

KEPPEL LAND LIMITED
(Co. Reg. No. 189000001)
(Incorporated in Singapore)

PROPOSED DIVESTMENT OF EQUITY PLAZA

1. INTRODUCTION

Keppel Land Limited (“**Keppel Land**” or the “**Company**”) wishes to announce that its subsidiary, D.L. Properties Ltd. (“**DLP**” or the “**Vendor**”), has today entered into a sale and purchase agreement (the “**S&P Agreement**”) with Plaza Ventures Pte. Ltd. (the “**Purchaser**”) for the sale by DLP of its property at 20 Cecil Street, Singapore, known as “Equity Plaza” (the “**Property**”), to the Purchaser (the “**Transaction**”).

Keppel Land has a 64.63% shareholding interest in DLP. The remaining 35.37% is held by Equity (CP) Private Limited, which is owned by the Alpha Core-Plus Real Estate Fund. The fund is managed by Alpha Investment Partners Limited, a wholly-owned subsidiary of Keppel Land.

The shareholders of the Purchaser are GSH Properties Pte. Ltd., TYJ Group Pte. Ltd. and Vibrant DB2 Pte. Ltd..

Further information relating to the Transaction, including the S&P Agreement, as well as the illustrative financial effects of the Transaction on the Company and its subsidiaries (collectively, the “**Group**”), are set out below.

2. INFORMATION RELATING TO THE TRANSACTION

2.1 The Property

The Property is a 28-storey prime office building prominently located at the junction of Cecil Street and Church Street in the Raffles Place financial and business hub. It is within two-minutes’ walking distance to the Raffles Place MRT Station and in close proximity to landmark office developments such as Republic Plaza and Ocean Financial Centre.

The Property has a total net lettable area of 252,135 square feet and fan-shape floor plates of around 10,000 square feet per floor. As at 24 June 2014, the Property was about 97% tenanted.

The Property is a 99-year leasehold commencing from 7 December 1989.

2.2 Principal Terms of the Transaction

(a) Sale Consideration

The aggregate consideration of S\$550 million payable to DLP for the Property (the “**Sale Consideration**”) was negotiated on a willing-buyer and willing-seller basis,

taking into account recent transacted prices for similar properties in the vicinity. The Sale Consideration shall be satisfied wholly in cash.

As at the date of signing of the S&P Agreement, a deposit of S\$27.5 million (representing 5% of the Sale Consideration) was paid by the Purchaser and the balance of the Sale Consideration is payable in full, upon completion of the sale and purchase of the Property ("**Completion**").

(b) Principal Terms of the S&P Agreement

The principal terms of the S&P Agreement, include, *inter alia*, the following:

- (i) the Property is sold, subject to the tenancy, lease, licence or occupation agreements in respect of the Property or any part thereof ("**Occupation Agreements**") entered into prior to Completion, on an "as is where is" basis;
- (ii) certain contracts entered into by the Vendor in respect of the Property, including, amongst others, the Occupation Agreements and the building maintenance contracts, will be novated and/or assigned to the Purchaser on Completion;
- (iii) the Purchaser's confirmation and undertaking that the approval of respective shareholders of certain of its ultimate shareholder(s) is not required for the Transaction. Any inability on the part of the Purchaser to complete the Transaction by reason of the lack of any of the aforementioned approval shall be treated as a default by the Purchaser; and
- (iv) in the event of (1) any Material Damage (as defined in the S&P Agreement) to the Property, or (2) the acquisition or notice of acquisition or intended acquisition by the government or any other competent authority affecting the building erected on the Property or any part(s) thereof, prior to Completion, the Purchaser shall be entitled to elect to rescind the S&P Agreement, and save in respect of an antecedent breach of the S&P Agreement, neither party shall have any further claim or damage against the other for damages, costs or otherwise arising out of or in respect of the S&P Agreement.

Completion is scheduled to take place on 20 August 2014, being the date falling 8 weeks from the date of the S&P Agreement or such other date as the parties may agree in writing.

3. RATIONALE AND INTENDED USE OF PROCEEDS

The Transaction will allow Keppel Land to unlock the value of the Property to reinvest in other investments in Singapore and overseas to maximise overall returns for Keppel Land and its shareholders.

4. FINANCIAL EFFECTS

4.1 Share Capital of the Company

The Transaction does not involve the issue or allotment of new shares in Keppel Land ("**Shares**"). As such, there is no effect on the share capital of the Company.

4.2 Financial Effects of the Transaction on the Group

Assuming the Transaction is effected at the Sale Consideration of S\$550 million, the Group would expect to realise a net gain of approximately S\$59.5 million and receive net proceeds of approximately S\$195.3 million.

Based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2013 ("FY2013"):

- (a) had the Transaction been effected on 1 January 2013, the Group's basic earnings per Share for FY2013 would have increased from 57.3 cents to 58.2 cents; and
- (b) had the Transaction been effected on 31 December 2013, the Group's net tangible assets per Share as at 31 December 2013 would have increased from S\$4.52 to S\$4.56.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Based on the information available to the Company as at 24 June 2014, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

6. CHAPTER 10 OF THE LISTING MANUAL

Under Chapter 10 of the Listing Manual (which governs acquisitions and realisations), where any of the relative figures of an asset purchase or asset sale transaction, computed on the bases in Rule 1006 of the Listing Manual exceeds 5% but is less than 20%, that transaction is classified as a "discloseable transaction" and shall be subject to announcement but is not subject to shareholders' approval.

The relative figures for the Transaction, respectively, computed on the bases set out in Rule 1006 of Listing Manual are set out below:

Rule 1006 ⁽⁵⁾	Bases	Relative Figures (%)
(a)	Unaudited net asset value ("NAV") attributable to the Property compared with the Group's unaudited net asset value as at 31 March 2014	6.4 ⁽¹⁾
(b)	Unaudited net profits attributable to the Property compared with the Group's unaudited net profits as at 31 March 2014	2.1 ⁽²⁾
(c)	Aggregate value of the consideration for the Property compared with the market capitalisation of the Company as at 24 June 2014, being the market day preceding the date of the S&P Agreement	10.5 ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾

Notes:

- (1) The figure for Rule 1006(a) of the Listing Manual was computed based on the unaudited NAV attributable to the Property as at 31 March 2014 of approximately S\$454.7 million divided by the Group's unaudited NAV as at 31 March 2014 of approximately S\$7,080.8 million.

- (2) The figure for Rule 1006(b) of the Listing Manual was computed based on the unaudited net profit attributable to the Property for the quarter ended 31 March 2014 of approximately S\$2.4 million divided by the Group's unaudited net profits for the quarter ended 31 March 2014 of approximately S\$112.2 million. These figures are stated before income tax, minority interests and extraordinary items.
- (3) The figure for Rule 1006(c) of the Listing Manual was computed based on the Sale Consideration of S\$550 million divided by the market capitalisation of the Company as at 24 June 2014 (based on the volume weighted average price of the Shares transacted on such date) of approximately S\$5,262.4 million.
- (4) In respect of Rule 1006(d) of the Listing Manual, there are no equity securities issued by the Company as consideration for the Transaction.
- (5) Rule 1006(e) of the Listing Manual is not relevant for this Transaction.

The Transaction constitutes a “discloseable transaction” for the purposes of Chapter 10 of the Listing Manual, and is not subject to the approval of shareholders of Keppel Land as the respective relative figure under Rule 1006(a) and Rule 1006(c) of the Listing Manual exceeds 5% but is less than 20%.

7. DOCUMENT FOR INSPECTION

A copy of the S&P Agreement 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.

Choo Chin Teck
Company Secretary
25 June 2014