

UNITED INDUSTRIAL CORPORATION LIMITED
(Incorporated in the Republic of Singapore)

MINUTES OF THE 57th ANNUAL GENERAL MEETING OF THE COMPANY
HELD AT GRAND BALLROOM 1 & 2, PARKROYAL ON BEACH ROAD, 7500
BEACH ROAD, SINGAPORE 199591 ON TUESDAY, 23 APRIL 2019 AT 1.15
P.M.

PRESENT:

DIRECTOR AND PROXY

Wee Ee Lim (Chairman of the Meeting)

Proxy for:

1. BPSS Nominees Spore (Pte.) Ltd
2. Citibank Nominees Singapore Pte Ltd
3. DBS Nominees Pte Ltd
4. DBSN Services Pte Ltd
5. How Kok Kooi
6. HSBC (Singapore) Nominees Pte Ltd
7. Raffles Nominees (Pte) Ltd
8. Tye Hua Nominees (Pte) Ltd
9. UOB Kay Hian Pte Ltd

AS DIRECTOR AND SHAREHOLDER

Lim Hock San

AS DIRECTOR AND PROXY

James L. Go

Proxy for:

1. CGS-CIMB Securities (Singapore) Pte Ltd
2. Citibank Nominees Singapore Pte Ltd
3. DBS Vickers Securities (Singapore) Pte Ltd

DIRECTORS

Lance Yu Gokongwei
Antonio L. Go
Alvin Yeo Khirn Hai
Chng Hwee Hong
Gwee Lian Kheng
Hwang Soo Jin
Yang Soo Suan
Francis Lee Seng Wee

SECRETARY

Teo Hwee Ping

SHAREHOLDERS

As per attendance sheets attached.

AS PROXY

As per attendance sheets attached.

CPF/SRS SHAREHOLDERS

As per attendance sheets attached.

BY INVITATION

As per attendance sheets attached.

OBSERVER

As per attendance sheets attached.

MEETING

Due to health reasons, Dr Wee Cho Yaw, the Chairman, was unable to attend the annual general meeting (“AGM” or the “Meeting”). All the other Directors of United Industrial Corporation Limited (including the President & Chief Executive Officer) were present.

Pursuant to Article 58 of the Company’s Constitution, the Directors present nominated Mr Wee Ee Lim to chair the Meeting.

Chairman of the Meeting called the Meeting to order following the confirmation from the Company Secretary that there was a quorum present.

NOTICE

As the Notice convening the Meeting dated 2 April 2019 had been sent out to all shareholders before the Meeting, it was unanimously agreed that it be taken as read.

AS ORDINARY BUSINESS

1. APPROVAL OF DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE AUDITOR’S REPORT THEREON

Auditor, Marcus Lam of PricewaterhouseCoopers LLP read out the paragraph on Auditor’s Opinion in the Independent Auditor’s Report on page 60 of the Company’s Annual Report 2018 to the Shareholders.

Chairman then invited Shareholders to raise any questions on the Audited Financial Statements. After all Shareholders' questions were answered (please refer to Annexure 1 – List of Questions and Answers), Chairman proceeded to call for a vote on all the resolutions set out in the notice of this Meeting by poll. Accordingly, voting for all the Resolutions was conducted electronically by Trusted Source Pte. Ltd.

Chairman proposed that the following Resolution 1 be put to the Meeting for approval:

“RESOLVED that the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 together with the Auditor's Report be and are hereby received and adopted.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,272,267,177	2,712,884	1,274,980,061
Percentage	99.79	0.21	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 1 carried.

2. DECLARATION OF A FIRST AND FINAL DIVIDEND

Chairman proposed that the following Resolution 2 be put to the Meeting for approval:

“RESOLVED that a first and final tax-exempt (one-tier) dividend of 3.5 cents per ordinary share for the financial year ended 31 December 2018 be approved.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,270,879,999	3,096,840	1,273,976,839
Percentage	99.76	0.24	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 2 carried.

3. APPROVAL OF DIRECTORS’ FEES

Chairman proposed that the following Resolution 3 be put to the Meeting for approval:

“**RESOLVED** that the sum of Singapore Dollars Four Hundred Ninety Four Thousand Two Hundred and Fifty (S\$494,250) be paid as Directors’ fees for the financial year ended 31 December 2018.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,270,794,113	3,987,966	1,274,782,079
Percentage	99.69	0.31	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 3 carried.

4. RE-ELECTION OF MR LIM HOCK SAN RETIRING BY ROTATION

Chairman proposed that the following Resolution 4 be put to the Meeting for approval:

“**RESOLVED** that Mr Lim Hock San be and is hereby re-elected as a Director of the Company.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,268,943,727	5,567,267	1,274,510,994
Percentage	99.56	0.44	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 4 carried.

5. RE-ELECTION OF MR ANTONIO L. GO RETIRING BY ROTATION

Chairman proposed that the following Resolution 5 be put to the Meeting for approval:

“**RESOLVED** that Mr Antonio L. Go be and is hereby re-elected as a Director of the Company.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	543,757,149	13,073,083	556,830,232
Percentage	97.65	2.35	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 5 carried.

6. RE-ELECTION OF MR HWANG SOO JIN RETIRING BY ROTATION

Chairman proposed that the following Resolution 6 be put to the Meeting for approval:

“**RESOLVED** that Mr Hwang Soo Jin be and is hereby re-elected as a Director of the Company.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,257,907,944	15,870,189	1,273,778,133
Percentage	98.75	1.25	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 6 carried.

7. RE-ELECTION OF MR YANG SOO SUAN RETIRING BY ROTATION

Chairman proposed that the following Resolution 7 be put to the Meeting for approval:

“**RESOLVED** that Mr Yang Soo Suan be and is hereby re-elected as a Director of the Company.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,260,579,371	13,148,949	1,273,728,320
Percentage	98.97	1.03	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 7 carried.

8. RE-APPOINTMENT OF AUDITORS

Chairman proposed that the following Resolution 8 be put to the Meeting for approval:

“**RESOLVED** that PricewaterhouseCoopers LLP, be re-appointed as Auditor of the Company and that the Directors be authorised to fix their remuneration.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,273,202,660	581,912	1,273,784,572
Percentage	99.95	0.05	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 8 carried.

AS SPECIAL BUSINESS

9. AUTHORITY FOR DIRECTORS TO ISSUE SHARES

Chairman proposed that the following Resolution 9 be put to the Meeting for approval:

“RESOLVED that authority be and is hereby given to the Directors of the Company 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;
- (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.

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,258,634,447	15,144,988	1,273,779,435
Percentage	98.81	1.19	

As a majority of the Shareholders voted "For" the Resolution, Chairman declared Resolution 9 carried.

10. AUTHORITY FOR DIRECTORS TO GRANT OPTIONS AND ISSUE SHARES

Chairman proposed that the following Resolution 10 be put to the Meeting for approval:

“**RESOLVED** 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 in the Company 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.”

Shareholders casted their votes and the results were tabulated as follows:

Results	For	Against	Total Number of shares represented by votes For and Against the resolution
Vote	1,271,896,651	1,919,107	1,273,815,758
Percentage	99.85	0.15	

As a majority of the Shareholders voted “For” the Resolution, Chairman declared Resolution 10 carried.

11. ANY OTHER BUSINESS

As no notice of any other business has been received, Chairman thanked the Shareholders for their attendance and support. The Meeting ended at 2.05 p.m.

The Shareholders were invited to some refreshments outside the ballroom.

WEE EE LIM
CHAIRMAN OF THE MEETING

**UNITED INDUSTRIAL CORPORATION LIMITED (“UIC”)
ANNUAL GENERAL MEETING HELD ON 23 APRIL 2019
List of Shareholders’ Questions/Comments and Chairman’s/Director’s/Senior
Financial Controller’s Answers**

(A) Financial Report

Question 1

Shareholder A : The allowance for foreseeable losses in respect of properties held for sale increased to approximately S\$9.4 million in 2018. Does this allowance relate to all four of the Company’s properties held for sale or just one? Can you disclose which properties?

Answer

Kenneth Lee, : The allowance relates to two properties, one of which is
Senior located in Chengdu, China and one in Singapore.
Financial
Controller

Question 2

Shareholder A : With reference to the outstanding S\$630 million term loan drawn down by the Company’s associated entity, which project does this relate to and did the Company’s joint venture partners provide the same undertakings in respect of the said term loan?

S\$630 million is a large sum.

Answer

Kenneth Lee, : The S\$630 million term loan relates to the new residential
Senior project in Silat Avenue.
Financial
Controller

Each joint venture partner provided the same undertakings in proportion to their equitable interest in the project.

(B) Investment/Asset Enhancement**Question 1**

Shareholder B : The Urban Redevelopment Authority (“URA”) has announced plans to offer developers and building owners rejuvenation incentives for certain buildings in the central business district. The Company has older buildings like the Gateway, Stamford Court and Singapore Land Tower whose rental profile has declined. Does the Company intend to upgrade these buildings? If so, what is the timeline?

Question 2

Shareholder B : In view of the Company’s recent consolidation of ownership in Marina Centre Holdings Pte Ltd, does the Company intend to renovate and improve the Marina Square complex?

There is a five year time frame to utilise URA’s rejuvenation incentives.

Answer

Lim Hock San : The Board of Directors is aware of URA’s rejuvenation incentive scheme and are exploring the opportunities. We are still at a very early stage of conceptualisation. We will study the plans from a feasibility and cost perspective, and engage URA, if necessary, at the appropriate juncture, on a possible increase in plot ratio and renewal of lease. The Company will make the proper disclosures at the right time.

Question 3

Shareholder B : UOL Group Limited (“UOL”) owns approximately 80% of Novena Square and UIC owns approximately 75% of Marina Square. To streamline business, would Management consider selling the Company’s 20% interest in Novena Square to UOL in exchange for UOL’s 25% interest in Marina Square?

Answer

Lim Hock San : The Board of Directors will study the feasibility of this suggestion.

(C) UIC Dividend**Question 1**

Shareholder C : How much of the Company's net asset value per share of \$4.74 is accumulative realised earnings per share? The Company has a low dividend payout. The Board should take into account the accumulative realised earnings over the years when deciding on the dividends payable.

Question 2

Shareholder D : The Company's share price and dividend payout are comparatively lower than the Company's net asset value per share. Analysts recently reported that only 12% of the Company's shares are in circulation. Is there any chance for shareholders to unlock the value of UIC's shares, given the low trading liquidity?

Question 3

Shareholder E : Please clarify the Company's dividend policy. Although the Company made significant profits in 2017, the dividends declared for that year remained at 3 cents. The Company's profits were reduced in 2018, yet the dividends declared for 2018 is 3.5 cents.

If the Company's performance improves in 2019, can Management declare dividends of 5 cents per share? Furthermore, most of the Company's shares are held by two majority shareholders. Minority shareholders are unable to unlock the true value of their shares unless the Company is privatised.

Question 4

Shareholder F : The value of the Company has been increasing due to acquisitions of shares and properties. Does Management plan to privatise the Company?

Question 5

Shareholder G : Would Management consider a share-swap exercise to exchange UIC shares for UOL shares?

Question 6

Shareholder B : The Company owns a number of investment properties and has stable income. Considering the Company's net profit of \$250 million and earnings per share of 17.5 cents (in 2018) and having largely sold its residential properties, the Company is able to afford a higher dividend payout of 8 cents, i.e. 50% of its earnings per share. With the 50% dividend payout, UIC can still continue to participate in joint ventures for future investments to minimise its borrowings.

Answers

Wee Ee Lim : The liquidity of UIC's shares is low, because the majority shareholders are willing to hold onto their shares.

There are other factors such as the increase in land bank prices that the Board considers when reviewing and recommending the dividend payout to the shareholders.

Nevertheless, the Board will continue to seriously consider shareholders' feedback and suggestions.

Lim Hock San : The Board has taken note of shareholders' feedback in previous years, and has increased the dividends in 2018, from 3 cents per share to 3.5 cents per share.

Apart from earnings per share, the Board has to balance the Company's growth against the dividend policy and also take into consideration other factors such as market conditions and opportunities for new investments.

On the issue of privatisation of UIC, Management cannot speak for the majority shareholders, but will take note of your feedback.

(D) Other Shareholder Questions**Question 1 – Privatisation of UIC**

Shareholder C : Given the low trading liquidity, would the Company consider issuing bonus shares? An issue of bonus shares would increase the liquidity of the Company's shares and allow minority shareholders who wish to exit the Company to do so.

Answer

Wee Ee Lim : An issue of bonus shares will not change the percentage of each shareholder's interest.

Question 2 – Bonus Shares

Shareholder H : The Company could reduce its payout by up to S\$20 million if it offered shareholders the option to elect for scrip dividend. Would the Board consider offering shareholders scrip dividend again?

Answer

Lim Hock San : The Board will take note of your suggestion.

Question 3 – The Clement Canopy

Shareholder I : I understand that construction of The Clement Canopy project has been completed. However, the Company has not released any announcement regarding issuance of Temporary Occupation Permit ("TOP") for the project.

Answer

Lim Hock San : The Company does not release announcements on TOP. We will inform purchasers of The Clement Canopy when the units are ready for handover.