

KEPPEL LAND LIMITED

(Co. Reg. No. 189000001)
(Incorporated in Singapore)

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- (I) **PROPOSED DIVESTMENT OF ONE-THIRD INTEREST IN MARINA BAY FINANCIAL CENTRE TOWERS 1 & 2 AND MARINA BAY LINK MALL**
- (II) **PROPOSED ACQUISITION OF KEPPEL TOWERS AND GE TOWER**
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1. INTRODUCTION

Keppel Land Limited ("**Keppel Land**" or the "**Company**") wishes to announce that:

- (a) Bayfront Development Pte. Ltd. ("**Bayfront**") as vendor, and Keppel Land Properties Pte Ltd ("**KLP**") as guarantor, have today entered into a conditional share purchase agreement (the "**MBFC 1 S&P Agreement**") with RBC Dexia Trust Services Singapore Limited ("**RBC Dexia**") in its capacity as trustee of K-REIT Asia ("**K-REIT**"), for the sale by Bayfront of its one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall (collectively, the "**MBFC 1 Property**") and the one-third interest in the MBFC 1 Property, the "**MBFC 1 Interest**") to K-REIT (the "**MBFC 1 Transaction**"); and
- (b) Mansfield Developments Pte Ltd ("**Mansfield**") as purchaser, and RBC Dexia (as trustee of K-REIT) as vendor, have today entered into a conditional sale and purchase agreement (the "**KTGE S&P Agreement**") for the purchase by Mansfield of Keppel Towers and GE Tower (collectively, the "**KTGE Property**") from K-REIT (the "**KTGE Transaction**").

Bayfront is a direct wholly-owned subsidiary of KLP, which in turn is a direct wholly-owned subsidiary of the Company. Mansfield is a direct wholly-owned subsidiary of the Company. As at 8 October 2010, the Company has an indirect aggregate interest of approximately 45.64% in K-REIT.

The owner and developer of the MBFC 1 Property is BFC Development Pte. Ltd. ("**BFC**"). The sale of Bayfront's one-third interest in the MBFC 1 Property will be effected via the sale of the two shares held by Bayfront in the capital of BFC (the "**MBFC 1 Sale Shares**") representing one-third of the issued share capital of BFC, and the assignment of shareholders' loans extended by Bayfront to BFC in relation to the development of the MBFC 1 Property. KLP will guarantee the obligations of Bayfront under the MBFC 1 S&P Agreement.

Completion of the MBFC 1 Transaction is subject to and conditional upon concurrent completion of the KTGE Transaction, and *vice versa*.

2. INFORMATION RELATING TO THE MBFC 1 TRANSACTION**2.1 The MBFC 1 Property**

Marina Bay Financial Centre, is a landmark integrated development centrally located on prime waterfront space in Singapore's new financial district, and enjoys close proximity to the Marina Bay Sands integrated resort, Singapore Flyer and The Esplanade – Theatres on the Bay, Gardens by the Bay and other lifestyle and entertainment amenities. When completed over two phases, Marina Bay Financial Centre will comprise three office towers, namely, Marina Bay

Financial Centre Towers 1, 2 and 3, two residential towers, namely, Marina Bay Residences and Marina Bay Suites, and a subterranean retail mall, namely, Marina Bay Link Mall, which links the new Downtown Mass Rapid Transit ("**MRT**") station, the Raffles Place MRT station and Marina Bay Sands integrated resort via an underground pedestrian network.

The MBFC 1 Property and Marina Bay Residences represent the recently completed first phase of Marina Bay Financial Centre. The temporary occupation permits for Marina Bay Financial Centre Tower 1 and Tower 2 were issued on 18 March 2010 and 27 August 2010 respectively, while the temporary occupation permits for Marina Bay Link Mall and Marina Bay Residences were issued on 27 August 2010 and 12 April 2010 respectively.

Further information on the MBFC 1 Property and BFC are set out below.

- (a) The MBFC 1 Property is located on a site with a 99-year leasehold that commenced from 11 October 2005.

Marina Bay Financial Centre Tower 1 is a 33-storey Grade A office building comprising about 620,000 square feet net lettable area ("**NLA**"), and is committed to international banking and financial institutions such as Standard Chartered Bank and Wellington International Management Company. Marina Bay Financial Centre Tower 2 is a 50-storey Grade A office building comprising about 1.03 million square feet NLA, and is committed to multi-national companies and financial institutions such as BHP Billiton, Nomura, Barclays and Macquarie Group.

Marina Bay Link Mall which comprises about 94,500 square feet NLA will host a distinct blend of lifestyle brands, F&B outlets and convenience services for those who work and live at Marina Bay and is targeted to open in the fourth quarter of 2010.

The MBFC 1 Property has 684 car park lots. As at 8 October 2010, Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall were approximately 96% leased.

- (b) BFC has an issued share capital of S\$6 divided into six ordinary shares which are held in equal proportions by Bayfront and two other shareholders, Sageland Pte. Ltd. ("**Sageland**") and Choicewide Group Limited ("**Choicewide**"). Sageland is a subsidiary of Hongkong Land International Holdings Limited ("**HKL**"). Cavell Limited ("**Cavell**") (a subsidiary of Cheung Kong (Holdings) Limited) and Hutchison Whampoa Properties Limited ("**HWP**") (a subsidiary of Hutchison Whampoa Limited) each have a 50% direct/indirect interest in Choicewide.
- (c) Marina Bay Residences Pte. Ltd. ("**MBR**"), the sole subsidiary of BFC, is wholly-owned by BFC and is the owner and the developer of Marina Bay Residences, a 428-unit luxury condominium, which has been fully sold.

MBR is excluded from the MBFC 1 Transaction. Thus, all rights, liabilities, benefits and obligations pertaining to MBR will be retained by Bayfront notwithstanding the divestment by Bayfront of its one-third interest in the MBFC 1 Property to K-REIT.

Upon the completion of the MBFC 1 Transaction, K-REIT will have a one-third interest in the MBFC 1 Property (through its holding of one-third of the issued shares of BFC) and Bayfront will continue to have a one-third effective interest in MBR.

2.2 Principal Terms of the MBFC 1 Transaction

(a) Aggregate Consideration

The aggregate consideration ("**MBFC 1 Consideration**") payable to Bayfront for the MBFC 1 Interest was negotiated on a willing-buyer and willing-seller basis, and comprises the Share Consideration and the Loan Consideration (respectively referred to in sub-paragraphs (i) and (ii) below). The MBFC 1 Consideration of approximately S\$1,387 million (subject to completion and post-completion adjustments) represents about 23.4% of Keppel Land's market capitalisation of approximately S\$5,925.9 million as at 8 October 2010.

The MBFC 1 Consideration is payable wholly in cash upon completion of the MBFC 1 S&P Agreement ("**MBFC 1 Completion**"). The actual amount of the MBFC 1 Consideration is subject to adjustments to reflect the actual Share Consideration and actual Loan Consideration at completion, as described below.

Bayfront has commissioned an independent valuation of the MBFC 1 Property by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**"), which has valued the one-third interest in the MBFC 1 Property, as at 5 October 2010 on an open market value basis at S\$1,420.5 million, inclusive of a rental support of up to S\$29 million.

- (i) **Share Consideration:** The consideration for the MBFC 1 Sale Shares ("**Share Consideration**") is a sum equal to one-third of the adjusted net tangible asset value ("**Adjusted NTA**") of BFC (being an amount based on the net asset value ("**NTA**") of BFC but excluding the NTA of MBR) as at the date on which the MBFC 1 S&P Agreement is completed ("**MBFC 1 Completion Date**").

The Adjusted NTA will be calculated by reference to, among other things, the Agreed Value (as referred to below), and will be reviewed by the auditors of BFC after the MBFC 1 Completion Date in accordance with the terms of the MBFC 1 S&P Agreement. For this purpose, the "**Agreed Value**" is S\$1,426.8 million, being the agreed market value of the one-third interest in the MBFC 1 Property inclusive of a rental support of up to S\$29 million. (Further information on the rental support is at Paragraph 2.2(c)(ii) below.)

- (ii) **Loan Consideration:** Pursuant to the MBFC 1 S&P Agreement, contemporaneous with the sale of the MBFC 1 Sale Shares, the principal amount of the shareholder's loan extended by Bayfront to BFC together with all accrued but unpaid interest thereon (including default interest, if any) (collectively, the "**Shareholder's Loan**") will be assigned by Bayfront to RBC Dexia (as trustee of K-REIT). Accordingly, at the MBFC 1 Completion, RBC Dexia (as trustee of K-REIT) (as purchaser) and BFC (as borrower) will enter into a deed of assignment with Bayfront (as vendor), to effect the sale and transfer of the Shareholder's Loan.

The consideration for the assignment (the "**Loan Consideration**") will be a sum equal to the amount of the Shareholder's Loan outstanding as at the MBFC 1 Completion Date, and will be reviewed by the auditors of BFC after the MBFC 1 Completion Date in accordance with the terms of the MBFC 1 S&P Agreement.

(b) Conditions Precedent

Under the MBFC 1 S&P Agreement, the sale and purchase of the MBFC 1 Sale Shares is subject to and conditional upon, among others:

- (i) the approval of the unitholders of K-REIT being obtained for the acquisition of the MBFC 1 Interest and the divestment of the KTGE Property at a general meeting of K-REIT; and
- (ii) the approval of shareholders of Keppel Land being obtained for the divestment of the MBFC 1 Interest and the acquisition of the KTGE Property at a general meeting of Keppel Land.

Subject to fulfilment of the conditions precedent under the MBFC 1 S&P Agreement, the MBFC 1 Completion is expected to take place no later than 31 December 2010. Completion of the MBFC 1 S&P Agreement is also subject to and contingent upon the concurrent completion of the KTGE S&P Agreement.

(c) Other Salient Terms

Pursuant to the terms of the MBFC 1 S&P Agreement, the MBFC 1 Sale Shares shall be sold free from encumbrances, and with all rights and advantages attaching thereto as at the MBFC 1 Completion. Other salient terms include:

- (i) **Project Development Costs:** Notwithstanding the MBFC 1 Completion taking place, Bayfront shall bear one-third of all project development costs of the MBFC 1 Property (that is, all costs, expenses, charges and damages incurred and payable by BFC in respect of works (including defects rectification works) carried out by or on behalf of BFC in relation to the design, construction, equipping, fitting out and completion of the MBFC 1 Property for purposes of obtaining the issue of the Certificate of Statutory Completion) as finalised under the MBFC 1 S&P Agreement.
- (ii) **Rental Support:** Bayfront has agreed to provide rental support of up to S\$29 million to RBC Dexia (as trustee of K-REIT) from the MBFC 1 Completion up to 31 December 2014 for the fitting-out periods where rent and maintenance charges will not be received and to support the marginally lower than market average rental rates of some leases.

2.3 Other Conditions Relating to the MBFC 1 Transaction

Other principal conditions relating to the MBFC 1 Transaction are described below.

- (a) **Undertaking Deed:** Contemporaneous with the MBFC 1 Completion, RBC Dexia (as trustee of K-REIT), Bayfront and KLP (as guarantor) will enter into an undertaking deed to give effect to their intention that BFC's interest in MBR and all rights, benefits, obligations and liabilities relating to such interest shall be excluded from the MBFC 1 Transaction.

- (b) **BFC Shareholders' Agreement:** Upon the MBFC 1 Completion taking place, the subsisting shareholders' agreement between Bayfront, KLP, Sageland, HKL, Choicewide, HWP and Cavell relating to their participation in and the governance of BFC will be terminated, and be replaced by a restated shareholders' agreement to be entered into by RBC Dexia (as trustee of K-REIT) with the other shareholders of BFC (as at the MBFC 1 Completion) and their parent entities.
- (c) **Tax Covenant:** In connection with the MBFC 1 Transaction, KLP has executed a deed of tax covenant in favour of HKL pursuant to which KLP has agreed to indemnify HKL in respect of half of one-third of any liability for taxation of BFC and/or MBR (as the case may be) due to or arising from, in whole or in part, the non-availability of any relief that would, except for the change in shareholders of BFC pursuant to, *inter alia*, the MBFC 1 Transaction, have been available to BFC and/or MBR (as the case may be).

3. INFORMATION RELATING TO THE KTGE TRANSACTION

3.1 The KTGE Property

Keppel Towers is a 27-storey office building completed in 1991 and GE Tower is a 13-storey office building completed in 1993. The buildings are located along Hoe Chiang Road and Tanjong Pagar Road respectively, in close proximity to the Tanjong Pagar MRT station.

Keppel Towers and GE Tower are freehold properties sited on a total land area of approximately 98,200 square feet of which approximately 12,200 square feet (subject to final survey) is to be vested to the State or relevant authority for road widening. Outline planning permission has been granted by the competent authority permitting the erection at the site of the KTGE Property of a high-rise residential development with commercial at the first storey and a gross plot ratio of not less than 5.6.

In recent years, the Tanjong Pagar area has been rejuvenated by an increase in the number of private residential developments and has evolved to become a preferred address for urbanites working in the vicinity. Keppel Land's current intention is to launch a new development project in the two to three years following the completion of the KTGE Transaction, subject to market conditions.

3.2 Principal Terms of the KTGE Transaction

(a) Aggregate Consideration

The aggregate consideration ("**KTGE Consideration**") of S\$573 million payable for the acquisition of the KTGE Property was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation by Colliers which was commissioned by Mansfield.

Colliers has valued the KTGE Property, as at 5 October 2010, on an open market value basis at S\$576 million.

The KTGE Consideration represents approximately 9.7% of Keppel Land's market capitalisation of approximately S\$5,925.9 million as at 8 October 2010. The KTGE Consideration is payable in full, together with applicable goods and services tax ("**GST**") thereon, upon completion of the KTGE Transaction ("**KTGE Completion**").

As the KTGE Transaction and the MBFC 1 Transaction are inter-conditional, and completion of both transactions are contemplated to take place concurrently, it has been agreed among RBC Dexia (as trustee of K-REIT), Bayfront and Mansfield that the amount of the KTGE Consideration together with the amount of GST due thereon, which are payable by Mansfield to RBC Dexia (as trustee of K-REIT) pursuant to the KTGE S&P Agreement, shall be set-off against the MBFC 1 Consideration which is payable by RBC Dexia (as trustee of K-REIT) to Bayfront pursuant to the MBFC 1 S&P Agreement upon the KTGE Completion.

(b) Conditions Precedent

Under the KTGE S&P Agreement, the sale and purchase of the KTGE Property is subject to and conditional upon:

- (i) the approval of the unitholders of K-REIT being obtained for the divestment of the KTGE Property and the acquisition of the MBFC 1 Interest at a general meeting of K-REIT; and
- (ii) the approval of shareholders of Keppel Land being obtained for the divestment of the MBFC 1 Interest and the acquisition of the KTGE Property at a general meeting of Keppel Land.

Subject to fulfilment of the conditions precedent under the KTGE S&P Agreement, the KTGE Completion is expected to take place no later than 31 December 2010. Completion of the KTGE S&P Agreement is also subject to and contingent upon the concurrent completion of the MBFC 1 S&P Agreement.

(c) Other Salient Terms

Other principal conditions relating to the acquisition of the KTGE Property under the terms of the KTGE S&P Agreement are described below.

- (i) The KTGE Property shall be sold free from encumbrances, with the benefit of tenancies and licenses subsisting, and subject to building and fixed asset maintenance contracts relating to the KTGE Property that are subsisting, at the KTGE Completion.
- (ii) Mansfield shall be entitled to terminate the KTGE S&P Agreement by notice in writing to RBC Dexia (as trustee of K-REIT) if, among others, at any time prior to the KTGE Completion there is any material damage by fire or other contingency or event to the KTGE Property or any part thereof.
- (iii) Any GST which is chargeable in respect of the KTGE Consideration shall be borne by Mansfield.

- (iv) Where RBC Dexia (as trustee of K-REIT) is obliged to carry out upgrading works pursuant to any subsisting lease with a tenant of the KTGE Property and is unable to obtain, by the KTGE Completion Date, the waiver of the relevant tenant from the carrying out of the upgrading works, RBC Dexia (as trustee of K-REIT) will deduct a sum of S\$1.2 million from the KTGE Consideration. If Mansfield is unable to recover as input tax credit the GST amount on a sum of S\$1.2 million paid by Mansfield towards the costs and expenses for the carrying out and completion of the upgrading works, RBC Dexia (as trustee of K-REIT) will reimburse Mansfield for an amount equivalent to the unrecoverable GST amount.

4. RATIONALE

The MBFC 1 Transaction and the KTGE Transaction (collectively, the “**Transactions**”) bring together an attractive asset swap proposal with the following strategic and commercial advantages:

- (a) The KTGE Property is a prime site in a precinct with growing demand for city living. Apart from the future redevelopment potential of the prime waterfront land occupied by the ports, the recent settlement between Malaysia and Singapore on the Malaysian Railway land plots also paves the way for Tanjong Pagar’s growth into a bustling ‘city within a city’. In addition, the KTGE Property is a freehold site. The acquisition of this property will boost Keppel Land’s Singapore residential land bank.
- (b) The MBFC 1 Property is a prime development which is held by BFC as investment property. If Keppel Land were to divest the MBFC 1 Interest to other parties, it will not be able to enjoy the rental income and potential capital value appreciation over the long-term period. However, as Keppel Land has an approximately 45.64% effective interest in K-REIT, Keppel Land will still continue to retain the substantial portion of the rental income and participate in the capital value upside potential through its significant holdings in K-REIT units.
- (c) The MBFC 1 Property, together with the One Raffles Quay and the Prudential Tower property, will provide K-REIT with a strong branding as a key landlord in the Marina Bay and Raffles Place areas. As a substantial unitholder, Keppel Land will be able to continue to benefit from the growth of K-REIT as well as from the potential upside of K-REIT’s unit prices.
- (d) Together with its joint venture partners, Keppel Land group owns and manages a sizeable 7.4 million square feet of quality office space in Singapore. The asset swap proposal presents Keppel Land with a compelling opportunity to unlock part of its investment holding, especially given the strategic and commercial reasons in (a) to (c) above.

The net proceeds, after deducting transaction expenses, of about S\$812 million from the Transactions will provide Keppel Land and its subsidiaries (the “**Group**”) with additional capital to invest in more acquisitive opportunities in the future that could generate higher returns, and/or to refinance existing debts.

5. FINANCIAL EFFECTS

5.1 MBFC 1 Transaction

(a) **Gain on Divestment:** Assuming the MBFC 1 Transaction is effected at the MBFC 1 Consideration of approximately S\$1,387 million, based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2009 ("FY2009"):

- (i) had the MBFC 1 Transaction been effected on 1 January 2009, the earnings per share of the Group for the financial year ended 31 December 2009 would have increased from 24.2 cents to 50.6 cents; and
- (ii) had the MBFC 1 Transaction been effected on 31 December 2009, the net tangible assets per share of the Group as at 31 December 2009 would have increased from S\$2.36 to S\$2.59.

On the above basis, the Group would expect to realise a net gain of about S\$321 million from the MBFC 1 Transaction for FY 2009.

(b) **Net Asset Value and Net Profit Attributable to the MBFC 1 Interest:** The net asset value attributable to the MBFC 1 Interest as at 30 June 2010 of S\$59.7 million represents about 1.5% of Keppel Land's unaudited consolidated net asset value of approximately S\$3,921.1 million as at 30 June 2010.

The net loss¹ attributable to the MBFC 1 Interest amounted to approximately S\$1.0 million for the half-year ended 30 June 2010, which was not material compared to the Group's unaudited net profits¹ of S\$187.1 million for the half-year ended 30 June 2010.

5.2 KTGE Transaction

(a) **Net Profit Attributable to the KTGE Property:** The net profit¹ attributable to the KTGE Property amounted to approximately S\$7.9 million for the half-year ended 30 June 2010, or about 4.2% of the Group's unaudited net profits¹ of S\$187.1 million for the half-year ended 30 June 2010.

(b) **Funding for the Acquisition:** The KTGE Consideration of S\$573 million together with applicable GST thereon payable to K-REIT for the acquisition of the KTGE Property will be set-off against the MBFC 1 Consideration of approximately S\$1,387 million payable by K-REIT for its acquisition of the MBFC 1 Interest. Upon the set-off being effected, it will constitute payment in full of the KTGE Consideration.

5.3 Combined Effect of the Transactions

Completion of the MBFC 1 Transaction is subject to and conditional upon concurrent completion of the KTGE Transaction, and *vice versa*. Accordingly, the *proforma* combined financial effects of the Transactions as set out below are based on historical financial data and are intended for illustration purposes only. They do not necessarily reflect the future financial position and earnings of the Group, and are prepared on the following bases and assumptions:

¹ These figures are stated before income tax, minority interests and extraordinary items.

- (a) the relevant divestment and acquisition had taken place (i) for the purposes of the balance sheet, on 31 December 2009, being the date to which the latest audited financial year of the Group, was made up to; and (ii) for the purposes of the profit and loss account, on 1 January 2009, being the start of the latest audited financial year of the Group, respectively;
- (b) the MBFC 1 Transaction effected at the sale consideration of S\$1,387 million (excluding any completion or post-completion adjustments), and the KTGE Transaction is effected at the purchase consideration of S\$573 million; and
- (c) after the Transactions, the Keppel Land Group continues to own 45.64% of K-REIT.

31 December 2009	Before the Transactions	After the Transactions
<u>Impact on Group Earnings</u>		
Net profit after income tax and non-controlling interests (S\$ million)	280.4	572.0
Weighted average number of shares ('000)	1,157,694	1,157,694
Basic earnings per share (cents)	24.2	49.4
<u>Impact on Group NTA</u>		
NTA (S\$ million) ⁽¹⁾	3,375.8	3,697.4
NTA per share (S\$)	2.36	2.59
<u>Impact on Net Debt-Equity Ratio</u>		
Total shareholders' funds (S\$ million) ⁽²⁾	3,788.6	4,110.3
Net borrowings (S\$ million) ⁽³⁾	834	22
Net debt-equity ratio (%)	22.0	0.5

Notes:

- (1) The NTA after the Transactions is arrived at after taking into account estimated expenses of S\$2 million.
- (2) "Shareholders' funds" means the amount represented by the aggregate of the issued and paid up ordinary share capital, reserves and non-controlling interests.
- (3) "Net borrowings" means the aggregate amount of borrowings from banks and financial institutions, convertible bonds and medium term notes, net of cash and fixed deposit balances.

6. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

As at 8 October 2010, based on the Company's Register of Substantial Shareholders, Keppel Corporation Limited ("KCL") is interested in approximately 52.44% of Keppel Land. KCL is interested (through a wholly-owned subsidiary) in approximately 30.35% of K-REIT, and is also deemed to be interested in Keppel Land's indirect interest in approximately 45.64% of K-REIT, amounting to an aggregate deemed interest in approximately 75.99% of K-REIT.

As at the aforesaid date, based on the Company's Register of Substantial Shareholders, Temasek Holdings (Private) Limited is deemed (including through its interests in KCL), to be interested in approximately 53.08% of Keppel Land and approximately 75.99% of K-REIT.

Mr Kevin Wong Kingcheung, the Group Chief Executive Officer of Keppel Land, is also deputy chairman and non-executive director of KRAM. Prof Tsui Kai Chong, the chairman and an independent director of KRAM and Mrs Lee Ai Ming, an independent director of KRAM, are also independent Directors of the Company. KRAM is a wholly-owned subsidiary of Keppel Land.

Mr Choo Chiau Beng, the Company's non-executive Chairman, is the chief executive officer of KCL. Mr Teo Soon Hoe, a non-executive director of the Company, is a senior executive director of KCL and Mrs Oon Kum Loon, a non-executive director of the Company, is an independent director of KCL.

Save as disclosed above, and based on the information available to the Company as at the date of this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transactions.

7. INTERESTED PERSON TRANSACTIONS

Under the Listing Manual of the SGX-ST ("**Listing Manual**"), KCL is regarded as a "controlling shareholder" of Keppel Land, and K-REIT is regarded as an "associate" of KCL. K-REIT is thus an "interested person" of Keppel Land, and each of the MBFC 1 Transaction and the KTGE Transaction is therefore an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual.

- (a) **Audit Committee's Statement:** The Company's Audit Committee will obtain an opinion from an independent financial adviser pursuant to Rule 921(4)(a) of the Listing Manual before forming its view (which will be disclosed in the circular mentioned in Paragraph 8 below) as to whether the MBFC 1 Transaction and the KTGE Transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
- (b) **Current Total of Interested Persons Transactions:** Based on the MBFC 1 Consideration of approximately S\$1,387 million, and the KTGE Consideration of S\$573 million, and having regard to the Company's 45.64% interest in K-REIT, the aggregate value of the Transactions to which the Company is considered to be at risk pursuant to Rule 909 of the Listing Manual amounted to approximately S\$1,327 million (being the sum total of the KTGE Consideration and 54.36% of the MBFC 1 Consideration) representing approximately 39.3% of the audited NTA of the Group of S\$3,375.8 million as at 31 December 2009.

Other than transactions less than S\$100,000, and transactions carried out under the Company's Shareholders' Mandate for transactions with interested persons, the Company has not entered into any other interested person transactions in the current financial year to-date.

Save as aforesaid, no other interested person transaction has been entered into with KCL and its associates (including K-REIT) in the current financial year to-date.

8. GENERAL

A circular, setting out relevant information in relation to the Transactions, will be issued in due course to shareholders of the Company, together with notice of the Extraordinary General Meeting to be convened for the purpose of obtaining minority shareholders' approval for the Transactions.

A copy of each of the MBFC 1 S&P Agreement and the KTGE S&P Agreement as well as the valuation certificates of Colliers (in respect of the MBFC 1 Interest and the KTGE Property) is available for inspection at the registered office of the Company during normal business hours for a period of three months from the date of this Announcement.

Dated: 11 October 2010