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

INTERESTED PERSON TRANSACTIONS – JOINT VENTURE FOR THE ACQUISITION OF HOLBORN ISLAND, A FREEHOLD 9-STOREY MIXED USE BUILDING LOCATED AT 120 HOLBORN, MIDTOWN, LONDON EC1 N2TD, UNITED KINGDOM ("PROPERTY")

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1. Introduction

References are made to the announcements made by the Board of Directors of United Industrial Corporation Limited ("**UIC**", or the "**Company**", and together with its subsidiaries, the "**Group**") on 30 September 2016, 5 October 2016, 2 November 2016, and 11 November 2016 (collectively the "**Earlier Announcements**" and each an "**Earlier Announcement**") in relation to the acquisition of the Property by United Venture Investments (HI) Pte. Ltd. ("**UVIHI**"), a **50:50** joint venture entity owned by:

(a) UIC Overseas Investments Pte. Ltd. ("**UICOI**"), a subsidiary of UIC; and
(b) UOL Venture Investments Pte. Ltd. ("**UVI**"), a wholly owned subsidiary of the UOL Group Limited ("**UOL**")

The Company now wishes to provide the updates set out below in relation to the joint venture in UVIHI ("**Joint Venture**").

2. Restructuring of shareholders' loans

As set out in the Earlier Announcement dated 2 November 2016, UVI and UICOI have jointly extended shareholders' loans of up to £15.2 million to UVIHI on a **50:50 basis** (in proportion to their respective equity interest in UVIHI) and on the same terms ("**Earlier Shareholders' Loans**"). UVI subsequently novated to UOL Treasury Services Pte. Ltd. ("**UTS**"), a wholly-owned subsidiary of UOL, all its rights, obligations and/or liabilities in the Earlier Shareholders' Loans and all other shareholders' loans which it may be required to provide to UVIHI under the Joint Venture.

For the purposes of completing the acquisition of the Property, UICOI and UTS (pursuant to the above novation arrangement with UVI) also provided further shareholders' loans of £200 million a **50:50 basis** ("**Subsequent Shareholders' Loans**"). On 11 November 2016, UVIHI utilised the Subsequent Shareholders' Loans and completed the acquisition of the Property at a total consideration of £222.6 million.

3. External funding arrangements

On 28 December 2016, United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited (collectively the "**Lenders**") have jointly granted facilities of up to £180 million ("**Facilities**") to UVIHI for the purposes of funding the acquisition of the Property and/or paying down shareholders' loans. UIC and UOL, being the ultimate holding companies of UVIHI, each provided a corporate guarantee of £90 million to the Lenders (i.e. in proportion of their respective indirect interest in UVIHI)

(collectively the "**Corporate Guarantees**" and each a "**Corporate Guarantee**") to secure the Facilities.

The amounts drawn-down from the Facilities shall be used by UVIHI to repay the Earlier Shareholders' Loans in full and the Subsequent Shareholders' Loans in part.

4. Interested Person Transactions

As disclosed in the Earlier Announcements, UOL is regarded as an interested person and the Joint Venture is deemed as an interested person transaction pursuant to Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**Listing Manual**"). In addition to UICOI, the "entities at risk" in the Joint Venture now include the Company due to the external funding arrangements set out in Paragraph 3.

Notwithstanding the above and taking into account Rule 902 of the Listing Manual, the external funding arrangements form part of the joint venture, and falls within the exceptions to the requirement for obtaining shareholders' approval pursuant to Rule 916(2) and Rule 916(3) of the Listing Manual for the same reasons set out in the Earlier Announcement dated 2 November 2016. The External Funding arrangements shall also not have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2016.

To date, the total value of interested person transactions (excluding other interested person transactions less than S$100,000) entered into between the Group and UOL in the financial year ending 31 December 2016 amounts to approximately S$441.6 million, representing approximately 7.4% of the Group's latest audited net tangible assets as at 31 December 2015 (i.e. S$5,959.5 million). Details of these interested persons transactions are as follows:

Transaction	**Amount (S$' million)**	**Percentage of Group's latest audited net tangible assets (%)**
Acquisition of Raintree Gardens by UVD (Projects) Pte. Ltd ("**UVDP**") which shall be funded by a mix of equity in and shareholders' loans to UVDP	167.1	2.8
Contribution of additional shareholders' loans to be applied to stamp duty payments, and estimated interest income arising from these additional shareholders' loans, to UVDP	5.7	0.1

Transaction	Amount (S$' million)	Percentage of Group's latest audited net tangible assets (%)
Contribution of (a) shareholders' loans to UVIHI and estimated interest income arising from these shareholders' loans, and (b) equity in UVIHI, for expenses incurred in connection with the acquisition of the Property; and provision of Corporate Guarantee by the Company	210.0[(1)]	3.5
Contribution of (a) shareholders' loans to United Venture Development (Clementi) Pte. Ltd. ("**UVDC**") and estimated interest income arising from these shareholders' loans, and (b) equity in UVDC, for expenses incurred in connection with the development of The Clement Canopy	55.2	0.9
Project management fee and finance sourcing income from UVDC to the Group[(2)]	0.3	<0.1
Contribution of shareholders' loans to United Venture Development (Thomson) Pte. Ltd. ("**UVT**") for the development of Thomson Three, and estimated interest income arising from these shareholders' loans	3.1	0.1
Project management fee and marketing fee income from UVT to the Group[(2)]	0.1	<0.1
Project management fee income from United Venture Development (Bedok) Pte. Ltd. ("**UVDB**") to the Group[(2)]	0.1	<0.1
Total	**441.6**	**7.4**

Note:

(1) Based on the effective exchange rate of £1: S$1.78 as at 28 December 2016. The amount reflected is net of (a) unutilised shareholders' loans previously granted which have now been cancelled and (b) previously utilised shareholders' loans which will be paid down partially with funds drawn-down from the Facilities by 31 December 2016, but inclusive of the value of the Corporate Guarantee provided by the Company.

(2) The amounts disclosed do not include amounts paid to UOL's subsidiaries by the relevant joint venture entity (being UVDC, UVT or UVDB, as the case may be) for services provided by UOL's subsidiaries to that joint venture entity.

All the above-mentioned interested person transactions are entered into by the Company and its subsidiaries in the ordinary course of business and are on an arm's length basis. Under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"), UOL is considered a controlling shareholder of the

Company. UIC's Chairman, Dr Wee Cho Yaw, is also Chairman and a controlling shareholder of UOL. Mr Gwee Lian Kheng is a Director of UIC, UOL and the Group Chief Executive of UOL. Mr Wee Ee Lim is also a director of UIC and UOL. Save for as disclosed above, the Board of Directors of the Company is not aware of any of the other Directors or controlling shareholders of the Company whom has any interest, direct or indirect, in these interested person transactions.

Submitted by Susie Koh, Company Secretary on 29 December 2016 to the SGX