
INCREASE OF SHAREHOLDING INTEREST IN MARINA CENTRE HOLDINGS PRIVATE LIMITED AND AQUAMARINA HOTEL PRIVATE LIMITED

The Board of Directors (the “**Board**”) of UOL Group Limited (“**UOL**”) refers to the announcement dated 12 April 2019 issued by its subsidiary, United Industrial Corporation Limited (“**UIC**”, and such announcement, the “**UIC Announcement**”), a copy of which is set out in the Appendix to this Announcement.

The Board wishes to inform the shareholders of UOL that as set out in the UIC Announcement:

- (i) S.L. Development Pte. Limited (“**S.L. Development**”), which is an indirect subsidiary of UIC, has today agreed to acquire:
 - (1) 10.00 per cent. of the ordinary shares (the “**MCH Shares**”) in the capital of Marina Centre Holdings Limited (“**MCH**”) in issue from OUE Limited (“**OUE**”);
 - (2) 10.27 per cent. of the MCH Shares in issue from Finnegan Investments Limited (“**Finnegan**”); and
 - (3) 4.00 per cent. of the MCH Shares in issue from Mackmoor Pte Ltd (“**Mackmoor**” and together with OUE and Finnegan, the “**MCH Vendors**”),(collectively, the “**MCH Acquisition**”). Each of the MCH Vendors is an independent third party not related to UIC and its subsidiaries; and
- (ii) in connection with the MCH Acquisition, MCH has today agreed to acquire 25.00 per cent. of the issued ordinary shares in the capital of Aquamarina Hotel Private Limited (“**AHPL**”) from Hotel Investment (Marina) Private Limited, a subsidiary of OUE (the “**AHPL Acquisition**” and collectively with the MCH Acquisition, the “**Transactions**”).

Details of the Transactions are set out in the UIC Announcement.

On completion of the Transactions:

- (a) S.L. Development and UOL will have, respectively, a direct shareholding interest of 77.34 per cent. and 22.66 per cent. in MCH;
- (b) MCH and UOL Equity Investments Pte. Ltd., which is a wholly-owned subsidiary of UOL, will have, respectively, a direct shareholding interest of 75 per cent. and 25 per cent. in AHPL;
- (c) UOL’s aggregate interest (direct and deemed) in the issued and paid-up share capital of MCH, which is an existing indirect subsidiary of UOL, will increase from 75.73 per cent. to 100 per cent.; and
- (d) UOL’s aggregate interest (direct and deemed) in the issued and paid-up share capital of AHPL, which is an existing indirect subsidiary of UOL, will increase from 75 per cent. to 100 per cent..

Financial Effects

Based on the audited consolidated financial results of UOL and its subsidiaries (the “**UOL Group**”) for the financial year ended 31 December 2018:

- (a) assuming that the MCH Acquisition and the AHPL Acquisition had been completed on 31 December 2018, the pro forma consolidated net tangible assets (“**NTA**”) of the UOL Group will increase from approximately S\$9,525.2 million to approximately S\$9,532.0 million, and the pro forma NTA per share will increase from approximately S\$11.30 to approximately S\$11.31; and
- (b) assuming that the MCH Acquisition and the AHPL Acquisition had been completed on 1 January 2018, the pro forma profit after tax and minority interests (“**PATMI**”) of the UOL Group will increase from approximately S\$433.7 million to approximately S\$437.4 million, and the pro forma earnings per share will increase from approximately 51.49 cents to 51.92.

The pro forma financial effects of the MCH Acquisition and the AHPL Acquisition set out above are for illustrative purposes only and are therefore not necessarily indicative of the future financial position and earnings of the UOL Group following the MCH Acquisition and the AHPL Acquisition.

Dr Wee Cho Yaw is a substantial shareholder of UIC, and he, together with Mr Wee Ee Lim and Mr Gwee Lian Kheng are also directors of UIC.

Save as disclosed in this Announcement, none of the Directors or controlling shareholders of UOL has any interest, direct or indirect, in either of the Transactions.

Submitted by Yeong Sien Seu, Company Secretary on 12 April 2019 to the SGX

Appendix
UIC Announcement

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

ANNOUNCEMENT OF ACQUISITION OF ADDITIONAL SHARES IN MARINA CENTRE HOLDINGS PRIVATE LIMITED AND AQUAMARINA HOTEL PRIVATE LIMITED PURSUANT TO RULES 704(17)(c) AND (d) OF THE LISTING MANUAL

The Board of Directors (the “**Board**”) of United Industrial Corporation Limited (“**UIC**” or the “**Company**”) wishes to announce that its indirect subsidiary, S.L. Development Pte. Limited (“**SLD**” or the “**Purchaser**”), has today agreed to acquire (the “**MCH Acquisition**”):

- (1) 10.00 per cent. of the ordinary shares (the “**MCH Shares**”) in the capital of Marina Centre Holdings Private Limited (“**MCH**”) in issue from OUE Limited (“**OUE**”);
- (2) 10.27 per cent. of the MCH Shares in issue from Finnegan Investments Limited (“**Finnegan**”);
and
- (3) 4.00 per cent. of the MCH Shares in issue from Mackmoor Pte Ltd (“**Mackmoor**” and together with OUE and Finnegan, the “**MCH Vendors**”, and the MCH Shares which are subject to the MCH Acquisition, the “**MCH Sale Shares**”),

for an aggregate consideration of S\$485,333,333 (the “**MCH Aggregate Consideration**”). MCH is an existing indirect subsidiary of the Company and each of the MCH Vendors is an independent third party not related to the Company and its subsidiaries (the “**UIC Group**”).

The Board also wishes to announce that in connection with the MCH Acquisition, MCH has today agreed to acquire (the “**AHPL Acquisition**”) 25.00 per cent. of the issued ordinary shares (the “**AHPL Shares**”, and the AHPL Shares which are subject to the AHPL Acquisition, the “**AHPL Sale Shares**”) in the capital of Aquamarina Hotel Private Limited (“**AHPL**”), an associated company of MCH and the UIC Group, from Hotel Investment (Marina) Private Limited (“**HIMPL**”), a subsidiary of OUE, for an aggregate consideration of S\$190,000,000 (the “**AHPL Consideration**”).

The MCH Acquisition

MCH is an existing indirect subsidiary of UIC. As at the date of this Announcement, the Company (through various subsidiaries, including SLD) holds in aggregate approximately 53.07 per cent. of the MCH Shares in issue. MCH is a property group with investments in the Marina Square retail and commercial complex, comprising the Marina Square Shopping Mall and the Marina Square hotels (Pan Pacific Singapore, Marina Mandarin Singapore and the Mandarin Oriental, Singapore).

Pursuant to the terms of the MCH Acquisition, the MCH Sale Shares will be acquired free from all encumbrances and together with all rights, dividends and entitlements attaching and/or accruing to them from the date of completion of the MCH Acquisition. The MCH Aggregate Consideration will be paid in cash by SLD on completion to each of the MCH Vendors as follows:

| Name of MCH Vendor | Percentage Interest (%) | Consideration |
|---------------------------|--------------------------------|-----------------------|
| OUE | 10.00 | S\$200,000,000 |
| Finnegan | 10.27 | S\$205,333,333 |
| Mackmoor | 4.00 | S\$80,000,000 |
| TOTAL | 24.27 | S\$485,333,333 |

The MCH Aggregate Consideration will be funded through the UIC Group's internal financial resources and external bank borrowings, and was arrived at following negotiations between the parties on an arm's length and willing seller-willing buyer basis, taking into account the net asset value of the MCH Sale Shares, the underlying performance of the properties and companies owned by MCH and various commercial factors.

As at 31 December 2018, the net asset value of the MCH Sale Shares was S\$5.64 for each MCH Sale Share. The net asset value of the MCH Sale Shares takes into account certain properties recorded at cost in accordance with the prescribed accounting standards.

On completion of the MCH Acquisition, the Company will hold (through its various subsidiaries, including SLD) in aggregate approximately 77.34 per cent. of the MCH Shares in issue. The remaining 22.66 per cent. of the MCH Shares are held and will continue to be held by UOL Group Limited ("UOL"), the Company's holding company.

The AHPL Acquisition

AHPL is an associated company of MCH and the UIC Group. As at the date of this Announcement, MCH holds 50.00 per cent. of the AHPL Shares in issue. AHPL owns the Marina Mandarin Singapore, one of the hotels located in the Marina Square retail and commercial complex.

Pursuant to the terms of the AHPL Acquisition, the AHPL Sale Shares will be acquired free from encumbrances and together with all rights, dividends and entitlements attaching and/or accruing to the AHPL Sale Shares on completion of the AHPL Acquisition. The AHPL Consideration will be funded by the UIC Group's internal cash resources and external bank borrowings and will be paid in cash by MCH to HIMPL on completion of the AHPL Acquisition. The AHPL Consideration was arrived at following negotiations between MCH and HIMPL on an arm's length and willing seller-willing buyer basis, taking into account the net asset value of the AHPL Sale Shares, the underlying performance of the Marina Mandarin Singapore and various commercial factors.

As at 31 December 2018, the net asset value of the AHPL Sale Shares was S\$1.52 for each AHPL Sale Share. The net asset value of the AHPL Sale Shares takes into account the property held by AHPL recorded at cost in accordance with prescribed accounting standards.

Following the completion of the AHPL Acquisition, MCH will hold 75.00 per cent. of AHPL Shares in issue, and AHPL will become a subsidiary of MCH and an indirect subsidiary of the Company. The remaining 25.00 per cent. of the AHPL Shares are held and will continue to be held by UOL Equity Investments Pte Ltd, a wholly-owned subsidiary of UOL.

As the Marina Mandarin Singapore is operated by Singapore Mandarin International Hotels Pte Ltd ("SMIH"), a subsidiary of the OUE group, in connection with the AHPL Acquisition, AHPL and SMIH

have also today mutually agreed for SMIH to cease operating the Marina Mandarin Singapore on or before 31 December 2019.

Financial Effects

Based on the audited consolidated financial results of the UIC Group for the financial year ended 31 December 2018:

- (a) assuming that MCH Acquisition and the AHPL Acquisition had been completed on 31 December 2018, the proforma consolidated net tangible assets (“**NTA**”) of the UIC Group will increase from approximately S\$6,793 million to approximately S\$6,880 million, and the proforma NTA per share will increase from approximately S\$4.74 to approximately S\$4.80; and
- (b) assuming that the MCH Acquisition and the AHPL Acquisition had been completed on 1 January 2018, the proforma profit after tax and minority interests (“**PATMI**”) of the UIC Group will increase from approximately S\$313 million to approximately S\$535 million, and the proforma earnings per share will increase from approximately 21.9 cents to 37.3 cents. The proforma financial effects on PATMI include a one-off gain of approximately S\$218 million arising from a change in recognition of the Company’s investment in AHPL from an associated company to a subsidiary.

The proforma financial effects of the MCH Acquisition and the AHPL Acquisition set out above are for illustrative purposes only and are therefore not necessarily indicative of the future financial position and earnings of the UIC Group following the MCH Acquisition and the AHPL Acquisition.

Disclosure of Interests

Dr Wee Cho Yaw is the Chairman and a director of the Company, MCH and AHPL. Mr Lim Hock San is the President and Chief Executive Officer and a director of the Company, and a director of MCH and AHPL. Mr James L. Go is a director of the Company and MCH. Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in either the MCH Acquisition or the AHPL Acquisition.

BY ORDER OF THE BOARD

Teo Hwee Ping
Acting Company Secretary
12 April 2019