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## **AWARD OF TENDER FOR RESIDENTIAL SITE (WITH COMMERCIAL USE) AT SILAT AVENUE BY THE URBAN REDEVELOPMENT AUTHORITY**

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The Board of Directors of UOL Group Limited (the “**Company**” or “**UOL**”) wishes to announce that the Urban Redevelopment Authority (“**URA**”) has awarded the tender jointly submitted by (i) its wholly-owned subsidiary UOL Venture Investments Pte. Ltd. (“**UVI**”), (ii) UIC Homes Pte. Ltd., a wholly-owned subsidiary of United Industrial Corporation Limited (“**UIC**”) and (iii) Kheng Leong Company (Private) Limited (“**KLC**”) (collectively, the “**Parties**”), for the residential site at Silat Avenue (with commercial use) (the “**Site**”) at a tender price of S\$1,035,300,000 (“**Tender Price**”), subject to the conditions of tender as set out in the tender documents.

### **1. Description of the Site**

Details of the Site are as follows:

- |     |                       |   |   |
|-----|-----------------------|---|---|
| (1) | Tenure of Land        | : | Leasehold of 99 years   |
| (2) | Total Site Area       | : | 245,972 square feet   |
| (3) | Gross Plot Ratio      | : | 3.7   |
| (4) | Allowable Development | : | Residential with commercial use and with conservation of 5 existing buildings |

### **2. PAYMENT TERMS**

The Parties have paid a tender deposit of approximately 5% of the Tender Price to URA. A sum equivalent to 25% of the Tender Price (included in which is the tender deposit) will be paid within 28 days of the award of the tender. The balance of the Tender Price is payable to URA within 90 days of the award of tender. The Tender Price shall be financed principally from bank borrowings and proportionate shareholders’ loans.

### **3. Joint Venture**

A joint venture company (“**JV Co**”) will be incorporated by the Parties to undertake the proposed acquisition and development of the Site in the following proportions:

<b>Joint Venture Party</b>	<b>Shareholding Percentage</b>
UVI	50.0%
UIC	30.0%
KLC	20.0%

### **4. Rationale for the Transaction**

The acquisition of the Site (“**Transaction**”) would enable the UOL Group to replenish its land bank for residential development in Singapore.

### **5. Relative Figures under Rule 1006 of the SGX Listing Manual**

The relative figures that were computed on the basis set out in Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) are set out below:

- (a) The aggregate consideration payable by UVI for the Transaction, ie. S\$517,650,000 (UVI's share being 50% of the Tender Price), constitutes approximately 7.32% of the market capitalisation of the Company of approximately S\$7,070,082,336, based on the volume weighted average share price of the Company's shares transacted on 16 May 2018, being the last market day preceding the date of the award.
- (b) The relative figures in Rule 1006(a), Rule 1006(b) and Rule 1006(d) of the Listing Manual are not applicable. As the relative figure in Rule 1006(c) in relation to the Transaction exceeds 5% but does not exceed 20%, the Transaction is classified as a discloseable transaction under Rule 1010 of the Listing Manual.

## 6. **Financial Effects**

For illustrative purposes only, based on the latest announced audited consolidated financial statements of the UOL Group for the year ended 31 December 2017, the Transaction is not expected to have a material financial impact on the UOL Group's net tangible assets per share as at 31 December 2017 assuming that the Transaction had been effected at the end of the UOL Group's financial year ended 31 December 2017. The Transaction is also not expected to have a material financial impact on the UOL Group's earnings per share for the financial year ended 31 December 2017 assuming that the Transaction had been effected at the beginning of the UOL Group's financial year ended 31 December 2017.

## 7. **Interested Person Transaction**

Pursuant to the terms of the joint venture, UVI, UIC and KLC will subscribe for such number of shares in the JV Co to be incorporated in the proportion of 50:30:20 respectively. Upon subscription and issuance of the shares, the JV Co will be accounted as a subsidiary of UOL.

Under the Listing Manual, KLC is considered an associate of Dr Wee Cho Yaw, the Chairman and a controlling shareholder of the Company, Mr Wee Ee Cheong, controlling shareholder of the Company, Mr Wee Ee Lim and Mr Wee Ee-chao, directors and substantial shareholders of the Company. Dr Wee Cho Yaw, Mr Wee Ee Cheong, Mr Wee Ee Lim and Mr Wee Ee-chao are also directors of KLC.

Hence, the joint venture is an interested person transaction within the meaning set out in the Listing Manual. The Audit and Risk Committee (with Mr Wee Ee Lim abstaining) has reviewed the joint venture and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

For the financial year ending 31 December 2018, the aggregate value of all current interested person transactions entered into and, estimated value of all future interested person transactions anticipated to be entered into between UOL Group and KLC amounts to approximately S\$586.17 million, representing approximately 4.20% in the Group's latest audited net tangible assets as at 31 December 2017 (i.e. S\$13,965,340,000). Details of these interested persons transactions are as follows:

<b>Transaction</b>	<b>Amount (S\$' million)</b>	<b>Percentage of Group's latest audited net tangible asset (%)</b>
Acquisition of the Site by the JV Co	517.65	3.71
Payment of shared payroll costs of project management team by Shanghai JinPeng Realty Co., Ltd to Jin Qing (Shanghai) Investment Consultancy Co., in the development of Park Eleven	0.78	0.01

<b>Transaction</b>	<b>Amount (S\$' million)</b>	<b>Percentage of Group's latest audited net tangible asset (%)</b>
Shareholders' loans advanced (including interest income), project management fee and accounting fee income from Secure Venture Development (Alexandra) Pte. Ltd., in the development of Principal Garden	63.12	0.45
Shareholders' loans advanced (including interest income) to Secure Venture Development (No. 1) Pte. Ltd. in the enbloc acquisition and redevelopment of Nanak Mansion at Meyer Road	4.62	0.03
<b>Total:</b>	586.17	4.20

All the above-mentioned interested person transactions (including the subject of this announcement) are entered into by the UOL Group in its ordinary course of business and are on an arm's length basis.

For the financial year ending 31 December 2018, the aggregate value of all current interested person transactions entered into and, estimated value of all future interested person transactions anticipated to be entered into (including the subject of this announcement) amounts to approximately S\$586.17 million, representing approximately 4.20% in the Group's latest audited net tangible assets as at 31 December 2017 (i.e. S\$13,965,340,000).

#### **9. Interests of Directors and Controlling Shareholders**

Save as disclosed above, the Board of Directors of the Company is not aware that any of the other Directors of the Company or any of the controlling shareholders of the Company represented on the Board of the Company has any interest, direct or indirect, in the Transaction.

Submitted by Yeong Sien Seu, Company Secretary on 17/05/2018 to the SGX