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Joint Venture to Develop a Grade A Office Tower in the Junction City Mixed Development in Yangon, Myanmar

Keppel Land Limited ("**Keppel Land**"), through its wholly-owned subsidiary, Tinterland Pte. Ltd. ("**TPL**"), has today entered into a conditional share purchase and joint venture agreement (the "**SPJVA**") with Shwe Taung Junction City Development Co., Ltd. ("**STJC**") and City Square Development Pte. Ltd. ("**CSD**", and STJC and CSD collectively known as the "**Other JV Partners**") to acquire 200,000 fully paid shares of par value US\$1.00 each in City Square Office Co., Ltd (the "**JV Company**"), constituting 40% of the total issued and paid up share capital of the JV Company (the "**JV Participation**") for an aggregate contribution of US\$47.40 million (approximately S\$61.62 million) (the "**Aggregate Contribution**") comprising the following:

- (i) initial contribution of US\$200,000 (approximately S\$260,000) (the "**Initial Contribution**"); and
- (ii) further contributions aggregating US\$47.20 million (approximately S\$61.36 million) (the "**Further Contributions**").

The remaining 300,000 fully paid shares in the JV Company (constituting 60% of the total issued and paid up share capital of the JV Company) will be held by the Other JV Partners.

STJC has entered into a joint venture agreement with the Yangon City Development Committee ("**YCDC**") dated 11 May 2013 pursuant to which YCDC will grant to STJC a leasehold interest for an initial term of 50 years and two further leasehold terms of 10 years each in an approximately 6.5-acre (approximately 2.64 hectares) site located on Bogyoke Aung San Road and Shwedagon Pagoda Road in the Pabedan Township of Yangon, Myanmar (the "**Development Site**").

STJC will, pursuant to a development and use agreement to be entered into between STJC and the JV Company (the "**D&U Agreement**"), assign to the JV Company the right to use, develop and operate on part of the Development Site which will be developed into an office tower (the "**Office Project**") for an initial term of 50 years and two further terms of 10 years each. The Office Project is part of the Junction City mixed-development (the "**Junction City Development**") to be developed on the Development Site. The Junction City Development comprises of the Office Project, a hotel, a retail mall, serviced apartments and a convention centre.

TPL's participation in the JV Company and the Office Project is subject to the satisfaction of conditions precedent including, but not limited to, the regulatory approvals being obtained from the relevant authorities in Myanmar contemplated under the SPJVA, satisfactory due diligence on the JV Company and the Office Project, the entry into the D&U Agreement, the entry into a joint venture agreement between Keppel Land and an affiliate of the shareholders of STJC (the "**Asset Management Participation**") in respect of an asset management company (the "**Asset Management Company**") and the entry into an asset management agreement between the JV Company and the Asset Management Company for the provision of management services in respect of the Office Project.

In the event the conditions precedent are fulfilled:

- 1. the Initial Contribution will be financed by internal funds and paid in cash on completion of the SPJVA; and

2. the Further Contributions will be financed by internal funds and paid in cash in accordance with a development budget set out in the SPJVA.

The Aggregate Contribution was arrived at on a "willing buyer, willing seller" basis, taking into account the existing share capital of the JV Company and the total development cost for the Office Project. The existing share capital of a 40% interest in the JV Company is US\$200,000 (approximately S\$260,000) and the total development cost for the Office Project is estimated to be US\$118,500,000 (approximately S\$154.05 million).

The JV Participation and the Asset Management Participation are not expected to have any material impact on the earnings per share or net tangible assets per share of Keppel Land for the current financial year.

Choo Chin Teck / Anna Tan
Joint Company Secretaries

2 December 2014