

**VOLUNTARY UNCONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED,  
FOR AND ON BEHALF OF UIC ENTERPRISE PTE LTD FOR SINGAPORE LAND LIMITED**

**RESPONSE TO SGX-ST QUERY**

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**1. Introduction**

The board of directors (the "**Board**") of Singapore Land Limited (the "**Company**") refers to:

- 1.1 the voluntary unconditional cash offer (the "**Offer**") by United Overseas Bank Limited, for and on behalf of UIC Enterprise Pte Ltd (the "**Offeror**"), a wholly-owned subsidiary of United Industrial Corporation Limited ("**UIC**"), to acquire all the issued and paid-up ordinary shares in the capital of the Company (the "**Shares**") other than those Shares held, directly or indirectly, by UIC and its subsidiaries (including the Offeror) as at the date of the Offer; and
- 1.2 the circular dated 24 March 2014 (the "**Offeree Circular**") issued by the Company to its shareholders (the "**Shareholders**") which contains, *inter alia*, the advice of Australia and New Zealand Banking Group Limited, Singapore Branch (the "**IFA**") dated 18 March 2014 (the "**IFA Letter**"), the independent financial adviser to the director of the Company who is independent for the purpose of making recommendations to the Shareholders in respect of the Offer (the "**Independent Director**"), and the recommendation of the Independent Director in respect of the Offer.

Any capitalised terms which are used and not defined in this Announcement shall have the meaning ascribed to them in the Offeree Circular.

**2. SGX-ST Query**

On 4 April 2014, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") asked the Independent Director to advise if the IFA, in arriving at its recommendation, took into consideration the 33.1 per cent. discount to the net tangible assets ("**NTA**") (which was referred to on page 27 of the Offeree Circular), and if so, to provide the detailed basis and opinion on whether the Offer Price of S\$9.40 is still fair and reasonable.

**3. Response to SGX-ST Query**

- 3.1 The Independent Director has consulted the IFA and the IFA has confirmed that, subject to all qualifications and assumptions as set out in the IFA Letter, it stands by its opinion that the financial terms of the Offer are fair and reasonable from a financial point of view. The IFA is of the view that:

- (a) The IFA Letter shows the NTA on two bases: unadjusted (S\$13.07

per Share) and adjusted (S\$14.04 per Share). As explained in the IFA Letter, adjusted NTA values the three hotel properties owned by the Group at market value.

- (b) The combination of properties already held at fair market value in the Company's accounts (comprising Investment Properties and Associate Properties as defined in the IFA letter, excluding Changfeng condominium) as well as the hotel properties at fair market value accounts for 89 per cent. of the Company's properties by value. Given that such a high proportion of the Company's properties are considered at fair market value in the IFA Letter, it is the IFA's view that it is sufficient to perform an NTA comparison with the peer group and not to additionally include a revalued NAV ("RNAV") comparison.
- (c) The Offer Price is a 28.1 per cent. and 33.1 per cent. discount to the unadjusted and adjusted NTA respectively. Both of these discounts are within the range of the peer group as indicated in section 7(E) of the IFA Letter.
- (d) Based on the above explanation, the IFA stands by its opinion that the financial terms of the Offer are fair and reasonable from a financial point of view.
- (e) In addition and for reference only, based on a selection of analyst reports for the peer group, the average discount of the peer group to RNAV as at the Latest Practicable Date was 43 per cent. (0.57x RNAV), while the average discount of the Offer Price to the Company's RNAV as at the Latest Practicable Date was 31 per cent. (0.69x):

| Comparable Companies                | Share Price as at Latest Practicable Date (S\$) | RNAV per Share (S\$)* | P/RNAV (times) |
|-------------------------------------|-------------------------------------------------|-----------------------|----------------|
| Capitaland                          | 2.75                                            | 5.18                  | 0.53x          |
| Fraser's Centrepoint                | 1.57                                            | 2.96                  | 0.53x          |
| Ho Bee                              | 2.11                                            | 3.59                  | 0.59x          |
| Keppel Land                         | 3.16                                            | 5.64                  | 0.56x          |
| UOL                                 | 5.98                                            | 9.55                  | 0.63x          |
| <b>High</b>                         |                                                 |                       | <b>0.63x</b>   |
| <b>Low</b>                          |                                                 |                       | <b>0.53x</b>   |
| <b>Mean</b>                         |                                                 |                       | <b>0.57x</b>   |
| <b>Median</b>                       |                                                 |                       | <b>0.56x</b>   |
| <b>The Company (at Offer Price)</b> |                                                 | <b>13.72</b>          | <b>0.69x</b>   |

\* Based on the average RNAV estimates of a sample of recent publicly available analyst reports for the respective companies.

- 3.2 Please note that the views of the IFA as set out above should be read in conjunction with, and in the context of, full text of the Offeree Circular (including the IFA Letter).

#### **4. Responsibility Statement**

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 are fair and accurate and that no material facts have been omitted from this Announcement, and the directors of the Company jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document), the sole responsibility of the directors of the Company 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 this Announcement.

Submitted by Susie Koh, Company Secretary on 4 April 2014 to the SGX-ST.