



KEPPEL LAND LIMITED

(Incorporated in Singapore)
(Company Registration No. 189000001G)

ANNOUNCEMENT PROPOSED SELECTIVE CAPITAL REDUCTION

- **S\$4.24 for each Share cancelled**
- **The Cash Distribution reflects the Offer Price of S\$4.38 per Share as adjusted for the FY2014 Dividend of S\$0.14 per Share**
- **Opportunity for the Participating Shareholders to realise the value of their Shares following the Delisting**
- **Shareholders owning approximately 19.10 per cent. of the remaining Shares held by the Participating Shareholders have provided undertakings to vote in favour of the Selective Capital Reduction**
- **If the Participating Shareholders do not approve the Selective Capital Reduction, there is no guarantee that another opportunity will arise in the future for them to realise the value of their Shares**

1. INTRODUCTION

The board of directors (the “**Board**”) of Keppel Land Limited (the “**Company**”) wishes to announce that it proposes to seek the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened for a selective capital reduction exercise to be undertaken by the Company (the “**Selective Capital Reduction**”) pursuant to Section 78G of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”).

2. SELECTIVE CAPITAL REDUCTION

2.1 Background. On 12 February 2015, DBS Bank Ltd. (“**DBS**”) and Credit Suisse (Singapore) Limited, for and on behalf of Keppel Corporation Limited (“**KCL**”), made a voluntary unconditional cash offer (the “**Offer**”) to acquire, *inter alia*, all the issued ordinary shares (“**Shares**”) (excluding treasury shares) in the capital of the Company, other than those already owned, controlled or agreed to be acquired by KCL.

The Offer closed at 5.30 p.m. (Singapore time) on 31 March 2015 and the Company was delisted from the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at 9.00 a.m. (Singapore time) on 16 July 2015 (the “**Delisting**”). As at 11 March 2016, being the latest practicable date prior to the publication of this Announcement (the “**Latest Practicable Date**”), KCL holds 1,535,581,235 Shares, representing approximately 99.27 per cent. of the total number of issued Shares¹.

2.2 Company’s Proposal. The Company proposes to implement the Selective Capital Reduction and cancel all the Shares held by the Shareholders, except those held by KCL (the “**Participating Shareholders**”), to provide the Participating Shareholders with an avenue to realise the value of their Shares following the Delisting. **The Participating Shareholders will receive S\$4.24 for each Share held that is cancelled as a result of the Selective Capital Reduction.**

¹ In this Announcement, for the purposes of computation, the total number of issued Shares is 1,546,881,101 Shares as at the Latest Practicable Date.

2.3 Reduction of Share Capital. The Selective Capital Reduction will involve reducing the share capital of the Company from S\$2,408,649,022.59 comprising 1,546,881,101 Shares to S\$2,360,737,590.75 comprising 1,535,581,235 Shares, representing a reduction of the total issued share capital of the Company by approximately 0.73 per cent..

2.4 Process. The Selective Capital Reduction will be effected by:

- (i) cancelling the amount of S\$47,911,431.84 constituting part of the total paid-up share capital of the Company held by the Participating Shareholders; and
- (ii) cancelling 11,299,866 of the said Shares constituting part of the total issued share capital of the Company held by the Participating Shareholders.

2.5 Cash Distribution. The aggregate sum of S\$47,911,431.84 arising from the Selective Capital Reduction will be returned to the Participating Shareholders in cash, on the basis of S\$4.24 for each Share held by each Participating Shareholder that is cancelled as a result of the Selective Capital Reduction (the “**Cash Distribution**”).

The amount of S\$4.24 which the Participating Shareholders will receive for each Share so cancelled represents a premium of 16.2 per cent. over the last transacted price of S\$3.65 per Share on the SGX-ST on 20 January 2015, being the last full day of trading in the Shares on the SGX-ST preceding the announcement relating to the Offer released by DBS, for and on behalf of KCL, on 23 January 2015 (the “**Offer Announcement Date**”).

2.6 Funds for the Selective Capital Reduction. The Selective Capital Reduction will be funded from existing cash and cash equivalents.

3. INFORMATION ON KCL

KCL is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The KCL Group² includes Keppel Offshore & Marine, Keppel Infrastructure, Keppel Telecommunications & Transportation and the Company, among others. Keppel Offshore & Marine is a leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding. Its “Near Market, Near Customer” strategy is bolstered by a global network of 20 yards and offices in the Asia-Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions. Keppel Infrastructure drives the KCL Group’s strategy to invest in, own and operate competitive energy and related infrastructure. Keppel Infrastructure taps the expertise and technology of its engineering business to grow its power and gas, environmental and energy efficiency businesses. Keppel Telecommunications & Transportation is a leading service provider in the Asia-Pacific and Europe with businesses in logistics and data centres.

For the financial year ended 31 December 2015 (“**FY2015**”), the KCL Group had revenues of S\$10,296 million and net profit before income tax and non-controlling interests of S\$1,997 million, with net assets of S\$11,096 million as at the end of FY2015.

As at the date of this Announcement (the “**Announcement Date**”), the directors of KCL are Dr Lee Boon Yang, Mr Loh Chin Hua, Mrs Oon Kum Loon, Mr Tow Heng Tan, Mr Alvin Yeo Khirn Hai, Mr Tan Ek Kia, Mr Danny Teoh Leong Kay, Mr Tan Puay Chiang, Mr Till Bernhard Vestring and Ms Veronica Eng Siang Yang.

² In this Announcement, the term “**KCL Group**” means KCL and its subsidiaries.

4. RATIONALE

The Selective Capital Reduction is an internal corporate exercise that is proposed by the Company for the Participating Shareholders.

Following the Delisting, it has become difficult for the Participating Shareholders to realise their investment in the Shares given the lack of a public market for the Shares. With the Selective Capital Reduction, the Participating Shareholders will have an opportunity to realise the value of their Shares.

The Selective Capital Reduction would enable the Company to return the aggregate sum of S\$47,911,431.84 in cash to the Participating Shareholders in respect of the cancellation of the Shares held by them.

The Cash Distribution of S\$4.24 for each Share cancelled as a result of the Selective Capital Reduction will result in the Participating Shareholders receiving effectively the same price per Share received by former shareholders of the Company who tendered their Shares in acceptance of the Offer (the “**Accepting Shareholders**”) at the base offer price of S\$4.38 for each Share (the “**Offer Price**”) for the following reasons:

- (i) the Offer Price had been determined on the basis that the Shares to which the Offer relates will be acquired with the right to receive any dividends, rights and other distributions and/or return of capital that may be declared, paid or made by the Company on or after the Offer Announcement Date;
- (ii) the Accepting Shareholders were paid the adjusted Offer Price of S\$4.24 for each Share if the settlement date of their Shares under the Offer fell after the books closure date for determining entitlements to the final one-tier tax exempt dividend of S\$0.14 per Share (the “**FY2014 Dividend**”) for the financial year ended 31 December 2014 (the “**Books Closure Date**”) as such Accepting Shareholders received the FY2014 Dividend;
- (iii) the Accepting Shareholders were paid the unadjusted Offer Price of S\$4.38 for each Share if the settlement date of their Shares under the Offer fell on or before the Books Closure Date as such Accepting Shareholders did not receive the FY2014 Dividend; and
- (iv) **as the Participating Shareholders received the FY2014 Dividend in respect of their Shares from the Company, the Cash Distribution reflects the Offer Price as adjusted for the FY2014 Dividend.**

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no guarantee that another opportunity will arise in the future for them to realise the value of their Shares.

5. EXEMPTIONS BY THE SECURITIES INDUSTRY COUNCIL

The Securities Industry Council has exempted the Selective Capital Reduction from Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

6. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as financial adviser to the Company in connection with the Selective Capital Reduction, confirms that sufficient financial resources are available to the Company to fund the aggregate Cash Distribution which will be returned to the Participating Shareholders if the Selective Capital Reduction becomes effective.

7. DISCLOSURES

7.1 Holdings and Dealings

- (i) **Relevant Persons' Holdings.** Paragraph 1 of the **Appendix** to this Announcement sets out the number of KLL Securities³ owned, controlled or agreed to be acquired by (a) KCL and its directors and (b) DBS (collectively, the "**Relevant Persons**") in connection with the Selective Capital Reduction as at the Latest Practicable Date.
- (ii) **No Other Holdings and Dealings.** Save as disclosed in this Announcement, none of the Relevant Persons:
 - (a) owns, controls or has agreed to acquire any KLL Securities as at the Latest Practicable Date; or
 - (b) has dealt for value in any KLL Securities during the period commencing three months prior to the Announcement Date and ending on the Latest Practicable Date.

7.2 No Material Arrangements. As at the Latest Practicable Date, none of the Relevant Persons has entered into any arrangements (whether by way of option, indemnity or otherwise) in relation to any KLL Securities which might be material to the Selective Capital Reduction.

7.3 No Other Arrangements. As at the Latest Practicable Date, none of the Relevant Persons has:

- (i) granted any security interest relating to any KLL Securities to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed any KLL Securities from another person (excluding borrowed KLL Securities which have been on-lent or sold); or
- (iii) lent any KLL Securities to another person.

7.4 Irrevocable Undertakings. As at the Latest Practicable Date, the Relevant Persons and/or the Company have received irrevocable undertakings from the persons listed in **paragraph 2** of the **Appendix** to this Announcement to vote in favour of the Selective Capital Reduction (the "**Irrevocable Undertakings**"). The Irrevocable Undertakings will lapse if the Company decides not to proceed with the Selective Capital Reduction for any reason whatsoever, upon the release of an announcement by the Company on the Company's website at <http://www.keppelland.com.sg> of such decision.

Save as disclosed in this Announcement, none of the Relevant Persons and/or the Company has received any irrevocable undertaking from any Shareholder to vote in favour of the Selective Capital Reduction.

7.5 Confidentiality. In the interests of confidentiality, KCL has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert⁴ with KCL in connection with the Selective Capital Reduction. Further enquiries will be made of such persons after the Announcement Date and the relevant disclosures will be made in the Circular (as defined below).

³ In this Announcement, "**KLL Securities**" means any Shares or securities which carry voting rights in the Company or convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company.

⁴ In this Announcement, the expression "**acting in concert**" shall have the same meaning ascribed to it in the Code.

8. SHAREHOLDERS' AND COURT APPROVAL

Shareholders' approval is being sought for the Selective Capital Reduction in accordance with the provisions of the Companies Act.

Pursuant to Section 78G of the Companies Act, the Selective Capital Reduction requires (i) a special resolution⁵ to be passed by the Shareholders approving the Selective Capital Reduction and (ii) the approval and confirmation by the High Court of the Republic of Singapore (the "Court") of the Selective Capital Reduction.

Upon an order of the Court being made approving the Selective Capital Reduction (the "Court Order"), the Selective Capital Reduction will take effect upon the lodgement of a copy of the Court Order, together with the other documents as prescribed under the Companies Act, with the Registrar of Companies of Singapore (the "Registrar") within 90 days beginning with the date the Court Order is made, or within such longer period as the Registrar may allow.

9. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

In connection with the Selective Capital Reduction, the Board wishes to announce that PrimePartners Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser (the "IFA") to advise the directors of the Company who are considered independent for the purposes of the Selective Capital Reduction (the "Independent Directors").

10. CIRCULAR TO SHAREHOLDERS AND NOTICE OF EGM

A circular to Shareholders (the "Circular") setting out relevant information relating to the Selective Capital Reduction and containing the advice of the IFA and the recommendation of the Independent Directors, together with the notice of the EGM (the "Notice") to be convened to seek the approval of the Shareholders for the Selective Capital Reduction, will be despatched to Shareholders in due course. A copy of the Circular and the Notice will also be made available on the Company's website at <http://www.keppelland.com.sg>. Please refer to the Company's website for further announcements in relation to the Selective Capital Reduction.

11. ABSTENTIONS

KCL and parties acting in concert with KCL will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM.

12. RESPONSIBILITY STATEMENT

12.1 Company. The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than **paragraphs 3, 7.1 to 7.3 and 7.5** above and the **Appendix** to this Announcement for which KCL has taken responsibility, and all other facts relating to, and opinions expressed by, KCL) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

⁵ A special resolution requires the approval of at least 75 per cent. of all Shares voted by Shareholders present and voting at the EGM.

Where any information in this Announcement has been extracted or reproduced from published or publicly available sources (other than **paragraphs 3, 7.1 to 7.3 and 7.5** above and the **Appendix** to this Announcement for which KCL has taken responsibility, and all other facts relating to, and opinions expressed by, KCL), the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

12.2 KCL. The directors of KCL (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in **paragraphs 3, 7 and 11** above and the **Appendix** to this Announcement (other than all facts relating to, and opinions expressed by, the Company and DBS) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information in **paragraphs 3, 7 and 11** above and the **Appendix** to this Announcement has been extracted or reproduced from published or publicly available sources (other than all facts relating to, and opinions expressed by, the Company and DBS), the sole responsibility of the directors of KCL has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in **paragraphs 3, 7 and 11** above and the **Appendix** to this Announcement.

BY ORDER OF THE BOARD OF
KEPPEL LAND LIMITED

Daniel Law/Marc Tan
Joint Company Secretaries

Singapore
14 March 2016

Any inquiries relating to this Announcement or the Selective Capital Reduction should be directed during office hours to:

DBS Bank Ltd.
Tel: (65) 6878 2150

APPENDIX

DISCLOSURES OF HOLDINGS IN KLL SECURITIES AND DETAILS OF IRREVOCABLE UNDERTAKINGS

1. HOLDINGS OF SHARES

As at the Latest Practicable Date, based on (i) the latest information available to KCL and (ii) the responses received pursuant to enquiries made by KCL, the interests in Shares held by the Relevant Person(s) are set out below:

Name	Direct Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
KCL	1,535,581,235	99.27	1,535,581,235	99.27

Note:

(1) Calculated based on 1,546,881,101 Shares in issue.

2. DETAILS OF IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, the details of the Irrevocable Undertakings received by the Relevant Persons and/or the Company are set out below:

Name of Undertaking Party	No. of Shares held by the Undertaking Party	Percentage represented by the Shares ⁽¹⁾
Stichting Depository APG Developed Markets Equity Pool (acting in its capacity as depository of APG Developed Markets Equity Pool)	1,886,727	0.12%
TD Asset Management Inc.	272,000	0.02%

Note:

(1) Calculated based on 1,546,881,101 Shares in issue.