the vicinity of embassies and Good Class Bungalows in Jervois Road and Bishopsgate. As at December 2015, all structural works were completed. The five-storey boutique development with 109 units was launched in April 2013 and is 41% sold as at the end of 2015.

Artist's impression of V on Shenton (right)


Artist's impression of
Pollen & Bleu

Pollen & Bleu

Close to the UNESCO heritage site, Botanic Gardens, this 67,471 square feet site is nestled in the lush greeneries of private residential enclave in Farrer Drive. It is within 1 to 2 kilometres of two top primary schools, Nanyang Primary and Raffles Girls' Primary. As at December 2015, the structural works have been completed. The development comprising three 8-storey blocks with 106 exclusive units was launched in 2015, and is 11% sold as at December 2015.

Clementi Avenue 1 Project

In December 2015, the Group acquired this site together with UOL on a 50:50 basis. Located at Clementi Avenue 1, the 140,339 square feet residential site is close to Clementi Town Centre, National University of Singapore and the Yale-NUS College. This high-rise development comprises approximately 500 units and is expected to launch in the second half of 2016.

Alex Residences

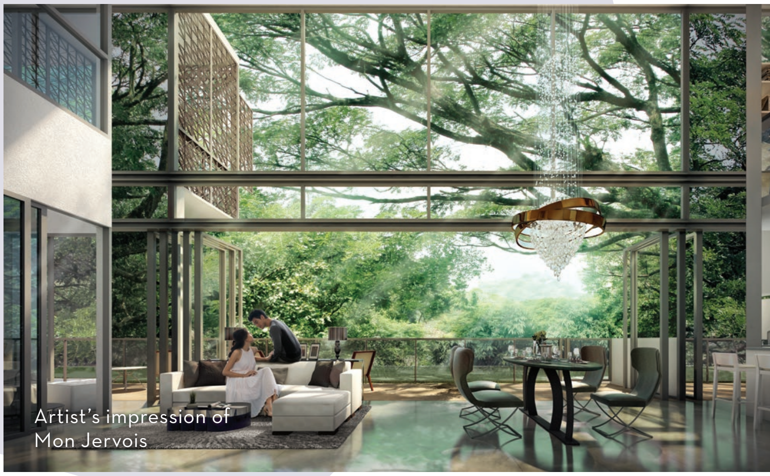
Located at Alexandra View, the 69,980 square feet site is within walking distance to the Redhill MRT Station and is close to Orchard Road, as well as the Central Business District. As at December 2015, structural works have reached 16-storeys of the 40-storey building. The iconic high-rise development comprising 429 units, was launched in November 2013, and is 59% sold as at the end of 2015.

Thomson Three

Located along Upper Thomson Road, the 144,636 square feet site is within 200 metres from the upcoming Upper Thomson MRT Station and near Ai Tong Primary School. The Group jointly acquired this site with UOL Group Limited ("UOL") on a 50:50 basis. Construction is in advanced stages and expected to complete in 2016. The high-rise development comprises 435 apartments and 10 strata houses with condominium facilities. The project was launched in September 2013 and is 98% sold as at the end of 2015.

Archipelago

Located at the edge of Bedok Reservoir Park, this 50:50 joint venture project with UOL obtained its TOP in September 2015. The condominium comprising 553 apartments and 24 strata houses have been fully sold.


Artist's impression of
Mon Jervois


Artist's impression of
Alex Residences

PROPERTY PORTFOLIO

OVERSEAS INVESTMENTS, CHINA


The Westin Tianjin

The Excellency, Chengdu

The 7,566 square metres site with 468 residential units and 7 retail units, is situated close to the popular Chun Xi Road shopping belt in Dacisi Road. It has a saleable area of approximately 54,000 square metres, inclusive of 3,300 square metres of shopping and commercial space and two 51-storey residential blocks.

The development, wholly-owned by the Group, was completed in the second quarter of 2012 with 82% sold as at 31 December 2015.

Shanghai Chang Feng Project

The site is situated within the Chang Feng Ecological Business Park, about 5 kilometres to the north-east of the Hongqiao Transportation Hub, and less than 10 kilometres from the Bund in Shanghai. The development's residential component has 398 residential units with a tenure of 70 years, while the retail component has a tenure of 40 years. The site covering 39,540 square metres, is a 30:40:30 joint venture between the Group, UOL and Kheng Leong Company (Private) Limited Group. Structural works for the project have been completed and the sales launch will be in 2016.


Artist's impression of Shangai Chang Feng project

The Westin Tianjin

Located in the heart of Tianjin, the Westin Tianjin offers unparalleled access to the city's business district and the historic concession precincts, which are renowned in the Heping district for their unique architecture and charming streets. The contemporary designed hotel comprises 275 rooms with a variety of cuisines from its five food and beverage outlets, and its 1,265 square metres of event space offers amongst the best venues in town for different events.

During the year, the hotel registered an average occupancy of 56% with an average room rate of RMB 675 despite a challenging environment with many new 5 star hotels opening in the past two years.

The Group has a 51% interest in the hotel.

Sheraton Tianjin Hotel

Located strategically in the Hexi district, the Sheraton Tianjin offers convenient access to popular destinations in the city. Surrounded by a pristine garden, the hotel offers a comfortable and relaxing stay for travellers with its 240 guest rooms and 56 serviced apartments. In 2015, the hotel had an average occupancy of 59% with an average room rate of RMB 563.

The Group has a 36% interest in the hotel.

Beijing Landmark Towers

The Group has a 19.95% interest in Beijing Landmark Towers, a mixed development comprising a hotel, an apartment block and two office towers. The Group received dividends of $2.6 million for the year.

TRADING AND SERVICES

INFORMATION TECHNOLOGY

UIC Technologies Pte Ltd

For the year ended 31 December 2015, UIC Technologies Group's ("UICT") revenue increased by 11% to $86.5 million as compared with $78.2 million obtained in the same period last year.

Pre-tax profit increased by 21% to $2.2 million as compared with $1.9 million obtained in the preceding year, with 15% Return on Total Equity. This was due mainly to an increase in service income from the IT infrastructure projects and the annual systems maintenance contract.

UICT continues to be self-financing with net dividend payout of $1.0 million for 2015 and achieved positive cash balance of $8.7 million as at 31 December 2015.

With the projected modest growth of Singapore's economy for 2016, UICT strives to maintain its preferred IT Solutions and Service Provider status in Singapore, which includes hardware and software deployment and services, system integration, IT manpower outsourcing, and HR and payroll outsourcing services.

UICT will align its transformation plans with the IT industry trend to ensure growth, profitability and sustainability whilst continuing to raise productivity and enhancing core IT competencies to participate in high value IT infrastructure projects.

To stay relevant, UICT will continue to leverage its accreditation as partners of Microsoft Cloud Platform (Azure), Microsoft Cloud Productivity (Office 365) and HP Helion C50 as a step forward to offer Hybrid Cloud Computing Services in education, financial services, healthcare, hospitality, logistics and public sectors in the year ahead.

HUMAN **RESOURCE**

Volunteering in the Clean Plate Campaign at Marsiling Primary School


Bringing cheer to seniors at Ju Eng Home

Participating at SG50 Jubilee Big Walk

The Group's human resource policies remain focused on staff training and development and work-life balance. The Group's committed and dedicated workforce remains one of the crucial contributors to its success.

As part of our continuous effort in upgrading skills and professional development, employees have been encouraged to attend training programmes, seminars, workshops and conferences to keep abreast of changing technology and skills sets.

To foster teamwork and bonding values, company events such as the Group's year-end staff luncheon, Durian/Fruits Fiesta and Workplace Health Programme (WHP) were organised during the year. Other WHP activities included lunch-time workshops, exercises and walks, quarterly fruit distribution to employees as well as the New Paper SG50 Jubilee Big Walk 2015. For the year 2015, the Group signed up for the Corporate Membership for employees and their family members to visit the Alive Museum.

The Group continued to sustain long-term shareholder value as a good corporate citizen. It articulated its corporate social responsibility efforts through various initiatives guided by the organisation core values. In conjunction with World Food Day, employee volunteers participated in the Clean Plate Campaign at Marsiling Primary School whereby the children were taught about the importance of reducing food wastage. Staff members also brought cheers to Ju Eng Home for Senior Citizens at their monthly birthday celebration. As in previous years, the Group continued to help at the warehouse for Food from the Heart, with the preparation of goodie bags for distribution to the needy, and continued to donate to several charitable causes.

Singapore Health Award

PROPERTY ACTIVITIES SUMMARY

As at 31 December 2015

	Site Area (sq metres)	Gross Floor Area (sq metres)	Approximate Net Floor Area (sq metres)	Car Parking Lots	Percentage of Shareholding	Capital Value ($m)
Subsidiary Companies' Investment Properties						
Stamford Court A 4-storey commercial building of shops and offices situated at the junction of Stamford Road and Hill Street	2,072	7,264	5,990	36	100	94
West Mall A 5-storey retail and entertainment complex with three basements of car parking space, located at Bukit Batok Town Centre	9,890	26,300	17,042	314	100 *	410
Singapore Land Tower A 47-storey complex of banks and offices and three basements of car parking space with frontages on Raffles Place/ Battery Road	5,064	74,215	57,500	288	100 *	1,550
SGX Centre 2 A 29-storey office building with two basements of car parking space located at 4 Shenton Way	2,970	36,590	25,800 (inclusive of 3,336 sq m in SGX Centre 1)	136	100 **	520 (UIC Group's interest in SGX Centre 1 & 2)
Clifford Centre A 29-storey complex of shops and offices with frontages on both Raffles Place and Collyer Quay	3,343	37,267	25,470	268	100 **	559
The Gateway A pair of 37-storey towers with two basements of car parking space located at Beach Road	21,961	97,430	69,803	689	100 **	1,110
ABACUS Plaza and Tampines Plaza A pair of 8-storey office buildings with two basements of car parking space located at Tampines Central 1 in the Tampines Finance Park	2,614 2,613	10,970 10,965	8,397 8,397	87 79	100 ** 100 **	94 93
Marina Square Retail Mall The 4-storey retail mall is part of the mixed development that includes 3 hotels, and is located at Raffles Boulevard	92,197	315,211	206,780	1,990	53	1,179 (In respect of retail mall)
	(In respect of the mixed development, including the 3 hotels)					
Commercial building under development (at former UIC Building site) This is part of a mixed development (residential and commercial buildings) with the residential component, V on Shenton classified under properties held for sale	6,778	30,935	25,784	588	100	488
Associated Company's Investment Property						
Novena Square A commercial complex comprising two office towers of 25 and 18 storeys and a three-storey retail block located at the junction of Thomson Road and Moulmein Road	16,673	70,010	57,197	491	20	1,348

* Effective interest is 99.8%
** Effective interest is 99.7%

PROPERTY ACTIVITIES SUMMARY

As at 31 December 2015

	Tenure	Site Area (sq metres)	Gross Floor Area (sq metres)	Actual/ Expected Year of TOP	Percentage of Shareholding
Subsidiary and Associated Companies' and Joint Ventures' Properties Held for Sale					
Completed					
The Excellency, Chengdu Two towers of 51 storeys each with 3 basement car parks at the junction of Dacisi Road and Tian Xian Qiao Road North	Leasehold	7,566	77,000	2012	100**
Archipelago 577-unit condominium development at Bedok Reservoir Road	Leasehold	45,623	67,969	2015	50
Under Development					
Mon Jervois 109-unit condominium development at Jervois Road	Leasehold	8,958	13,796	2016	100**
Pollen & Bleu 106-unit condominium development at Farrer Drive	Leasehold	6,268	11,033	2016	100**
Alex Residences 429-unit condominium development at Alexandra View	Leasehold	6,501	35,043	2017	100**
V on Shenton 510-unit condominium development at Shenton Way This is part of a mixed development (residential and commercial buildings) with the commercial component classified under investment properties	Leasehold	6,778	55,846	2017	100
Thomson Three 445-unit condominium development at Bright Hill Drive	Leasehold	13,437	41,386	2016	50
Shanghai Chang Feng Project 398-unit condominium development at No. 11 plot, Danba Road/Tongpu Road, Changfeng Area, Putuo District, Shanghai	Leasehold	39,540	85,800	2016	30
Development Site at Clementi Avenue 1 500-unit condominium development at Clementi Avenue 1	Leasehold	13,038	45,633	2020	50

** Effective interest is 99.7%

FINANCIAL REPORT CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 49 to 118 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Wee Cho Yaw	(Chairman)
John Gokongwei, Jr.	(Deputy Chairman)
Lim Hock San	(President and Chief Executive Officer)
Antonio L. Go	
James L. Go	
Lance Yu Gokongwei	
Gwee Lian Kheng	
Hwang Soo Jin	
Wee Ee Lim	
Yang Soo Suan	
Alvin Yeo Khirn Hai	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2015	At 1.1.2015	At 31.12.2015	At 1.1.2015
United Industrial Corporation Limited ("UIC")				
(Ordinary shares)				
Wee Cho Yaw	1,891,719	1,874,574	690,939,970	680,126,599
John Gokongwei, Jr.	-	-	519,784,858	515,073,816
Lim Hock San	124,280	122,954	-	-
Hwang Soo Jin	302,839	302,839	-	-
Gwee Lian Kheng	-	-	70,640	70,000

(b) By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Dr John Gokongwei, Jr., who by virtue of his interest of not less than 20% of the issued share capital of the Company, is also deemed to have an interest in the shares of the subsidiary companies held by the Company.

(c) According to the register of directors' shareholdings, the following director holding office at the end of the financial year had an interest in options to subscribe for ordinary shares of the Company granted pursuant to the UIC Share Option Scheme:

	No. of unissued ordinary shares of the Company under option	
	At 31.12.2015	At 1.1.2015
Lim Hock San	1,070,000	970,000

(d) There was no change in any of the above-mentioned directors' interests between the end of the financial year and 21 January 2016.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Share options

UIC SHARE OPTION SCHEME

(a) The UIC Share Option Scheme ("ESOS") to subscribe for ordinary shares of the Company was approved by the shareholders of the Company on 18 May 2001. The ESOS was due to expire on 17 May 2011 but was extended with the shareholders' approval at the annual general meeting held on 27 April 2011 for a further period of 10 years from 18 May 2011 to 17 May 2021. Other than the aforesaid extension, there has been no change in any other rules of the ESOS. The ESOS is administered by the Remuneration Committee ("RC") comprising the following members:

Alvin Yeo Khirn Hai	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
James L. Go	Member	(Non-independent)
Hwang Soo Jin	Member	(Independent)
Antonio L. Go	Member	(Independent)

Under the terms of the ESOS, the total number of shares granted shall not exceed 5% of the issued share capital of the Company on the day immediately preceding the offer date of the ESOS. The exercise price is equal to the average of the last done prices per share of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five market days immediately preceding the date of the offer.

(b) The aggregate number of options granted to Lim Hock San as executive director and key executives of the Company and its subsidiary companies since the initial grant of options on 5 March 2007 up to 31 December 2015 is 9,094,000.

Details of the options granted for financial years from 2007 up to 2014 have been set out in the Directors' Report for the respective financial years.

On 26 February 2015, the Company granted options to subscribe for 600,000 shares at an exercise price of $3.54 per ordinary share ("2015 Options").

The details of the 2015 Options granted are as follows:

	Number of employees	At exercise price of $3.54 per share
Executive Director, Lim Hock San	1	100,000
Key Executives	14	500,000
	15	600,000

Share options (continued)

UIC SHARE OPTION SCHEME (continued)

(c) Principal terms of the ESOS are set out below:

(i) only full time confirmed executives of the Company or any of its subsidiary companies (including executive directors) are eligible for the grant of options;

(ii) the ESOS shall be in force at the discretion of the RC subject to a maximum period of 10 years and may be extended with the approval of the shareholders;

(iii) all options granted shall be exercisable, in whole or in part (only in respect of 1,000 shares or any multiple thereof), before the tenth anniversary of the Offer Date and in accordance with the following vesting schedule:

Vesting schedule	Percentage of shares over which options are exercisable
On or after the second anniversary of the Offer Date	50%
On or after the third anniversary of the Offer Date	25%
On or after the fourth anniversary of the Offer Date	25%

The vesting and exercising of vested or unexercised options are governed by conditions set out in the ESOS; and

(iv) participants in the ESOS, shall not, except with the prior approval of the RC in its absolute discretion, be entitled to participate in any other share option schemes or share incentive schemes implemented by companies within or outside the Group. The settlement of options is subject to conditions as set out in the ESOS.

(d) Other information required by SGX-ST:

(i) The details of options granted to an executive director of the company, Lim Hock San, under the ESOS are as follows:

Granted in the financial year ended 31.12.2015	Aggregate granted since commencement of ESOS to 31.12.2015	Aggregate exercised since commencement of ESOS to 31.12.2015	Aggregate outstanding as at 31.12.2015
100,000	1,170,000	100,000	1,070,000

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Share options (continued)

UIC SHARE OPTION SCHEME (continued)

(d) Other information required by SGX-ST: (continued)

(ii) No options have been granted to controlling shareholders or their associates and no participant has received 5% or more of the total options available under the ESOS. No options were granted at a discount during the financial year.

(e) During the financial year, 717,000 shares of the Company were issued upon the exercise of options as follows:

By holders of	Number of shares	Exercise price per share
2007 Options	116,000	$2.70
2008 Options	234,000	$2.91
2011 Options	154,000	$2.78
2012 Options	91,000	$2.73
2013 Options	122,000	$2.91
	717,000	

(f) As at the end of the financial year, the following options to acquire ordinary shares in the Company were outstanding:

Date of grant of options	Options outstanding at 1.1.2015	Options granted in 2015	Options exercised	Options cancelled in 2015	Options outstanding at 31.12.2015	Exercise price per share	Date of expiry
5.3.2007	468,000	-	(116,000)	-	352,000	$2.70	4.3.2017
10.3.2008	384,000	-	(234,000)	-	150,000	$2.91	9.3.2018
26.2.2010	124,000	-	-	-	124,000	$2.03	25.2.2020
1.3.2011	571,000	-	(154,000)	-	417,000	$2.78	28.2.2021
27.2.2012	592,000	-	(91,000)	(35,000)	466,000	$2.73	26.2.2022
22.2.2013	761,000	-	(122,000)	(58,000)	581,000	$2.91	21.2.2023
3.3.2014	608,000	-	-	(84,000)	524,000	$3.15	2.3.2024
26.2.2015	-	600,000	-	(84,000)	516,000	$3.54	25.2.2025
	3,508,000	600,000	(717,000)	(261,000)	3,130,000		

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Audit committee

At the date of this statement, the Audit Committee comprises four non-executive directors, majority of whom including the Chairman, are independent directors. They are:

Yang Soo Suan	Chairman	(Independent)
James L. Go	Member	(Non-independent)
Hwang Soo Jin	Member	(Independent)
Alvin Yeo Khirn Hai	Member	(Independent)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Cap. 50. At a series of meetings convened during the twelve months prior to the date of this statement, the Audit Committee reviewed reports prepared respectively by the external and the internal auditors and approved proposals for improvements in internal controls. The announcements of quarterly and full year results, the financial statements of the Group and the Independent Auditor's Report thereon for the full year were also reviewed prior to consideration and approval of the Board.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

WEE CHO YAW
Director

LIM HOCK SAN
Director

19 February 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INDUSTRIAL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of United Industrial Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 49 to 118, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 19 February 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Revenue	4	**807,199**	693,196
Cost of sales	5	**(505,070)**	(397,980)
Gross profit		**302,129**	295,216
Investment income	6	**7,082**	6,081
Other gains and losses		**2,455**	3,056
Selling and distribution costs		**(26,276)**	(29,265)
Administrative expenses		**(21,432)**	(22,601)
Finance expenses		**(12,591)**	(7,817)
Share of results of associated companies		**31,626**	42,098
Share of results of joint ventures		**29,084**	37,221
		312,077	323,989
Fair value gain on investment properties	16	**18,008**	167,249
Profit before income tax	7	**330,085**	491,238
Income tax expense	8	**(39,294)**	(40,365)
Net profit		**290,791**	450,873
Profit attributable to:			
Equity holders of the Company	9	**260,551**	397,991
Non-controlling interests		**30,240**	52,882
		290,791	450,873
Basic/Diluted earnings per share attributable to equity holders of the Company (expressed in cents per share)	10	**18.6 cents**	28.7 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 $'000	2014 $'000
Net profit	**290,791**	450,873
Other comprehensive income items that may be reclassified subsequently to income statement:		
Net currency translation differences of financial statements of foreign entities	**5,964**	4,943
Total comprehensive income	**296,755**	455,816
Total comprehensive income attributable to:		
Equity holders of the Company	**265,869**	403,832
Non-controlling interests	**30,886**	51,984
	296,755	455,816

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		The Group		The Company	
		2015	2014	**2015**	2014
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Other receivables	11	**14,551**	171,065	**-**	-
Available-for-sale financial assets	12	**12,045**	12,045	**-**	-
Investments in associated companies	13	**542,075**	520,256	**-**	-
Investments in joint ventures	14	**86,316**	57,232	**-**	-
Investments in subsidiary companies	15	**-**	-	**1,228,098**	1,226,623
Investment properties	16	**6,095,400**	5,989,900	**-**	-
Property, plant and equipment	17	**491,926**	509,151	**376**	484
		7,242,313	7,259,649	**1,228,474**	1,227,107
Current assets					
Cash and cash equivalents	18	**82,054**	80,950	**698**	1,420
Properties held for sale	19	**1,071,065**	1,038,939	**-**	-
Trade and other receivables	20	**140,319**	107,228	**1,791,971**	1,842,097
Inventories		**2,707**	2,217	**-**	-
		1,296,145	1,229,334	**1,792,669**	1,843,517
Total assets		**8,538,458**	8,488,983	**3,021,143**	3,070,624
LIABILITIES					
Current liabilities					
Trade and other payables	21	**181,454**	153,126	**151,563**	227,522
Current income tax liabilities	8	**45,486**	54,957	**-**	-
Borrowings	22	**638,775**	654,776	**374,700**	393,935
		865,715	862,859	**526,263**	621,457
Non-current liabilities					
Trade and other payables	21	**73,297**	65,530	**1,624**	1,624
Borrowings	22	**768,377**	1,011,517	**597,700**	596,500
Deferred income tax liabilities	23	**50,050**	51,010	**-**	-
		891,724	1,128,057	**599,324**	598,124
Total liabilities		**1,757,439**	1,990,916	**1,125,587**	1,219,581
NET ASSETS		**6,781,019**	6,498,067	**1,895,556**	1,851,043
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	24	**1,486,638**	1,446,183	**1,486,638**	1,446,183
Reserves		**4,472,829**	4,246,435	**408,918**	404,860
		5,959,467	5,692,618	**1,895,556**	1,851,043
Non-controlling interests		**821,552**	805,449	**-**	-
TOTAL EQUITY		**6,781,019**	6,498,067	**1,895,556**	1,851,043

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Attributable to equity holders of the Company						
	Share capital $'000	Retained earnings $'000	Asset revaluation reserve $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2015							
Beginning of financial year	**1,446,183**	**4,184,166**	**40,397**	**21,872**	**5,692,618**	**805,449**	**6,498,067**
Net profit	-	260,551	-	-	260,551	30,240	290,791
Other comprehensive income	-	-	-	5,318	5,318	646	5,964
Total comprehensive income	**-**	**260,551**	**-**	**5,318**	**265,869**	**30,886**	**296,755**
Employee share option scheme							
- value of employee services	-	-	-	423	423	-	423
- proceeds from shares issued	2,026	-	-	-	2,026	-	2,026
Issue of shares pursuant to scrip dividend scheme	38,429	-	-	-	38,429	-	38,429
Effect of acquisition of shares from non-controlling shareholders	-	1,845	40	16	1,901	(5,642)	(3,741)
Dividends paid							
- in cash	-	(3,370)	-	-	(3,370)	(9,141)	(12,511)
- in scrip	-	(38,429)	-	-	(38,429)	-	(38,429)
Total transactions with owners, recognised directly in equity	**40,455**	**(39,954)**	**40**	**439**	**980**	**(14,783)**	**(13,803)**
End of financial year	**1,486,638**	**4,404,763**	**40,437**	**27,629**	**5,959,467**	**821,552**	**6,781,019**
2014							
Beginning of financial year	**1,403,772**	**3,534,330**	**29,382**	**14,927**	**4,982,411**	**1,812,703**	**6,795,114**
Net profit	-	397,991	-	-	397,991	52,882	450,873
Other comprehensive income/(expense)	-	-	-	5,841	5,841	(898)	4,943
Total comprehensive income	**-**	**397,991**	**-**	**5,841**	**403,832**	**51,984**	**455,816**
Employee share option scheme							
- value of employee services	-	-	-	621	621	-	621
- proceeds from shares issued	4,391	-	-	-	4,391	-	4,391
Issue of shares pursuant to scrip dividend scheme	38,020	-	-	-	38,020	-	38,020
Effect of acquisition of shares from non-controlling shareholders	-	293,245	11,015	483	304,743	(1,047,950)	(743,207)
Dividends paid							
- in cash	-	(3,380)	-	-	(3,380)	(11,288)	(14,668)
- in scrip	-	(38,020)	-	-	(38,020)	-	(38,020)
Total transactions with owners, recognised directly in equity	**42,411**	**251,845**	**11,015**	**1,104**	**306,375**	**(1,059,238)**	**(752,863)**
End of financial year	**1,446,183**	**4,184,166**	**40,397**	**21,872**	**5,692,618**	**805,449**	**6,498,067**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 $'000	2014 $'000
Cash flows from operating activities		
Profit before income tax	**330,085**	491,238
Adjustments for:		
Depreciation of property, plant and equipment	**23,750**	23,675
Allowance for foreseeable losses on properties held for sale	**14,100**	-
Employee share option expense	**423**	621
Loss on disposal of property, plant and equipment	**320**	1,011
Share of results of associated companies	**(31,626)**	(42,098)
Share of results of joint ventures	**(29,084)**	(37,221)
Fair value gain on investment properties	**(18,008)**	(167,249)
Investment income	**(7,082)**	(6,081)
Interest expense	**12,591**	7,817
Unrealised currency translation differences	**742**	689
	296,211	272,402
Change in working capital:		
Properties held for sale	**(31,866)**	(7,493)
Inventories	**(490)**	435
Trade and other receivables	**57,274**	(16,912)
Trade and other payables	**35,303**	15,890
Cash generated from operations	**356,432**	264,322
Interest paid	**(27,675)**	(20,030)
Income tax paid	**(50,085)**	(47,812)
Net cash provided by operating activities	**278,672**	196,480

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	**2015 $'000**	2014 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4,815)**	(4,504)
Proceeds from disposal of property, plant and equipment		**49**	15
Upgrading of investment properties		**(11,103)**	(7,984)
Redevelopment of investment properties		**(72,885)**	(74,021)
Proceeds from liquidation of an associated company		**-**	804
Loans to joint ventures		**(15,618)**	(1,625)
Repayment of loan by a joint venture		**77,799**	-
Dividends received from unquoted equity investments		**2,793**	2,556
Dividends received from associated companies		**13,315**	14,110
Interest received		**8,120**	477
Net cash used in investing activities		**(2,345)**	(70,172)
Cash flows from financing activities			
Repayment of borrowings		**(260,997)**	(62,220)
Proceeds from borrowings		**-**	661,914
Bank facility fees paid		**-**	(3,600)
Decrease in bank deposits pledged as security		**1,660**	17,873
Proceeds from issuance of shares		**2,026**	4,391
Acquisition of shares from non-controlling shareholders		**(3,741)**	(743,207)
Dividends paid to equity holders of the Company		**(3,370)**	(3,380)
Dividends paid to non-controlling interests		**(9,141)**	(11,288)
Net cash used in financing activities		**(273,563)**	(139,517)
Net increase/(decrease) in cash and cash equivalents		**2,764**	(13,209)
Cash and cash equivalents at beginning of financial year		**69,470**	82,679
Cash and cash equivalents at end of financial year	18	**72,234**	69,470

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

United Industrial Corporation Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 24 Raffles Place #22-01/06, Clifford Centre, Singapore 048621.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiary companies consist of development of properties for investment and trading, investment holding, property management, investment in hotels and retail centres, trading in computers and related products, and provision of information technology services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no effect on the amounts reported for the current or prior financial years.

The accompanying notes form an integral part of these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax ("GST"), rebates and discounts, and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) on investment properties is recognised on a straight-line basis over the lease term.

(b) *Revenue on sale of properties held for sale*

Revenue from sale of properties held for sale in respect of sale and purchase agreements entered into prior to completion of construction is recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of uncompleted residential properties made with a progressive payment scheme in Singapore, the transfer of significant risks and rewards of ownership occurs in the current state as construction progresses. Revenue is recognised by reference to the stage of completion using the percentage of completion method, determined by the level of construction costs incurred as a proportion of the estimated total construction costs to completion.

For sales of overseas development properties, such transfer generally occurs when the property units are completed and delivered to the purchasers. Revenue is recognised upon completion of construction.

(c) *Revenue from hotel operations*

Revenue from the rental of hotel rooms and other facilities is recognised when the services are rendered. Revenue from the sale of food and beverage is recognised when the goods are delivered to the customer.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(d) *Revenue from information technology operations*

Revenue from sale of computer hardware and software is recognised when the Group has transferred significant risks and rewards of ownership of the products to the customer on delivery and the customer has accepted the products. Revenue from the rendering of services is recognised when the service is rendered, by reference to completion of specific transaction assessed on the basis of the actual service provided as a proportion to the total services to be performed.

(e) *Property services fees*

Property services fees are recognised when the services are rendered.

(f) *Interest income*

Interest income is recognised using the effective interest method.

(g) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(h) *Car parking income*

Car parking income is recognised on a straight-line basis based on time proportion.

2.3 Group accounting

(a) *Subsidiary companies*

(i) Consolidation

Subsidiary companies are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) *Subsidiary companies (continued)*

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary company's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary company measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiary companies (continued)*

(ii) Acquisitions (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in income statement.

Please refer to the paragraph "Investments in subsidiary and associated companies, and joint ventures" for the accounting policy on investments in subsidiary companies in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control over the subsidiary company are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures (continued)*

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal is recognised in income statement.

Please refer to the paragraph "Investments in subsidiary and associated companies, and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Renovations in progress are not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives as follows:

Leasehold land and building	45 - 93 years
Plant and machinery	10 - 15 years
Furniture, fittings and office equipment	5 - 13 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income statement.

2.5 Goodwill on acquisitions

Goodwill on acquisitions of subsidiary companies and businesses represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired.

Goodwill on subsidiary companies is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary and associated companies, and joint ventures include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Borrowing costs

Borrowing costs are recognised in income statement using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties held for sale and investment properties. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.7 Properties held for sale

Properties held for sale are those which are intended for sale in the ordinary course of business. Properties held for sale which are unsold are carried at the lower of cost and estimated net realisable value. Cost of properties held for sale includes land, construction and related development costs and interest on borrowings obtained to finance the purchase and construction of the properties. Net realisable value represents the estimated selling price in the ordinary course of business less costs to complete the development and selling expenses.

Singapore properties held for sale made with a progressive payment scheme are stated at cost plus attributable profits/losses less progress billings. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Progress billings not yet paid by customers are included within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables".

Overseas properties held for sale are stated at cost and payments received from purchasers prior to completion are included in current liabilities as "monies received in advance".

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investment properties

Investment properties of the Group, principally comprising office buildings, are held for long-term rental yields and capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in income statement under "fair value gain on investment properties".

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs and minor improvements is recognised in income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in income statement.

2.9 Investments in subsidiary and associated companies, and joint ventures

Investments in subsidiary and associated companies, and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income statement.

2.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of non-financial assets (continued)

(a) *Goodwill (continued)*

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiary and associated companies, and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiary and associated companies, and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income statement.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each statement of financial position date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the statement of financial position date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” and “cash and cash equivalents” on the statement of financial position.

(iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

(a) *Classification (continued)*

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the statement of financial position date.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in income statement. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to income statement.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

(d) *Subsequent measurement (continued)*

Interest and dividend income on available-for-sale financial assets are recognised separately in income statement. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in income statement and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables/Held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income statement.

The impairment allowance is reduced through income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

(e) *Impairment (continued)*

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through income statement.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income statement over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.16 Leases

(a) *Operating leases - when the Group is the lessee*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in income statement on a straight-line basis over the period of the lease.

(b) *Operating leases - when the Group is the lessor*

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income statement on a straight-line basis over the lease term.

Contingent rents are recognised as income in income statement when earned.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary and associated companies, and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income statement when the changes arise.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no further payment obligations once the contributions have been paid.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each statement of financial position date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) are credited to share capital account, when new ordinary shares are issued.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the date of the statement of financial position;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Currency translation (continued)

(c) *Translation of Group entities' financial statements (continued)*

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the statement of financial position.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group on its own or in reliance on third party experts, applies estimates and judgements in the following key areas:

(i) the determination of investment property values by independent professional valuers (note 2.8). The carrying amount of investment properties is disclosed in note 16;

(ii) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of properties held for sale under development (note 2.2(b)) and allowance for foreseeable losses (note 2.7). The carrying amount of properties held for sale under development is disclosed in note 19;

(iii) the assessment of impairment of investments in associated companies and joint ventures, and property, plant and equipment (note 2.10). The carrying amounts of investments in associated companies and joint ventures, and property, plant and equipment are disclosed in notes 13, 14 and 17 respectively; and

(iv) the assessment of adequacy of provision for income taxes (note 2.18). The carrying amounts of current income tax and deferred income tax are disclosed in notes 8 and 23 respectively.

4. REVENUE

	The Group	
	2015	2014
	$'000	$'000
Gross rental income	**271,079**	275,597
Gross revenue from hotel operations	**148,656**	147,342
Sale of properties held for sale	**290,976**	184,186
Gross revenue from information technology operations	**86,471**	78,163
Car parking income, property services fees and other income	**10,017**	7,908
	807,199	693,196

Included in the 'Sale of properties held for sale' is an amount of $281,097,000 (2014: $170,527,000) recognised using the percentage of completion method.

5. COST OF SALES

	The Group	
	2015	2014
	$'000	$'000
Property operating expenses	**77,611**	73,227
Cost of sales from hotel operations	**109,952**	110,966
Cost of properties held for sale sold	**239,125**	143,283
Cost of sales from information technology operations	**78,382**	70,504
	505,070	397,980

6. INVESTMENT INCOME

	The Group	
	2015	2014
	$'000	$'000
Interest income from:		
- Bank deposits	**203**	203
- Amounts due from joint ventures	**3,902**	3,086
- Others	**184**	236
	4,289	3,525
Dividend income from unquoted equity investments	**2,793**	2,556
	7,082	6,081

7. PROFIT BEFORE INCOME TAX

The following items have been included in arriving at profit before income tax:

	The Group	
	2015	2014
	$'000	$'000
Charging/(Crediting):		
Auditors' remuneration paid/payable to:		
- Auditor of the Company	**795**	798
- Other auditors *	**111**	100
Other fees paid/payable to auditor of the Company	**220**	232
Wages, salaries and other payroll-related costs	**61,101**	60,390
Employer's contribution to defined contribution plans	**8,781**	8,147
Share option expense	**423**	621
Total employee compensation	**70,305**	69,158
Rental expense - operating leases	**892**	835
Loss on disposal of property, plant and equipment	**320**	1,011
Allowance made for foreseeable losses on properties held for sale	**14,100**	-
Depreciation of property, plant and equipment	**23,750**	23,675
Currency exchange gain - net	**(267)**	(59)
Property tax	**31,494**	28,877
Utilities	**17,067**	19,108
Interest expense on loans	**12,591**	7,817
Cost of inventories recognised as an expense	**90,142**	82,110

* Includes the network of member firms of PricewaterhouseCoopers International Limited.

8. INCOME TAXES

(a) *Income tax expense*

	The Group	
	2015	2014
	$'000	$'000
Tax expense/(credit) attributable to profit is made up of:		
- Profit of the financial year:		
Current income tax (note (b))	**41,798**	40,653
Deferred income tax (note 23)	**(1,268)**	490
	40,530	41,143
- (Over)/Underprovision in prior financial years:		
Current income tax (note (b))	**(1,387)**	(3,107)
Deferred income tax (note 23)	**151**	2,329
	(1,236)	(778)
	39,294	40,365

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2015	2014
	$'000	$'000
Profit before income tax	**330,085**	491,238
Less: Share of results of associated companies	**(31,626)**	(42,098)
Less: Share of results of joint ventures	**(29,084)**	(37,221)
	269,375	411,919
Tax calculated at a statutory tax rate of 17%	**45,794**	70,026
Effects of:		
- Different tax rates in other countries	**(457)**	(580)
- Singapore statutory tax exemption	**(406)**	(424)
- Tax incentives	**(849)**	(631)
- Expenses not deductible for tax purposes	**5,279**	4,332
- Income not subject to tax	**(4,675)**	(30,243)
- Utilisation of previously unrecognised deferred income tax assets	**(6,478)**	(4,344)
- Deferred income tax assets not recognised	**2,322**	3,007
- Overprovision of tax in prior financial years	**(1,236)**	(778)
Tax charge	**39,294**	40,365

8. INCOME TAXES (continued)

(b) *Movements in current income tax liabilities*

	The Group	
	2015	2014
	$'000	$'000
Beginning of financial year	**54,957**	65,023
Currency translation differences	**203**	200
Income tax paid	**(50,085)**	(47,812)
Tax expense (note (a))	**41,798**	40,653
Overprovision in prior financial years (note (a))	**(1,387)**	(3,107)
End of financial year	**45,486**	54,957

(c) There is no tax charge relating to the components of other comprehensive income.

9. NET ATTRIBUTABLE PROFIT

The net profit attributable to equity holders of the Company can be analysed as follows:

	The Group	
	2015	2014
	$'000	$'000
Net profit before fair value gain on investment properties (note 10)	**236,283**	222,789
Fair value gain on investment properties held by subsidiary and associated companies net of non-controlling interests included in:		
- Fair value gain on investment properties	**18,008**	167,249
- Share of results of associated companies	**4,620**	12,660
- Non-controlling interests	**1,640**	(4,707)
	24,268	175,202
Net attributable profit	**260,551**	397,991

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

	The Group	
	2015	2014
Net profit attributable to equity holders of the Company ($'000)	**260,551**	397,991
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,400,077**	1,387,110
Adjustment for share options ('000)	**324**	409
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**1,400,401**	1,387,519
Basic and diluted earnings per share (cents per share)		
- excluding fair value gain on investment properties held by subsidiary and associated companies (note 9)	**16.9 cents**	16.1 cents
- including fair value gain on investment properties held by subsidiary and associated companies	**18.6 cents**	28.7 cents

11. OTHER RECEIVABLES

Other receivables relate to amounts due from joint ventures for the Group which are not repayable within the next 12 months and are interest-bearing at floating rate. In 2014, the amounts due from joint ventures were subordinated to the borrowings of the joint ventures. At the statement of financial position date, the carrying amounts approximate their fair values.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group	
	2015	2014
	$'000	$'000
Unquoted equity investments	**12,045**	12,045

13. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group	
	2015	2014
	$'000	$'000
Unquoted equity investments, at cost	**293,546**	293,546
Share of post acquisition reserves	**248,529**	226,710
	542,075	520,256

Aggregate information about the Group's investments in associated companies that are individually immaterial are as follows:

	The Group	
	2015	2014
	$'000	$'000
- Net profit and total comprehensive income	**31,626**	42,098
- Carrying amount	**542,075**	520,256

Details of associated companies are included in note 35.

14. INVESTMENTS IN JOINT VENTURES

	The Group 2015 $'000	The Group 2014 $'000
Unquoted equity investments, at cost	**1,000**	1,000
Share of post acquisition reserves	**85,316**	56,232
	86,316	57,232

Set out below are joint ventures of the Group that are material to the Group.

	Proportion of ownership held by a non-wholly owned subsidiary company 2015 %
United Venture Development (Thomson) Pte. Ltd. ("UVDT")	**50**

	Proportion of ownership held by a non-wholly owned subsidiary company 2014 %
United Venture Development (Bedok) Pte. Ltd. ("UVDB")	50

14. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of joint ventures

The summarised financial information of the joint ventures based on the amounts in the financial statements of the joint ventures (and not the Group's share of those amounts) and reconciliation to the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position of UVDT

	2015 $'000
Current assets	270,246
Includes:	
- Cash and cash equivalents	40,239
Current liabilities	(213,909)
Includes:	
- Financial liabilities (excluding trade and other payables and provisions)	(191,741)
Non-current liabilities	(11,706)
Net assets	44,631
Proportion of the Group's ownership (%)	50
Carrying amount of the investment	22,316

Summarised statement of comprehensive income of UVDT

	2015 $'000
Revenue	302,735
Interest income	263
Profit before income tax	42,968
Income tax expense	(7,305)
Net profit and total comprehensive income	35,663

14. INVESTMENTS IN JOINT VENTURES (continued)

Summarised statement of financial position of UVDB

	2014 $'000
Current assets	358,761
Includes:	
- Cash and cash equivalents	22,520
Current liabilities	(227,972)
Includes:	
- Financial liabilities (excluding trade and other payables and provisions)	(197,562)
Non-current liabilities	(25,292)
Net assets	105,497
Proportion of the Group's ownership (%)	50
Carrying amount of the investment	52,748

Summarised statement of comprehensive income of UVDB

	2014 $'000
Revenue	319,060
Interest income	65
Profit before income tax	78,820
Income tax expense	(13,346)
Net profit and total comprehensive income	65,474

Aggregate information about the Group's investment in joint ventures that are individually immaterial are as follows:

	The Group	
	2015 $'000	2014 $'000
- Net profit and total comprehensive income	**11,252**	4,484
- Carrying amount	**64,000**	4,484

14. INVESTMENTS IN JOINT VENTURES (continued)

A subsidiary company of the Group has provided several undertakings on cost overrun, interest shortfall, security margin and project completion on a joint venture basis in respect of term loans drawn down by the joint ventures. As at 31 December 2015, the total outstanding term loans are $52,000,000 (2014: $119,500,000).

Details of joint ventures are included in note 35.

15. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company 2015 $'000	2014 $'000
Unquoted equity investments, at cost	**1,230,212**	1,230,212
Less: Allowance for impairment in value of investments	**(2,114)**	(3,589)
	1,228,098	1,226,623

Acquisition of additional interest in a subsidiary company

On 24 February 2014, UIC Enterprise Pte Ltd, a wholly owned subsidiary company, announced a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Singapore Land Limited ("SLL") that the Group does not own or control. At the date of the announcement of the offer, the Group owns or controls 80.4% of the total number of SLL issued shares. Subsequent to the offer closure, the Group continued to acquire additional SLL issued shares and now holds 99.7% (2014: 99.6%) of the equity share capital of SLL. The effect of changes in the ownership interest of SLL on the equity attributable to owners of the Company during the year is summarised as disclosed below:

	2015 $'000	2014 $'000
Carrying amount of non-controlling interests acquired	**5,642**	1,047,950
Consideration paid to non-controlling interests	**(3,741)**	(743,207)
Excess of carrying amount attributable to equity holders of the Company	**1,901**	304,743

Set out below are subsidiary companies with non-controlling interests that are material to the Group.

	Proportion of ownership held by non-controlling interests 2015 %	2014 %	Carrying value of non-controlling interests 2015 $'000	2014 $'000
Marina Centre Holdings Private Limited and its subsidiary companies	**47**	47	**773,093**	751,863

15. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

Summarised aggregate financial information of subsidiary companies with material non-controlling interests

Set out below are the summarised aggregate financial information for the subsidiary companies that have non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	2015 $'000	2014 $'000
Current		
Assets	**41,466**	51,531
Liabilities	**(82,697)**	(62,295)
Non-current		
Assets	**1,733,118**	1,707,854
Liabilities	**(50,663)**	(102,748)
Net assets	**1,641,224**	1,594,342

Summarised statement of comprehensive income

	2015 $'000	2014 $'000
Revenue	**192,916**	199,127
Net profit and total comprehensive income	**64,882**	82,887
Total comprehensive income allocated to non-controlling interests	**30,565**	41,766
Dividends paid to non-controlling interests	**8,448**	8,636

Summarised cash flows

	2015 $'000	2014 $'000
Net cash provided by operating activities	**68,201**	74,089
Net cash used in investing activities	**(32,122)**	(31,775)
Net cash used in financing activities	**(43,809)**	(43,353)

Details of subsidiary companies are included in note 35.

16. INVESTMENT PROPERTIES

	The Group 2015 $'000	2014 $'000
Completed leasehold properties, at valuation:		
Beginning of financial year	**5,337,900**	5,197,500
Reclassified from investment properties under development	**237,000**	-
Additions	**11,103**	7,984
Fair value gain	**21,397**	132,416
End of financial year	**5,607,400**	5,337,900
Investment properties under development, at valuation:		
Beginning of financial year	**652,000**	541,000
Reclassified to completed leasehold properties	**(237,000)**	-
Additions	**76,389**	76,167
Fair value (loss)/gain	**(3,389)**	34,833
End of financial year	**488,000**	652,000
	6,095,400	5,989,900

Borrowing costs of $3,504,000 (2014: $2,146,000) for the redevelopment of an investment property were capitalised during the financial year. A capitalisation rate of 1.4% to 2.3% (2014: 1.1% to 1.6%) per annum was used in 2015, representing the borrowing costs of the loans used to finance the project.

(a) The Group's completed leasehold properties are as follows:

Name of building/ location	Description	Tenure of land	Unexpired term of lease
Stamford Court 61 Stamford Road Singapore 178892	4-storey office building with shops on a land area of 2,072 square metres. The net area in this building is 5,990 square metres.	99-year lease from 1994	78 years
West Mall 1 Bukit Batok Central Link Singapore 658713	Retail and family entertainment complex on a land area of 9,890 square metres. The net area in this complex is 17,042 square metres.	99-year lease from 1995	79 years
Singapore Land Tower 50 Raffles Place Singapore 048623	47-storey office building on a land area of 5,064 square metres. The net area in this building is 57,500 square metres.	999-year lease from 1826	810 years

16. INVESTMENT PROPERTIES (continued)

(a) The Group's completed leasehold properties are as follows (continued):

Name of building/ location	Description	Tenure of land	Unexpired term of lease
Clifford Centre 24 Raffles Place Singapore 048621	29-storey shopping cum office building on a land area of 3,343 square metres. The net area in this building is 25,470 square metres.	999-year lease from 1826	810 years
The Gateway 150/152 Beach Road Singapore 189720/1	Two 37-storey office buildings on a land area of 21,961 square metres. The net area in these buildings is 69,803 square metres.	99-year lease from 1982	66 years
SGX Centre 2 4 Shenton Way Singapore 068807	29-storey office building on a land area of 2,970 square metres. The net area in this building (inclusive of 3,336 square metres in SGX Centre 1) is 25,800 square metres.	99-year lease from 1995	79 years
ABACUS Plaza 3 Tampines Central 1 Singapore 529540	8-storey office building on a land area of 2,614 square metres. The net area in this building is 8,397 square metres.	99-year lease from 1996	80 years
Tampines Plaza 5 Tampines Central 1 Singapore 529541	8-storey office building on a land area of 2,613 square metres. The net area in this building is 8,397 square metres.	99-year lease from 1996	80 years
Marina Square Retail Mall 6 Raffles Boulevard Singapore 039594	4-storey retail mall with a retail underpass. The net area in this building is 71,865 square metres.	99-year lease from 1980	64 years

(b) The Group's investment property under development is as follow:

Location of site	Description	Tenure of land	Unexpired term of lease
5 Shenton Way Singapore 068808	A proposed development comprising commercial space with a gross floor area of 30,935 square metres. This is part of a mixed development with the residential component, V on Shenton, classified under properties held for sale. As at 31 December 2015, the development was 56% completed.	99-year lease from 2011	95 years

Investment properties are leased to non-related parties under operating leases (note 29(c)).

16. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy which involves significant unobservable inputs:

Description	Fair value at 31 December 2015 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Completed leasehold properties	5,607,400 (2014: 5,337,900)	Capitalisation Approach	Estimated rental rate (per square metre per month)	$58 - $145 (2014: $58 - $148)	The higher the rental value per square metre, the higher the fair value.
			Capitalisation rate	3.50% - 5.25% (2014: 3.50% - 5.25%)	The higher the capitalisation rate, the lower the fair value.
		Direct Comparison Approach	Adjusted valuation (per square metre)	$14,300 - $28,200 (2014: $13,800 - $27,200)	The higher the adjusted valuation per square metre, the higher the fair value.
Investment properties under development	488,000 (2014: 652,000)	Residual Approach	Gross development value (per square metre)	$24,400 (2014: $19,200 - $25,200)	The higher the gross development value, the higher the fair value.
			Estimated profit margin required to hold and develop property to completion	10% of property value (2014: 10% of property value)	The higher the profit margin required, the lower the fair value.
			Estimated costs to completion	$46,000,000 (2014: $30,000,000 - $90,000,000)	The higher the costs to completion, the lower the fair value.
			Estimated remaining period to completion	1 year (2014: 5 months - 2 years)	The longer the remaining period to completion, the lower the fair value.

There were no significant inter-relationships between the significant unobservable inputs.

16. INVESTMENT PROPERTIES (continued)

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties every half-yearly based on the properties' highest and best use. For each valuation, management:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the previous valuation reports;
- holds discussions with the independent valuers; and
- analyses the reasons for the fair value movements.

In the Capitalisation Approach, gross rental income (net of GST) is estimated at a mature maintainable occupancy level from which total expenses have been deducted and net income capitalised at an appropriate rate.

The Direct Comparison Approach involves analysis of recent transactions of comparable properties within the vicinity and elsewhere in Singapore. Necessary adjustments have been made for the differences in location, tenure, size, shape, design and layout, age and condition of buildings, date of transactions and the prevailing market and prevailing condition amongst other factors affecting their values.

The Residual Approach requires an estimate of the gross development value of the proposed development assuming it is completed, from which the various costs of development such as construction costs, professional fees, GST, financial and holding charges on the land and construction, developer's profit, cost of sale, promotion and legal fees are deducted to arrive at the residual land value which would represent what a prudent developer would pay for the site with all its potentialities. The gross development value is arrived at by the Direct Comparison Approach and the Capitalisation Approach.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $'000	Plant and machinery $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Renovations in progress $'000	Total $'000
The Group						
2015						
Cost						
Beginning of financial year	396,218	55,600	178,989	1,192	1,141	633,140
Currency translation differences	861	745	1,237	14	-	2,857
Additions	-	319	2,041	262	2,193	4,815
Transfer in/(out)	-	918	1,533	-	(2,451)	-
Disposals	-	-	(940)	(190)	-	(1,130)
End of financial year	397,079	57,582	182,860	1,278	883	639,682
Accumulated depreciation						
Beginning of financial year	44,229	15,192	63,924	644	-	123,989
Currency translation differences	90	196	489	3	-	778
Depreciation charge	6,184	3,841	13,614	111	-	23,750
Disposals	-	-	(571)	(190)	-	(761)
End of financial year	50,503	19,229	77,456	568	-	147,756
Net book value						
End of financial year	**346,576**	**38,353**	**105,404**	**710**	**883**	**491,926**
2014						
Cost						
Beginning of financial year	395,529	54,888	175,840	1,187	1,288	628,732
Currency translation differences	689	595	990	11	-	2,285
Additions	-	-	1,551	33	2,920	4,504
Transfer in/(out)	-	117	2,950	-	(3,067)	-
Disposals	-	-	(2,342)	(39)	-	(2,381)
End of financial year	396,218	55,600	178,989	1,192	1,141	633,140
Accumulated depreciation						
Beginning of financial year	38,009	11,816	50,502	593	-	100,920
Currency translation differences	85	190	471	3	-	749
Depreciation charge	6,135	3,186	14,267	87	-	23,675
Disposals	-	-	(1,316)	(39)	-	(1,355)
End of financial year	44,229	15,192	63,924	644	-	123,989
Net book value						
End of financial year	**351,989**	**40,408**	**115,065**	**548**	**1,141**	**509,151**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture, fittings and office equipment $'000	Motor vehicle $'000	Total $'000
The Company			
2015			
Cost			
Beginning of financial year	757	237	994
Additions	6	-	6
Disposals	(9)	-	(9)
End of financial year	754	237	991
Accumulated depreciation			
Beginning of financial year	322	188	510
Depreciation charge	63	49	112
Disposals	(7)	-	(7)
End of financial year	378	237	615
Net book value			
End of financial year	**376**	**-**	**376**
2014			
Cost			
Beginning of financial year	755	237	992
Additions	15	-	15
Disposals	(13)	-	(13)
End of financial year	757	237	994
Accumulated depreciation			
Beginning of financial year	262	141	403
Depreciation charge	70	47	117
Disposals	(10)	-	(10)
End of financial year	322	188	510
Net book value			
End of financial year	**435**	**49**	**484**

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**34,868**	38,560	**698**	1,420
Short-term bank deposits	**47,186**	42,390	**-**	-
	82,054	80,950	**698**	1,420

Included in cash and cash equivalents of the Group, are amounts of $16,396,000 (2014: $5,047,000) maintained in the Project Accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	2015	2014
	$'000	$'000
Cash and cash equivalents (as above)	**82,054**	80,950
Less: Bank deposits pledged	**(9,820)**	(11,480)
Cash and cash equivalents per consolidated statement of cash flows	**72,234**	69,470

Bank deposits are pledged as security for borrowings (note 22).

19. PROPERTIES HELD FOR SALE

	The Group	
	2015	2014
	$'000	$'000
Properties under development	**1,033,739**	980,962
Allowance for foreseeable losses	**(14,100)**	-
	1,019,639	980,962
Completed properties	**51,426**	57,977
	1,071,065	1,038,939

19. PROPERTIES HELD FOR SALE (continued)

Properties held for sale where revenue is recognised as construction progresses are as follows:

	The Group	
	2015	2014
	$'000	$'000
Aggregate cost incurred and development profits recognised	**812,696**	609,371
Less: Progress billings	**(425,380)**	(276,100)
	387,316	333,271

Progress billings relating to properties held for sale sold but accounted for using the completion of construction method has been classified as "monies received in advance" under current trade and other payables.

Borrowing costs of $13,528,000 (2014: $9,926,000) were capitalised during the financial year. A capitalisation rate of 1.3% to 3.0% (2014: 1.0% to 1.8%) per annum was used in 2015, representing the borrowing costs of the loans used to finance the projects.

In 2015, the Group made an allowance for foreseeable losses taking into account the estimated selling prices and estimated total development costs. The estimated selling prices are based on the recent selling prices for the development project or comparable properties and prevailing property market conditions. The estimated total development costs are based on the contracted amount and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in 'cost of sales'.

Movements in allowance for foreseeable losses in respect of properties held for sale were as follows:

	The Group	
	2015	2014
	$'000	$'000
Beginning of financial year	**-**	-
Allowance during the year	**14,100**	-
End of financial year	**14,100**	-

19. PROPERTIES HELD FOR SALE (continued)

Details of the Group's properties held for sale are as follows:

Property	Title	Percentage of completion at 31.12.2015/ Expected year of completion	Site area/Gross floor area (sqm)	Group's effective interest %
The Excellency (Chengdu)	Leasehold	100%/2012	7,566/77,000	99.7
Mon Jervois	Leasehold	82%/2016	8,958/13,796	99.7
Pollen & Bleu	Leasehold	69%/2016	6,268/11,033	99.7
Alex Residences	Leasehold	36%/2017	6,501/35,043	99.7
V on Shenton	Leasehold	36%/2017	*/55,846	100.0

* The residential component under this site, together with the commercial component (classified under investment properties), are situated on a site area of 6,778 square metres.

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Trade receivables	**33,614**	53,637	**-**	-
Less: Allowance for impairment of receivables	**(700)**	(606)	**-**	-
	32,914	53,031	**-**	-
Deposits	**1,093**	35,106	**355**	350
Prepaid taxes	**989**	970	**-**	-
Prepayments	**4,680**	8,380	**-**	-
Other receivables	**10,089**	9,741	**142**	139
Amounts due from joint ventures (non-trade)	**90,554**	-	**-**	-
Amounts due from subsidiary companies (non-trade)	**-**	-	**1,807,012**	1,857,167
Less: Allowance for impairment of receivables	**-**	-	**(15,538)**	(15,559)
	-	-	**1,791,474**	1,841,608
	140,319	107,228	**1,791,971**	1,842,097

In 2014, included in deposits was an amount of $34,030,000 placed for a land tender, which was subsequently refunded in 2015.

The amounts due from joint ventures for the Group are subordinated to the borrowings of the joint ventures and are interest-bearing at floating rate.

20. TRADE AND OTHER RECEIVABLES (continued)

The amounts due from subsidiary companies are unsecured, repayable on demand and are interest-bearing except for amounts totalling $277,573,000 (2014: $249,251,000) which are interest-free. Interest is charged on amounts due from certain subsidiary companies and is based on interest incurred by the Company in respect of bank loans obtained on behalf of these subsidiary companies.

21. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
(a) *Current*				
Monies received in advance	**1,000**	1,314	**-**	-
Rental received in advance	**8,929**	7,967	**-**	-
Rental deposits	**25,100**	23,948	**-**	-
Retention monies	**8,095**	2,195	**-**	-
Trade payables	**75,955**	66,750	**307**	298
Other payables	**11,787**	10,459	**449**	655
Accrued operating expenses	**50,588**	40,493	**2,009**	1,619
Amounts due to subsidiary companies (non-trade)	**-**	-	**148,798**	224,950
	181,454	153,126	**151,563**	227,522

The amounts due to subsidiary companies are unsecured, repayable on demand and are interest-free.

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
(b) *Non-current*				
Rental deposits	**52,664**	52,421	**-**	-
Retention monies	**19,009**	11,485	**-**	-
Amount due to an associated company	**1,624**	1,624	**1,624**	1,624
	73,297	65,530	**1,624**	1,624

The amount due to an associated company is unsecured, not repayable within the next 12 months and is interest-free. At the statement of financial position date, the carrying amounts of non-current trade and other payables approximate their fair values.

22. BORROWINGS

	Note	The Group 2015 $'000	The Group 2014 $'000	The Company 2015 $'000	The Company 2014 $'000
(a) *Current*					
Short-term bank loans (unsecured)	(i)	**461,700**	652,965	**374,700**	393,935
Term loans (secured)	(ii)	**150,808**	1,811	**-**	-
Term loan (secured)	(iii)	**2,267**	-	**-**	-
Term loan (secured)	(iv)	**24,000**	-	**-**	-
		638,775	654,776	**374,700**	393,935
(b) *Non-current*					
Term loan (unsecured)	(v)	**597,700**	596,500	**597,700**	596,500
Term loans (secured)	(ii)	**164,224**	357,497	**-**	-
Term loan (secured)	(iii)	**6,453**	8,520	**-**	-
Term loan (secured)	(iv)	**-**	30,000	**-**	-
Revolving credit loans (secured)	(iv)	**-**	19,000	**-**	-
		768,377	1,011,517	**597,700**	596,500
Total borrowings		**1,407,152**	1,666,293	**972,400**	990,435

(i) The unsecured short-term loans are drawn under various uncommitted floating rate revolving credit facilities.

(ii) The term loans are secured by way of legal mortgages over certain property development projects with carrying amounts of $625,588,000 (2014: $618,970,000) and deposits pledged of $9,820,000 (2014: $11,480,000) (note 18).

The term loans include $313,831,000 (2014: $353,024,000) of which a subsidiary company of the Group has provided several undertakings on cost overrun, interest shortfall, security margin and project completion.

(iii) The term loan is secured by way of a legal mortgage over certain property, plant and equipment of a subsidiary company with carrying amounts of $85,235,000 (2014: $89,949,000).

(iv) The term loan and revolving credit loans are secured by way of an open debenture and legal mortgages over certain property, plant and equipment of a subsidiary company with carrying amounts of $404,721,000 (2014: $417,221,000). In 2014, the amounts advanced under the revolving credit facilities were included as non-current liabilities as the Group had the discretion to rollover the facilities for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure (note 30(c)), the revolving credit facilities had been classified as current as the disclosure was based on actual contractual drawdowns to be repaid within a year.

(v) The unsecured term loan is drawn under a floating rate committed facility.

22. BORROWINGS (continued)

(c) *Carrying amounts and fair values*

The carrying amounts of non-current borrowings approximate their fair values. The fair values are based on discounted cash flows using a discount rate of 2.3% to 4.8% (2014: 1.3% to 6.8%) based upon the prevailing market interest rates.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the statement of financial position dates are as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
6 months or less	**1,307,152**	1,666,293	**972,400**	990,435
6 - 12 months	**100,000**	-	**-**	-

23. DEFERRED INCOME TAXES

	The Group	
	2015 $'000	2014 $'000
Deferred income tax liabilities:		
- to be settled within 1 year	**1,255**	-
- to be settled after 1 year	**48,795**	51,010

Movements in the deferred income tax account are as follows:

	The Group	
	2015 $'000	2014 $'000
Beginning of financial year	**51,010**	48,088
Currency translation differences	**157**	103
(Credited)/Charged to income statement (note 8(a))	**(1,268)**	490
Underprovision in prior financial years (note 8(a))	**151**	2,329
End of financial year	**50,050**	51,010

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses in certain subsidiary companies of approximately $38,061,000 (2014: $40,325,000) at the statement of financial position date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

23. DEFERRED INCOME TAXES (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

The Group

Deferred income tax liabilities

	Deferred development profits $'000	Fair value gain $'000	Accelerated tax depreciation $'000	Total $'000
2015				
Beginning of financial year	-	24,440	26,570	51,010
Currency translation differences	-	-	157	157
Charged/(Credited) to income statement	1,970	(420)	(2,818)	(1,268)
Underprovision in prior financial years	-	-	151	151
End of financial year	1,970	24,020	24,060	50,050
2014				
Beginning of financial year	-	24,860	23,228	48,088
Currency translation differences	-	-	103	103
(Credited)/Charged to income statement	-	(420)	910	490
Underprovision in prior financial years	-	-	2,329	2,329
End of financial year	-	24,440	26,570	51,010

24. SHARE CAPITAL

	The Group and the Company			
	2015		2014	
	No. of ordinary shares '000	**Amount $'000**	No. of ordinary shares '000	Amount $'000
Beginning of financial year	**1,392,592**	**1,446,183**	1,378,924	1,403,772
Shares issued pursuant to scrip dividend scheme	**11,716**	**38,429**	11,994	38,020
Shares issued pursuant to share option scheme	**717**	**2,026**	1,674	4,391
End of financial year	**1,405,025**	**1,486,638**	1,392,592	1,446,183

All issued shares are fully paid. There is no par value for these ordinary shares.

During the financial year, the Company issued 11,716,068 (2014: 11,993,537) ordinary shares at $3.28 (2014: $3.17) per share to shareholders in lieu of cash dividends of 3.0 cents (2014: 3.0 cents) per ordinary share pursuant to United Industrial Corporation Scrip Dividend Scheme and 717,000 (2014: 1,674,000) ordinary shares pursuant to the share option scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

The UIC Share Option Scheme ("ESOS") to subscribe for ordinary shares of the Company was approved by the shareholders of the Company on 18 May 2001. The ESOS was due to expire on 17 May 2011 but was extended with the shareholders' approval at the annual general meeting held on 27 April 2011 for a further period of 10 years from 18 May 2011 to 17 May 2021. Other than the aforesaid extension, there has been no change in any other rules of the ESOS.

Under the terms of the ESOS, the total number of shares granted shall not exceed 5% of the issued share capital of the Company on the day immediately preceding the offer date of the ESOS. The exercise price is equal to the average of the last done prices per share of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five market days immediately preceding the date of the offer.

On 26 February 2015 ("Offer Date"), options were granted pursuant to the ESOS to the executives of the Company and its subsidiary companies to subscribe for 600,000 ordinary shares in the Company at the exercise price of $3.54 per ordinary share.

24. SHARE CAPITAL (continued)

Principal terms of the ESOS are set out below:

(i) only full time confirmed executives of the Company or any of its subsidiary companies (including executive directors) are eligible for the grant of options;

(ii) the ESOS shall be in force at the discretion of the Remuneration Committee ("RC") subject to a maximum period of 10 years and may be extended with the approval of the shareholders;

(iii) all options granted shall be exercisable, in whole or in part (only in respect of 1,000 shares or any multiple thereof), before the tenth anniversary of the Offer Date and in accordance with the following vesting schedule:

Vesting schedule	Percentage of shares over which options are exercisable
On or after the second anniversary of the Offer Date	50%
On or after the third anniversary of the Offer Date	25%
On or after the fourth anniversary of the Offer Date	25%

The vesting and exercising of vested or unexercised options are governed by conditions set out in the ESOS; and

(iv) participants in the ESOS, shall not, except with the prior approval of the RC in its absolute discretion, be entitled to participate in any other share option schemes or share incentive schemes implemented by companies within or outside the Group. The settlement of options is subject to conditions as set out in the ESOS.

24. SHARE CAPITAL (continued)

Movements in the number of unissued ordinary shares under option and their exercise price are as follows:

	Beginning of financial year	Granted during financial year	Cancelled during financial year	Exercised during financial year	End of financial year	Exercise price per share	Date of expiry
The Group and the Company							
2015							
2015 Options	-	600,000	(84,000)	-	516,000	$3.54	25.2.2025
2014 Options	608,000	-	(84,000)	-	524,000	$3.15	2.3.2024
2013 Options	761,000	-	(58,000)	(122,000)	581,000	$2.91	21.2.2023
2012 Options	592,000	-	(35,000)	(91,000)	466,000	$2.73	26.2.2022
2011 Options	571,000	-	-	(154,000)	417,000	$2.78	28.2.2021
2010 Options	124,000	-	-	-	124,000	$2.03	25.2.2020
2008 Options	384,000	-	-	(234,000)	150,000	$2.91	9.3.2018
2007 Options	468,000	-	-	(116,000)	352,000	$2.70	4.3.2017
	3,508,000	600,000	(261,000)	(717,000)	3,130,000		
2014							
2014 Options	-	692,000	(84,000)	-	608,000	$3.15	2.3.2024
2013 Options	852,000	-	(91,000)	-	761,000	$2.91	21.2.2023
2012 Options	901,000	-	(47,000)	(262,000)	592,000	$2.73	26.2.2022
2011 Options	789,000	-	(13,000)	(205,000)	571,000	$2.78	28.2.2021
2010 Options	225,000	-	-	(101,000)	124,000	$2.03	25.2.2020
2009 Options	100,000	-	-	(100,000)	-	$1.07	3.5.2019
2008 Options	756,000	-	-	(372,000)	384,000	$2.91	9.3.2018
2007 Options	1,102,000	-	-	(634,000)	468,000	$2.70	4.3.2017
	4,725,000	692,000	(235,000)	(1,674,000)	3,508,000		

Out of the unexercised options for 3,130,000 (2014: 3,508,000) shares, options for 1,596,000 (2014: 1,549,000) shares are exercisable at the statement of financial position date.

The weighted average share price at the time of exercise was $3.45 (2014: $3.25) per share.

The fair value of options granted on 26 February 2015 (2014: 3 March 2014), determined using the Binomial Valuation Model, was $474,000 (2014: $630,000). The significant inputs into the model were share price of $3.51 (2014: $3.09) at the grant date, exercise price of $3.54 (2014: $3.15), expected dividend yield of 0.85% (2014: 0.97%), standard deviation of expected share price returns of 16% (2014: 22%), the option life shown above and annual risk-free interest rate of 2.2% (2014: 2.5%). The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last five years.

25. DIVIDENDS

	The Group and the Company	
	2015	2014
	$'000	$'000
Final tax-exempt (one-tier) cash/scrip dividend paid in respect of the previous financial year of 3.0 cents per share (2014: 3.0 cents per share) (note 26 (b))	**41,799**	41,400

At the Annual General Meeting to be held on 22 April 2016, a final tax-exempt (one-tier) dividend of 3.0 cents per share will be recommended. Based on the number of issued shares as at 31 December 2015, this will amount to $42,151,000 which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

26. RETAINED EARNINGS

(a) Retained earnings of the Group included accumulated fair value gains on investment properties held by subsidiary and associated companies net of non-controlling interests amounting to $1,598,098,000 (2014: $1,573,830,000).

(b) Reserves of the Company comprise retained earnings of $403,173,000 (2014: $399,538,000) and share option reserve of $5,745,000 (2014: $5,322,000), of which the movements in retained earnings for the Company are as follows:

	The Company	
	2015	2014
	$'000	$'000
Beginning of financial year	**399,538**	396,446
Total comprehensive income - net profit	**45,434**	44,492
Dividends paid (note 25)	**(41,799)**	(41,400)
End of financial year	**403,173**	399,538

27. ASSET REVALUATION RESERVE

The asset revaluation reserve arose from the acquisition of the remaining 50% of the issued share capital of Hotel Marina City Pte Ltd in 2007.

28. OTHER RESERVES

	The Group 2015 $'000	The Group 2014 $'000
(a) *Currency translation reserve*		
Beginning of financial year	**16,550**	10,226
Net currency translation differences of financial statements of foreign entities	**5,318**	5,841
Effect of acquisition of shares from non-controlling shareholders	**16**	483
End of financial year	**21,884**	16,550
(b) *Share option reserve - Employee share option scheme*		
Beginning of financial year	**5,322**	4,701
Value of employee services	**423**	621
End of financial year	**5,745**	5,322
Total	**27,629**	21,872

29. COMMITMENTS

(a) *Capital commitments*

	The Group 2015 $'000	The Group 2014 $'000
Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements in respect of:		
- investment properties	**63,383**	125,715
- property, plant and equipment	**946**	3,305
	64,329	129,020

29. COMMITMENTS (continued)

(b) *Operating lease commitments - where the Group is a lessee*

The Group leases certain space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the statement of financial position date but not recognised as liabilities, are as follows:

	The Group	
	2015	2014
	$'000	$'000
Not later than 1 year	**942**	927
Between 1 and 5 years	**1,132**	2,049
	2,074	2,976

(c) *Operating lease commitments - where the Group is a lessor*

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's office buildings and retail malls.

The future minimum lease receivables under non-cancellable operating leases contracted for at the statement of financial position date but not recognised as receivables, are as follows:

	The Group	
	2015	2014
	$'000	$'000
Not later than 1 year	**250,414**	249,907
Between 1 and 5 years	**336,245**	275,264
Later than 5 years	**5,781**	1,558
	592,440	526,729

30. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors.

(a) *Market risk*

(i) Currency risk

The Group operates dominantly in Singapore, with some operations in the People's Republic of China. Entities in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. As the entities in the Group transact substantially in their respective functional currencies, the currency exposure at the Group is minimal.

In addition, the Group is exposed to currency translation risk on its monetary assets and liabilities denominated in foreign currencies when they are translated at the statement of financial position date. As these assets and liabilities are substantially denominated in their respective functional currencies, the currency exposure is minimal.

The Company's exposure to currency risk is minimal as revenue and expenses and assets and liabilities are substantially denominated in Singapore Dollars.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

30. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk (continued)*

(ii) Cash flow and fair value interest rate risks (continued)

The Group's interest rate risks mainly arise from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

If the interest rates increase/decrease by 25 basis points (2014: 25 basis points) with all other variables including tax rate being held constant, the profit after tax for the Group would have been lower/higher by $1,763,000 (2014: $1,819,000) as a result of higher/lower interest expense on these borrowings.

The Company does not have any exposure to the interest rates as all its finance expenses are recharged to the subsidiary companies.

(b) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets are bank deposits, trade receivables and other non-current receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk. For the property investment segment, generally advance deposits of at least 3 months rental (or equivalent amount in bankers' guarantee) are obtained for all tenancies. For the property trading segment, progress billings from customers are followed up, and appropriate action taken promptly in instances of non-payment or delay in payment. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Other than amounts due from subsidiary companies, and joint ventures, concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk (continued)*

The Group's current trade and other receivables comprise mainly amounts due from joint ventures (note 20), while other non-current receivables comprise of amounts due from joint ventures (note 11). The Company's current trade and other receivables comprise mainly amounts due from subsidiary companies (note 20). These receivables are assessed for their recoverability and any recognition/writeback of allowance for impairment are made where necessary. Information regarding these receivables is disclosed in the respective notes.

The credit risk profile of the Group's trade receivables at the statement of financial position date is as follows:

	The Group	
	2015	2014
	$'000	$'000
By segment of business		
Property investment	**3,152**	4,785
Property trading	**10,231**	31,785
Hotel operations	**4,310**	5,054
Technologies	**15,221**	11,407
	32,914	53,031

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other significant class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2015	2014
	$'000	$'000
Past due 0 to 1 month	**7,195**	5,727
Past due 1 to 2 months	**1,848**	1,640
Past due 2 to 3 months	**738**	611
Past due over 3 months	**1,060**	925
	10,841	8,903

30. FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk (continued)*

(ii) Financial assets that are past due and/or impaired (continued)

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group 2015 $'000	The Group 2014 $'000
Beginning of financial year	**606**	674
Allowance made	**446**	127
Allowance utilised	**(349)**	(91)
Allowance written back	**(3)**	(104)
End of financial year	**700**	606

Trade receivables that are individually determined to be impaired at the statement of financial position date relate to debtors that are in significant financial difficulties and have defaulted on payments despite attempts to recover the debts owing through legal means where appropriate. These receivables are not secured by any collateral or credit enhancements.

(c) *Liquidity risk*

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 3 years $'000	Between 3 and 5 years $'000	Over 5 years $'000
The Group				
At 31 December 2015				
Trade and other payables	(169,999)	(59,694)	(9,682)	(3,921)
Borrowings	(660,886)	(785,931)	(2,694)	-
	(830,885)	(845,625)	(12,376)	(3,921)
At 31 December 2014				
Trade and other payables	(143,218)	(55,037)	(8,555)	(1,938)
Borrowings	(691,481)	(1,020,146)	(2,633)	-
	(834,699)	(1,075,183)	(11,188)	(1,938)

30. FINANCIAL RISK MANAGEMENT (continued)

(c) *Liquidity risk (continued)*

	Less than 1 year $'000	Between 1 and 3 years $'000	Between 3 and 5 years $'000	Over 5 years $'000
The Company				
At 31 December 2015				
Trade and other payables	(150,883)	-	-	(1,624)
Borrowings	(390,418)	(613,295)	-	-
	(541,301)	(613,295)	-	(1,624)
At 31 December 2014				
Trade and other payables	(227,256)	-	-	(1,624)
Borrowings	(403,781)	(618,486)	-	-
	(631,037)	(618,486)	-	(1,624)

The Group's and the Company's policy on liquidity risk management is to maintain sufficient cash to enable them to meet their normal operating commitments and the availability of funding through adequate amounts of credit facilities with various banks. At the statement of financial position date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in note 18.

(d) *Capital risk*

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern. The Group manages capital using various common measures applied by real estate companies which may include adjusting the dividend payment, returning capital to shareholders or issuing new shares.

Management monitors the Group's capital using a ratio calculated as debt divided by total equity, where debt comprises total borrowings.

	The Group	
	2015 $'000	2014 $'000
Debt	**1,407,152**	1,666,293
Total equity	**6,781,019**	6,498,067
Debt/Total equity ratio	**21%**	26%

30. FINANCIAL RISK MANAGEMENT (continued)

(d) *Capital risk (continued)*

The Group and the Company are required under financial convenants of certain bank facilities to maintain a certain level of total networth and total liabilities to total networth ratio. The Group and the Company are in compliance, where applicable, with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

(e) *Financial instruments by category*

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Loans and receivables	**618,571**	683,164	**1,792,669**	1,843,517
Financial liabilities at amortised cost	**1,651,974**	1,875,668	**1,125,587**	1,219,581

31. RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	The Group	
	2015	2014
	$'000	$'000
Transactions with joint ventures		
Marketing fee income	**40**	266
Project management fee income	**185**	280
Transactions with a firm in which a director has an interest		
Professional fee expense	**71**	297

31. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

Key management's remuneration included fees, salary, bonus and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit is included. The total key management's remuneration is as follows:

	The Group	
	2015	2014
	$'000	$'000
Directors of the Company		
- Fees	**379**	560
- Salaries, bonus and other emoluments	**1,170**	1,132
- Employer's contribution to defined contribution plan	**12**	11
- Share option expense	**89**	96
	1,650	1,799

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- Property investment - leasing of commercial office property, property management, investment holding, and investment in retail centres.

- Property trading - development of properties for trading, project management and marketing services.

- Hotel operations - operation of hotels.

- Technologies - distribution of computers and related products; provision of systems integration and networking infrastructure services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

32. SEGMENT INFORMATION (continued)

	Property investment		Property trading		Hotel operations		Technologies		The Group	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Revenue										
- external sales	**280,871**	282,959	**291,201**	184,732	**148,656**	147,342	**86,471**	78,163	**807,199**	693,196
Segment results	**197,102**	206,294	**38,232**	24,381	**23,190**	20,186	**2,215**	1,844	**260,739**	252,705
Unallocated costs									**(3,863)**	(6,299)
Interest income									**4,289**	3,525
Dividend income									**2,793**	2,556
Finance expenses									**(12,591)**	(7,817)
Share of results of associated companies	**12,030**	21,043	**84**	(101)	**19,512**	21,156	**-**	-	**31,626**	42,098
Share of results of joint ventures	**-**	-	**29,084**	37,221	**-**	-	**-**	-	**29,084**	37,221
									312,077	323,989
Fair value gain on investment properties	**18,008**	167,249	**-**	-	**-**	-	**-**	-	**18,008**	167,249
Profit before income tax									**330,085**	491,238
Segment assets	**6,155,518**	6,098,504	**1,226,437**	1,274,551	**501,358**	517,127	**26,754**	21,313	**7,910,067**	7,911,495
Investments in associated companies	**241,596**	230,565	**149,461**	145,939	**151,018**	143,752	**-**	-	**542,075**	520,256
Investments in joint ventures	**-**	-	**86,316**	57,232	**-**	-	**-**	-	**86,316**	57,232
Consolidated total assets									**8,538,458**	8,488,983
Other segment items										
Capital expenditure	**84,437**	82,565	**1**	3	**4,127**	3,788	**238**	153	**88,803**	86,509
Depreciation	**442**	422	**5**	7	**23,062**	23,040	**241**	206	**23,750**	23,675
Allowance made for foreseeable losses on properties held for sale	**-**	-	**14,100**	-	**-**	-	**-**	-	**14,100**	-

32. SEGMENT INFORMATION (continued)

Geographical information

Singapore is the home country of the Company which is also an operating company. The areas of operation are holding of investment properties for leasing, property development and trading, investment holding, property management, and investment in hotels and retail centres.

Revenue is based on the country in which the sale is originated. Non-current assets are shown by the geographical area in which the assets are located.

	Revenue		Non-current assets	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Singapore	**782,647**	663,361	**6,980,829**	6,840,195
China	**24,552**	29,835	**234,888**	236,344
	807,199	693,196	**7,215,717**	7,076,539

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published that are relevant for the Group's accounting periods beginning on or after 1 January 2016 or later periods which the Group has not early adopted. The Group does not expect that the adoption of these accounting standards or interpretations will have a material impact on the Group's financial statements for the financial year ending 31 December 2016, except for FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018) which is the converged standard on revenue recognition. It replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

34. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of United Industrial Corporation Limited on 19 February 2016.

35. LISTING OF SUBSIDIARY AND ASSOCIATED COMPANIES, AND JOINT VENTURES IN THE GROUP

	Principal activities	Country of incorporation/ business	The Group's equity holding **2015** **%**	2014 %
Subsidiary companies				
UIC Development (Private) Limited	Investment holding	Singapore	**100**	100
UIC Enterprise Pte Ltd	Investment holding	Singapore	**100**	100
UIC Investment Pte Ltd	Property trading	Singapore	**100**	100
UIC Investments (Properties) Pte Ltd	Property investment	Singapore	**100**	100
UIC Supplies Pte Ltd	Property trading	Singapore	**100**	100
UIC Land Pte Ltd	Property investment	Singapore	**100**	100
UIC Management Services Pte. Ltd.	Property management agents	Singapore	**100**	100
Active Building & Civil Construction (1985) Pte. Ltd.	Investment holding	Singapore	**100**	100
Networld Pte Ltd	Investment holding	Singapore	**100**	100
Networld Realty Pte Ltd	Investment holding	Singapore	**100**	100
UIC China Realty Pte. Ltd.	Investment holding	Singapore	**100**	100
Alprop Pte Ltd	Property investment	Singapore	**100 ++**	100 ++
Singapore Land Limited	Investment holding	Singapore	**100 +**	100 +
Gateway Land Limited	Property investment	Singapore	**100 +**	100 +
Ideal Homes Pte. Limited	Property trading	Singapore	**100 +**	100 +
Realty Management Services (Pte) Ltd.	Property management agents	Singapore	**100 +**	100 +
RMA-Land Development Private Ltd	Property investment	Singapore	**100 +**	100 +
Shing Kwan Realty (Pte.) Limited	Property investment and investment holding	Singapore	**100 +**	100 +
Singland (Chengdu) Development Co., Ltd. #	Property trading	People's Republic of China	**100 +**	100 +
Singland Development (Farrer Drive) Pte. Ltd.	Property trading	Singapore	**100 +**	100 +
Singland Development (Jervois) Pte. Ltd.	Property trading	Singapore	**100 +**	100 +

35. LISTING OF SUBSIDIARY AND ASSOCIATED COMPANIES, AND JOINT VENTURES IN THE GROUP (continued)

	Principal activities	Country of incorporation/ business	The Group's equity holding 2015 %	2014 %
Subsidiary companies				
Singland Homes (Alexandra) Pte. Ltd.	Property trading	Singapore	**100+**	100+
S.L. Development Pte. Limited	Property investment and investment holding	Singapore	**100+**	100+
S L Prime Properties Pte Ltd	Property investment	Singapore	**100+**	100+
S L Prime Realty Pte Ltd	Property investment	Singapore	**100+**	100+
S.L. Properties Limited	Property investment and investment holding	Singapore	**100+**	100+
Pothonier Singapore Pte Ltd	Investment holding	Singapore	**100+**	100+
Shenton Holdings Private Limited	Investment holding	Singapore	**100+**	100+
Singland China Holdings Pte. Ltd.	Investment holding	Singapore	**100+**	100+
Singland Homes Pte. Ltd.	Investment holding	Singapore	**100+**	100+
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	**100+**	100+
S.L. Management Services Pte Limited	Investment holding	Singapore	**100+**	100+
Brendale Pte. Ltd.	Property trading	Singapore	**70**	70
UIC Asian Computer Services Pte Ltd	Retailing of computer hardware and software	Singapore	**60**	60
UIC Investments (Equities) Pte Ltd	Investment holding	Singapore	**60**	60
UIC Technologies Pte Ltd	Investment holding	Singapore	**60**	60
Marina Centre Holdings Private Limited	Property development and investment	Singapore	**53**	53
Marina Management Services Pte Ltd	Property management agents	Singapore	**53**	53
Hotel Marina City Private Limited	Hotelier	Singapore	**53**	53
UIC JinTravel (Tianjin) Co., Ltd #	Property investment and trading	People's Republic of China	**51**	51

35. LISTING OF SUBSIDIARY AND ASSOCIATED COMPANIES, AND JOINT VENTURES IN THE GROUP (continued)

	Principal activities	Country of incorporation/ business	The Group's equity holding 2015 %	2014 %
Associated companies				
Avenue Park Development Pte. Ltd. *	Property trading	Singapore	**48**	48
Tianjin Yan Yuan International Hotel *	Hotel investment	People's Republic of China	**36**	36
Shanghai Jin Peng Realty Co., Ltd #	Property trading	People's Republic of China	**30**	30
Aquamarina Hotel Private Limited	Hotelier	Singapore	**26**	26
Marina Bay Hotel Private Limited	Hotelier	Singapore	**26**	26
Novena Square Development Ltd	Property investment	Singapore	**20**	20
Novena Square Investments Ltd	Property investment	Singapore	**20**	20
Joint ventures				
United Venture Development (Bedok) Pte. Ltd.	Property trading	Singapore	**50**	50
United Venture Development (Thomson) Pte. Ltd.	Property trading	Singapore	**50**	50
United Venture Development (Clementi) Pte. Ltd.	Property trading	Singapore	**50**	-

35. LISTING OF SUBSIDIARY AND ASSOCIATED COMPANIES, AND JOINT VENTURES IN THE GROUP (continued)

	Country of incorporation/ business	The Group's equity holding 2015 %	2014 %
Inactive companies			
Subsidiary companies			
Netpearl Sdn Bhd @	Malaysia	**-**	100
UIC China Resources Pte. Ltd.	Singapore	**100**	100
UIC Commodities Pte Ltd ^	Singapore	**100**	100
UIC Printedcircuits Pte Ltd ^	Singapore	**100**	100
UIC Indochina Pte. Ltd. ^	Singapore	**100**	100
Union Commodities Pte Ltd ^	Singapore	**100**	100
Interpex Services Private Limited	Singapore	**100+**	100+
Singland Homes (London 90) Pte. Ltd. ^	Singapore	**100+**	100+
Asian Computer Services Pte. Ltd.@@	Singapore	**60**	60
Associated companies			
CITIC-UIC Investment Pte Ltd @	Singapore	**-**	50
Kogan Investments Limited ^^	British Virgin Islands	**50**	50
United Venture Investment (Thomson) Pte. Ltd.	Singapore	**40**	40
Marina Laundry Private Limited @@	Singapore	**37**	37
Peak Venture Pte. Ltd. *	Singapore	**30**	30

Notes

+ Effective interest is 99.7%.
++ Effective interest is 99.8%.

All the subsidiary and associated companies, and joint ventures are audited by PricewaterhouseCoopers LLP, Singapore except for the following:

Audited by the network of member firms of PricewaterhouseCoopers International Limited.
* Audited by other auditors. These companies are not considered significant associated companies under the SGX-ST Listing Manual.
^ Not required to be audited as these companies are considered dormant and exempted from audit under the Companies Act.
^^ Not required to be audited by the law of the country of incorporation.
@ Not required to be audited as the company was liquidated/struck off during the financial year.
@@ Not required to be audited as the company was in the process of being liquidated.

FIVE YEAR SUMMARY

2011 - 2015

GROUP PROFIT AND LOSS ACCOUNTS ($'000)	2011	2012	2013	2014	**2015**
Revenue	805,504	711,488	609,646	693,196	**807,199**
Profit before income tax	378,729	567,574	506,613	491,238	**330,085**
Income tax expense	(50,981)	(43,788)	(34,836)	(40,365)	**(39,294)**
Net profit	327,748	523,786	471,777	450,873	**290,791**
Attributable to:					
Equity holders of the Company					
- Net profit from operations	200,230	168,238	167,178	222,789	**236,283**
- Net fair value (loss)/gain on investment properties	(4,873)	223,317	148,886	175,202	**24,268**
	195,357	391,555	316,064	397,991	**260,551**
Non-controlling interests	132,391	132,231	155,713	52,882	**30,240**
	327,748	523,786	471,777	450,873	**290,791**
Dividends proposed (net)	41,342	41,356	41,400	41,799	**42,151**

GROUP STATEMENTS OF FINANCIAL POSITION ($'000)	2011	2012	2013	2014	**2015**
Investment properties	5,219,900	5,485,300	5,738,500	5,989,900	**6,095,400**
Property, plant and equipment	479,774	541,885	527,812	509,151	**491,926**
Other non-current assets	467,774	592,142	688,942	760,598	**654,987**
Current assets	1,077,458	987,453	1,227,208	1,229,334	**1,296,145**
Total assets	7,244,906	7,606,780	8,182,462	8,488,983	**8,538,458**
Current liabilities	(1,103,689)	(847,772)	(808,038)	(862,859)	**(865,715)**
Non-current liabilities	(161,093)	(370,365)	(579,310)	(1,128,057)	**(891,724)**
Net assets employed	5,980,124	6,388,643	6,795,114	6,498,067	**6,781,019**
Share capital	1,401,382	1,401,892	1,403,772	1,446,183	**1,486,638**
Reserves	2,906,850	3,282,024	3,578,639	4,246,435	**4,472,829**
	4,308,232	4,683,916	4,982,411	5,692,618	**5,959,467**
Non-controlling interests	1,671,892	1,704,727	1,812,703	805,449	**821,552**
Total equity	5,980,124	6,388,643	6,795,114	6,498,067	**6,781,019**

FIVE YEAR SUMMARY

2011 - 2015

OTHER DATA	2011	2012	2013	2014	**2015**
Profit before income tax - % of revenue	47	80	83	71	**41**
Profit attributable to equity holders of the Company					
- % of revenue	24	55	52	57	**32**
- % of share capital and reserves	5	8	6	7	**4**
Earnings per share (cents)					
- excluding fair value gain/loss on investment properties	14.5	12.2	12.1	16.1	**16.9**
- including fair value gain/loss on investment properties	14.2	28.4	22.9	28.7	**18.6**
Dividends proposed					
- gross per share (cents)	3.0	3.0	3.0	3.0	**3.0**
- cover (times)	4.8	4.1	4.0	5.3	**5.6**
Net asset value per share ($)	3.13	3.40	3.61	4.09	**4.24**

STATISTICS OF SHAREHOLDINGS

AS AT 26 FEBRUARY 2016

Number of Issued and Fully Paid Shares: 1,405,024,825 Ordinary Shares
Class of Shares: Ordinary Shares
Voting Rights: One vote per share

Distribution of Shareholdings as at 26 February 2016

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	194	1.86	6,820	0.00
100 - 1,000	1,586	15.25	1,121,702	0.08
1,001 - 10,000	6,306	60.62	27,996,276	1.99
10,001 - 1,000,000	2,297	22.08	83,659,283	5.96
1,000,001 and above	20	0.19	1,292,240,744	91.97
Total	10,403	100.00	1,405,024,825	100.00

List of 20 Largest Shareholders as at 26 February 2016

No.	Name	No. of Shares	%
1	UOB KAY HIAN PTE LTD	607,777,669	43.26
2	DBS VICKERS SECS (S) PTE LTD	504,023,763	35.87
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	76,434,861	5.44
4	CITIBANK NOMINEES S'PORE PTE LTD	27,943,057	1.99
5	DBS NOMINEES PTE LTD	23,233,492	1.65
6	UOL EQUITY INVESTMENTS PTE LTD	15,246,712	1.09
7	CHEONG SOH CHIN @ JULIE	7,228,949	0.51
8	CIMB SEC (S'PORE) PTE LTD	5,348,669	0.38
9	MERRILL LYNCH (SPORE) PTE LTD	4,124,366	0.29
10	SHANWOOD DEVELOPMENT PTE LTD	3,056,090	0.22
11	OCBC NOMINEES SINGAPORE PTE LTD	2,834,593	0.20
12	CHING MUN FONG	2,498,863	0.18
13	TYE HUA NOMINEES (PTE) LTD	2,475,821	0.18
14	WEE CHO YAW	1,891,719	0.13
15	HSBC (SINGAPORE) NOMS PTE LTD	1,891,596	0.13
16	KI INVESTMENTS (HK) LIMITED	1,473,036	0.11
17	BANK OF SINGAPORE NOMINEES PTE LTD	1,316,712	0.09
18	PRIMA INVESTMENT HOLDINGS (SINGAPORE) PTE LTD	1,215,000	0.09
19	PHILLIP SECURITIES PTE LTD	1,151,768	0.08
20	MAYBANK KIM ENG SECS PTE LTD	1,074,008	0.08
	TOTAL	**1,292,240,744**	**91.97**

STATISTICS OF SHAREHOLDINGS

AS AT 26 FEBRUARY 2016

Substantial Shareholders' Shareholdings as at 26 February 2016

Name	Shareholdings registered in the name of substantial shareholders or nominees No. of Shares	Shareholdings in which the substantial shareholders are deemed to have an interest No. of Shares	%
1) UOL Equity Investments Pte Ltd	589,305,426[1]	nil	41.94
2) UOL Group Limited	32,922,237[2]	589,305,426[2]	44.29
3) Dr Wee Cho Yaw	1,891,719	691,048,770[3]	49.32
4) Telegraph Developments Ltd	519,784,858[4]	nil	36.99

Notes:

(1) UOL Group Limited and Dr Wee Cho Yaw have deemed interest in the UIC shares held by UOL Equity Investments Pte Ltd.

(2) Dr Wee Cho Yaw is deemed to have an interest in the UIC shares held by UOL Group Limited.

(3) Dr Wee Cho Yaw's deemed interest in the 691,048,770 UIC shares is derived as follows:

UOB Kay Hian Pte Ltd	
- Beneficiary: UOL Group Limited	32,922,237
UOB Kay Hian Pte Ltd	
- Beneficiary: UOL Equity Investments Pte Ltd	574,058,714
UOL Equity Investments Pte Ltd	15,246,712
United Overseas Bank Nominees (Pte) Ltd	
- Beneficiary: Straits Maritime Leasing Private Limited	62,489,907
- Beneficiary: Haw Par Capital Pte Ltd	6,331,200

(4) JG Summit Philippines Limited, JG Summit Holdings, Inc. and Dr John Gokongwei, Jr. are deemed to have interests in the UIC shares held by Telegraph Developments Ltd and Summit Top Investments Limited.

Rule 723 of the SGX-ST Listing Manual

Based on the information available to the Company as at 26 February 2016, approximately 13.65% of the issued ordinary shares of the Company is held by the public and therefore the Company has complied with the Exchange's requirement that at least 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

NOTICE IS HEREBY GIVEN that the 54th Annual General Meeting ("AGM") of United Industrial Corporation Limited ("the Company") will be held at Pan Pacific Hotel Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595, on Friday, 22 April 2016 at 1.30 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditor's Report.

2. To declare a first and final dividend of 3.0 cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2015. (2014: 3.0 cents)

3. To approve Directors' fees of $308,500 for the financial year ended 31 December 2015. (2014: $308,500)

4. To re-elect Mr Wee Ee Lim, who will retire by rotation pursuant to Article 104 of the Constitution of the Company and who, being eligible, offer himself for re-election.

5. To re-appoint the following Directors, who retire under the resolutions passed at the last Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50 (which was then in force), as Directors of the Company:

   (a) Dr Wee Cho Yaw (See Explanatory Note 1)
   (b) Dr John Gokongwei, Jr. (See Explanatory Note 2)
   (c) Mr Yang Soo Suan (See Explanatory Note 3)
   (d) Mr Hwang Soo Jin (See Explanatory Note 4)
   (e) Mr Antonio L. Go (See Explanatory Note 5)
   (f) Mr James L. Go (See Explanatory Note 6)
   (g) Mr Gwee Lian Kheng (See Explanatory Note 7)

6. To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. (See Explanatory Note 8)

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

As Special Business

7. To consider and, if thought fit, to pass the following resolutions, of which Resolutions 7A to 7C will be proposed as Ordinary Resolutions and Resolution 8 will be proposed as a Special Resolution:

7A. That the Directors be and are hereby authorised to issue:

(i) shares of the Company ("Shares");
(ii) convertible securities;
(iii) additional convertible securities issued pursuant to adjustments made in accordance with the listing manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the time being in force (the "Listing Manual") (notwithstanding the authority conferred by this Resolution may have ceased to be in force, provided that the adjustment does not give the holder a benefit that a shareholder does not receive); or
(iv) Shares arising from the conversion of the securities in (ii) and (iii) above (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

(whether by way of rights, bonus, or otherwise or pursuant to any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require Shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time, to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit,
provided that:

a. the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution (including Shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), provided that the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below);

b. (subject to such other manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

(1) any new Shares arising from the conversion or exercise of convertible securities;

(2) (where applicable) any new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the Listing Manual; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

c. in exercising the authority conferred by this Resolution, the Company complies with the Listing Manual (unless such compliance has been waived by the SGX-ST) and the Constitution of the time being of the Company; and

d. such authority shall, unless revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (See Explanatory Note 9)

7B. That, pursuant to the United Industrial Corporation Limited Scrip Dividend Scheme, the Directors be and are hereby authorised:-

(i) to allot and issue, from time to time and pursuant to Section 161 of the Companies Act, Cap. 50, such number of Shares as may be required to be allotted and issued pursuant to the United Industrial Corporation Limited Scrip Dividend Scheme (provided that the issue price of a new share to be issued pursuant to the United Industrial Corporation Limited Scrip Dividend Scheme as applied to the Dividend be set at 5 per cent (5%) discount to the average of the last dealt price of a share on the SGX-ST for each of the market days during which the period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the Dividend and ending on the books closure date); and/or

(ii) to complete and to do all acts and things (including executing such documents as may be required) in connection with the United Industrial Corporation Limited Scrip Dividend Scheme as they or any of them may consider desirable, necessary or expedient to give full effect to this Resolution,

provided that such authority shall, unless revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (See Explanatory Note 10)

7C. That the Directors be and are hereby authorised to:

(i) offer and grant options to any full-time confirmed employee (including any Executive Director) of the Company and its subsidiaries who are eligible to participate in the United Industrial Corporation Limited Share Option Scheme (the “Scheme”); and

(ii) pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Scheme,

provided that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed 5% of the total number of issued Shares (excluding treasury shares) from time to time. (See Explanatory Note 11)

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

8. That the regulations contained in the new Constitution submitted to this AGM and, for the purpose of identification, subscribed to by the Company Secretary, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution. (See Explanatory Note 12)

By Order of the Board
Susie Koh
Company Secretary
Singapore, 21 March 2016

NOTE:

A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxy/proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 24 Raffles Place #22-01/06 Clifford Centre, Singapore 048621 not less than 48 hours before the time appointed for holding the AGM.

Explanatory Notes:

Details of all the Directors can be found in the Board of Directors' section of the Annual Report 2015.

1. **Dr Wee Cho Yaw is the father of Director, Mr Wee Ee Lim.

2. **Dr John Gokongwei, Jr. is the father of Director, Mr Lance Yu Gokongwei and brother of Director, Mr James L. Go.

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

3. ** Mr Yang Soo Suan, if re-appointed, will remain as the Audit Committee Chairman and will be considered as an Independent Director pursuant to Rule 704(8) of the Listing Manual.

4. ** Mr Hwang Soo Jin, if re-appointed, will remain as an Audit Committee Member and will be considered as an Independent Director pursuant to Rule 704(8) of the Listing Manual.

5. ** Mr Antonio L. Go, if re-appointed, will remain as a Non-Executive and Independent Director.

6. ** Mr James L. Go, if re-appointed, will remain as an Audit Committee Member and will be considered as a non Independent Director pursuant to Rule 704(8) of the Listing Manual. He is the brother of Dr John Gokongwei, Jr..

7. ** Mr Gwee Lian Kheng, if re-appointed, will remain as a Non-Executive Director. He is the Group Chief Executive of UOL Group.

   ** This is consequent upon the repeal of Section 153 of the Companies Act, Cap. 50, with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) at last year's Annual General Meeting (as Section 153 was then still in force) permitted the re-appointment of a Director, being over 70 years of age, to hold office as a Director of the Company, only until this AGM. Resolution 5 is to approve and authorise the continuation of the relevant Director in office, as a Director of the Company, from the date of this AGM onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

8. The Audit Committee undertook a review of the fees and expenses of the audit and non-audit services provided by the external auditor, PricewaterhouseCoopers LLP. It assessed whether the nature and extent of the non-audit services might prejudice the independence and objectivity of the auditor before confirming its re-nomination. It was satisfied that such services did not affect the independence of the external auditor.

9. Resolution 7A proposed above, if passed, will authorise the Directors, from the date of this AGM until the date the next Annual General Meeting is held or required by law to be held, whichever is earlier (unless such authority is revoked or varied at a general meeting), to issue Shares and to make or grant convertible securities, and to issue Shares in pursuance of such convertible securities, without seeking any further approval from shareholders at a general meeting, up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares) (calculated as described), provided that the total number of issued Shares and convertible securities which may be issued other than on a pro rata basis to shareholders does not exceed 20% of the total number of issued Shares (excluding treasury shares) (calculated as described). For the purpose of determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated as described.

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

10. Resolution 7B proposed above, if passed, will empower the Directors to issue shares pursuant to the United Industrial Corporation Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of all (and not part only) the cash amount of a qualifying dividend. Please refer to the Company's announcement dated 21 February 2014 for details on the United Industrial Corporation Limited Scrip Dividend Scheme.

11. Resolution 7C proposed above, if passed, will authorise the Directors, from the date of this AGM until the next Annual General Meeting, to offer and grant options under the Scheme, and to allot and issue Shares pursuant to the exercise of such options provided that the aggregate number of Shares to be issued pursuant to this Resolution 7C does not exceed 5% of the total number of issued Shares on the date immediately preceding the relevant date(s) on which the offer(s) to grant such options is/are made.

12. Resolution 8 proposed above is to adopt a new Constitution in substitution for, and replacement of, the Company's existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act, Cap. 50 introduced by the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Letter to Shareholders for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to update its scrip holders' information (if applicable) and to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company against any claim, cost (including legal cost), damage, demand, expense, liability, loss, penalty or proceeding arising from the member's breach of warranty.

This page has been intentionally left blank

This page has been intentionally left blank

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No.196300181E
Incorporated in Singapore

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT NOTES

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy United Industrial Corporation Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 21 March 2016.

I/We ____________________ (Name) ____________ (NRIC/Passport/Co Reg Number)

of ______________________________ (Address)

being a member/members of United Industrial Corporation Limited (the "Company"), hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 54th AGM of the Company to be held at Pan Pacific Hotel Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 22 April 2016 at 1.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM **(of which Resolutions Nos. 1 to 7C (inclusive) will be proposed as Ordinary Resolutions and Resolution No. 8 will be proposed as a Special Resolution)**, as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his /their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions		No. of Votes For *	No. of Votes Against*
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of a First and Final Dividend tax-exempt (one-tier)			
3	Approval of Directors' Fees			
4	Re-election of Mr Wee Ee Lim			
5	Re-appointment of Directors	(a) Dr Wee Cho Yaw		
		(b) Dr John Gokongwei, Jr.		
		(c) Mr Yang Soo Suan		
		(d) Mr Hwang Soo Jin		
		(e) Mr Antonio L. Go		
		(f) Mr James L. Go		
		(g) Mr Gwee Lian Kheng		
6	Re-appointment of PricewaterhouseCoopers LLP as Auditor			
7A	Authority for Directors to issue shares (General Share Issue Mandate)			
7B	Authority for Directors to issue shares (United Industrial Corporation Limited Scrip Dividend Scheme)			
7C	Authority for Directors to issue shares (United Industrial Corporation Limited Share Option Scheme)			
	Special Resolution			
8	Adoption of the New Constitution			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this ______ day of __________ 2016

Shares in:	Total Number of Shares held
(a) Depository Register	
(b) Register of Members	

____
Signature (s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares registered entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50.

3. A proxy need not be a member of the Company.

4. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621 not less than 48 hours before the time fixed for holding the AGM.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the appointor is a corporation, the instrument of proxy must be executed either under its common seal or under the hand of its duly authorized officer or attorney. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may appoint, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.

8. Any alteration made in this instrument appointing a proxy or proxies must be initialled by the person who signs it.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such member being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

UNITED INDUSTRIAL
CORPORATION LIMITED

Company Registration No. 196300181E
Incorporated in Singapore

24 Raffles Place #22-01/06, Clifford Centre, Singapore 048621
Tel: (65) 6220 1352 | Fax: (65) 6224 0278

www.uic.com.sg