

CIRCULAR DATED 8 JUNE 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Singapore Land Limited, please forward this Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



SINGAPORE LAND LIMITED

(Company Registration Number: 196300170C)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED SELECTIVE CAPITAL REDUCTION OF S\$9.20 IN CASH
FOR EACH SHARE CANCELLED**

IMPORTANT DATES AND TIMES

- Last date and time for depositing the Proxy Form : Tuesday, 28 June 2016 at 3.15 p.m.
- Date and time of Extraordinary General Meeting : Thursday, 30 June 2016 at 3.15 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the 52nd Annual General Meeting of Singapore Land Limited to be convened at 3.00 p.m. on the same day and at the same venue)
- Place of Extraordinary General Meeting : 80 Raffles Place
62nd Storey, UOB Plaza 1
Singapore 048624

Please contact United Overseas Bank Limited at (65) 6539 7066 during office hours if you have any enquiries about the Selective Capital Reduction, or if you need assistance to complete the accompanying Proxy Form.

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DEFINITIONS AND INTERPRETATION

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Announcement”	:	The announcement of the Selective Capital Reduction by the Company made available on the UIC Website and released by UIC on behalf of the Company on SGXNet on the Announcement Date
“Announcement Date”	:	18 May 2016, being the date of the Announcement
“Board”	:	The board of directors of the Company
“Books Closure Date”	:	The date, to be determined by the Directors and announced by the Company, on which the transfer books of the Company and the Register of Members will be closed in order to determine the entitlements of the Participating Shareholders to the Cash Distribution pursuant to the Selective Capital Reduction
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
“Cash Distribution”	:	The aggregate sum of S\$12,031,971.60 arising from the Selective Capital Reduction that will be returned to the Participating Shareholders in cash, on the basis of S\$9.20 for each Share held by each Participating Shareholder that is cancelled as a result of the Selective Capital Reduction
“Circular”	:	This Circular dated 8 June 2016 to Shareholders
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore)
“Company” or “SLL”	:	Singapore Land Limited
“Court”	:	The High Court of the Republic of Singapore
“Court Order”	:	The order of the Court approving the Selective Capital Reduction
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Delisting”	:	Shall have the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“DTZ”	:	DTZ Debenham Tie Leung (SEA) Pte Ltd, an independent professional valuer which prepared the relevant Valuation Reports

“Effective Date”	:	Shall have the meaning ascribed to it in paragraph 9.2 of the Letter to Shareholders in this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on Thursday, 30 June 2016 at 3.15 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the 52 nd Annual General Meeting of the Company to be convened at 3.00 p.m. on the same day and at the same venue) (and any adjournment thereof)
“FY”	:	The financial year ended 31 December of the relevant year
“FY2013 Dividend”	:	Shall have the meaning ascribed to it in paragraph 4(a) of the Letter to Shareholders in this Circular
“FY2015 Dividend”	:	Shall have the meaning ascribed to it in paragraph 4(b) of the Letter to Shareholders in this Circular
“FY2015 Results”	:	Extract of the latest audited consolidated financial statements of the SLL Group for FY2015
“IFA” or “ANZ”	:	Australia and New Zealand Banking Group Limited, Singapore Branch, the independent financial adviser to the Participating Shareholders in respect of the Selective Capital Reduction
“IFA Letter”	:	Letter dated 8 June 2016 from the IFA addressed to the Participating Shareholders in respect of the Selective Capital Reduction as set out in Appendix 1 to this Circular
“Interested Person”	:	As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person is: <ul style="list-style-type: none"> (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30 per cent. or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30 per cent. or more
“Knight Frank”	:	Knight Frank Pte Ltd, an independent professional valuer which prepared the relevant Valuation Reports

“Latest Practicable Date”	:	25 May 2016, being the latest practicable date prior to the printing of this Circular
“Non-Participating Shareholders”	:	UIC and its subsidiaries which hold Shares
“Non-Participating Shareholders’ Securities”	:	Shares or securities which carry voting rights in any of the Non-Participating Shareholders, or convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in any of the Non-Participating Shareholders
“Notice”	:	The notice of EGM set out on pages 168 and 169 of this Circular
“Offer”	:	Shall have the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Offer Price”	:	Shall have the meaning ascribed to it in paragraph 4 of the Letter to Shareholders in this Circular
“Offer Shares”	:	Shall have the meaning ascribed to it in paragraph 4(a) of the Letter to Shareholders in this Circular
“Participating Shareholders”	:	Shall have the meaning ascribed to it in paragraph 2.1 of the Letter to Shareholders in this Circular
“Q1 FY2016”	:	The financial quarter ended 31 March 2016
“Q1 FY2016 Results”	:	The unaudited consolidated financial statements of the SLL Group for Q1 FY2016
“Registered Address”	:	The address of each Shareholder as set out in the Register of Members
“Register of Members”	:	The register of members of the Company
“Registrar”	:	The Registrar of Companies of Singapore appointed under the Companies Act
“Selective Capital Reduction”	:	Shall have the meaning ascribed to it in paragraph 1.2 of the Letter to Shareholders in this Circular
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares
“Share Registrar”	:	Tricor Barbinder Share Registration Services, the share registrar of the Company
“Shares”	:	Ordinary shares in the issued and paid-up share capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SLL Group”	:	SLL and its subsidiaries, and “SLL Group Company” shall mean any of them

“SLL Securities”	:	Shares or securities which carry voting rights in SLL, or convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in SLL
“SRS”	:	Supplementary Retirement Scheme
“SRS Account”	:	An account opened by an SRS Investor with an SRS Operator
“SRS Investors”	:	Investors who have purchased Shares through their SRS Account pursuant to the SRS
“SRS Operators”	:	An approved financial institution with which an SRS Account is opened and maintained
“Subject Properties”	:	The properties as set out in Appendix 7 to this Circular in which the SLL Group has interests and which have been valued pursuant to the Valuation Reports
“S215(3) Acquisition”	:	Shall have the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“UEPL”	:	UIC Enterprise Pte Ltd
“UIC”	:	United Industrial Corporation Limited
“UICD”	:	UIC Development (Private) Limited
“UICI”	:	UIC Investment Pte Ltd
“UIC Group”	:	UIC and its subsidiaries
“UIC Website”	:	UIC’s website at http://www.uic.com.sg
“UOB”	:	United Overseas Bank Limited, the financial adviser to the Company in respect of the Selective Capital Reduction
“Valuation Reports”	:	The valuation reports prepared by the Valuers in respect of the Subject Properties, extracts of which are set out in Appendix 7 to this Circular
“Valuers”	:	DTZ and Knight Frank, being the independent professional valuers who prepared the Valuation Reports in respect of the Subject Properties
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

Unless otherwise defined, the expression **“acting in concert”** shall have the meaning ascribed to it in the Code.

Any reference to **“you”**, **“your”** and **“yours”** in this Circular are, as the context so determines, to Shareholders.

Any term defined under the Companies Act, the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Code or any statutory modification thereof, as the case may be, unless otherwise provided. Without prejudice to the generality of the foregoing, the term “**subsidiary**” shall have the meaning ascribed to it under Section 5 of the Companies Act.

Unless the context otherwise requires, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

The headings in this Circular are inserted for convenience only and shall not be taken into account in the interpretation or construction of this Circular.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Summaries of the provisions of any laws and regulations contained in this Circular are of such laws and regulations as at the Latest Practicable Date.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively unless otherwise stated.

As at the Latest Practicable Date, any reference to the total number of Shares in this Circular is to 412,477,559 Shares unless otherwise stated.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

SINGAPORE LAND LIMITED
(Company Registration Number: 196300170C)
(Incorporated in Singapore)

LETTER TO SHAREHOLDERS

Board of Directors:

Mr Lim Hock San (President, Chief Executive Officer and Executive Director)
Ms Goh Poh Leng (Executive Director)

Registered Office:

24 Raffles Place
#22-01/06
Clifford Centre
Singapore 048621

8 June 2016

To: The Shareholders of Singapore Land Limited

Dear Sir / Madam

PROPOSED SELECTIVE CAPITAL REDUCTION

1. INTRODUCTION

1.1 Background

On 10 March 2014, UOB, for and on behalf of UEPL, a wholly-owned subsidiary of UIC, made a voluntary unconditional cash offer (the “Offer”) for all the Shares in the capital of the Company, other than those Shares held, directly or indirectly, by UIC and its subsidiaries (including UEPL) as at the date of the Offer.

As at the close of the Offer at 5.30 p.m. (Singapore time) on 25 April 2014, the total number of (a) Shares owned, controlled or agreed to be acquired by UEPL and parties acting or deemed to be acting in concert with it and (b) valid acceptances of the Offer, amounted to an aggregate of 401,216,185 Shares, representing approximately 97.27 per cent. of the total number of issued Shares as at such date. Following the close of the Offer, an announcement was made on 12 May 2014 by UOB, for and on behalf of UEPL, that pursuant to Section 215(3) of the Companies Act, Shareholders who had not accepted the Offer had a right to require UEPL to acquire their Shares on the same terms as that set out in the offer document dated 10 March 2014 (the “**S215(3) Acquisition**”). At the end of the S215(3) Acquisition, UEPL and its related corporations held, or had agreed to acquire, an aggregate of 410,414,347 Shares, representing approximately 99.50 per cent. of the total number of issued Shares. Upon the completion of the S215(3) Acquisition, the Company was delisted from the Official List of the SGX-ST with effect from 9.00 a.m. (Singapore time) on 25 August 2014 (the “**Delisting**”).

Following the S215(3) Acquisition, UEPL made various off-market purchases of an aggregate of 755,389 Shares from Shareholders who had approached UEPL and offered to sell UEPL their Shares. As at the Latest Practicable Date, UIC and its wholly-owned subsidiaries (including UEPL) hold an aggregate number of 411,169,736 Shares, representing approximately 99.683 per cent. of the total number of issued Shares as follows:

Shareholder (wholly-owned subsidiary of UIC which holds Shares)	No. of Shares	%
UEPL	325,374,040	78.883
UICD	85,643,196	20.763
UICI	152,500	0.037
TOTAL	411,169,736	99.683

1.2 Selective Capital Reduction

The Directors propose to seek the approval of Shareholders at the EGM to be convened for the implementation of a selective capital reduction exercise to be undertaken by the Company pursuant to Section 78G of the Companies Act (the “**Selective Capital Reduction**”), details of which are set out in paragraph 2 below.

1.3 Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Selective Capital Reduction. This Circular also sets out the advice of the IFA to the Participating Shareholders with regard to the Selective Capital Reduction.

2. SELECTIVE CAPITAL REDUCTION

2.1 Company’s Proposal

The Company proposes to implement the Selective Capital Reduction and cancel all the Shares held by Shareholders (except those held by the Non-Participating Shareholders) (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\$9.20 for each Share held that is cancelled as a result of the Selective Capital Reduction.**

2.2 Reduction of Share Capital

The Selective Capital Reduction will involve reducing the share capital of the Company from S\$840,348,142.83 comprising 412,477,559 Shares to S\$828,316,171.23 comprising 411,169,736 Shares, representing a reduction of the total issued share capital of the Company by approximately 0.317 per cent.

2.3 Process

The Selective Capital Reduction will be effected by:

- (a) cancelling the amount of S\$12,031,971.60 constituting part of the total paid-up share capital of the Company that is held by the Participating Shareholders; and
- (b) cancelling 1,307,823 of the said Shares constituting part of the total issued share capital of the Company that is held by the Participating Shareholders.

2.4 Cash Distribution

The aggregate sum of S\$12,031,971.60 arising from the Selective Capital Reduction will be returned to the Participating Shareholders in cash, on the basis of S\$9.20 for each Share held by each Participating Shareholder that is cancelled as a result of the Selective Capital Reduction.

2.5 Funds for the Selective Capital Reduction

The Selective Capital Reduction will be funded from existing cash and cash equivalents.

3. CONFIRMATION OF FINANCIAL RESOURCES

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

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\$12,031,971.60 in cash to the Participating Shareholders in respect of the cancellation of the Shares held by them.

The Cash Distribution of S\$9.20 for each Share cancelled as a result of the Selective Capital Reduction will result in the Participating Shareholders receiving effectively the same amount per Share received by former shareholders of the Company who tendered their Shares in acceptance of the Offer at the base offer price of S\$9.40 for each Share (the “**Offer Price**”) as:

- (a) the Offer Price was determined on the basis that the Shares to which the Offer related to (the “**Offer Shares**”) would be acquired with the right to receive a tax-exempt (one-tier) dividend of 20 cents per Share for the financial year ended 31 December 2013 (the “**FY2013 Dividend**”). As the settlement date in respect of the Offer Shares accepted pursuant to the Offer fell before the record date for the determination of entitlements to the FY2013 Dividend, each Shareholder who accepted the Offer received the Offer Price of S\$9.40 per Share for each Offer Share; and
- (b) **the directors of the Company intend to propose a dividend of 20 cents per Share for the financial year ended 31 December 2015 (the “FY2015 Dividend”). If approved by Shareholders, the books closure date for the determination of entitlements to the FY2015 Dividend will fall on or before the date on which the Shares of the Participating Shareholders are cancelled pursuant to the Selective Capital Reduction. As such, the Participating Shareholders will receive the Cash Distribution of S\$9.20 for each Share cancelled as a result of the Selective Capital Reduction and, if approved by Shareholders, the FY2015 Dividend of 20 cents per Share, thereby also effectively receiving an aggregate of S\$9.40 for each Share.**

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. THE NON-PARTICIPATING SHAREHOLDERS’ INTENTIONS FOR THE COMPANY

5.1 The Non-Participating Shareholders’ Future Plans

The Non-Participating Shareholders currently intend for the Company to continue its existing business activities. Save as disclosed in this Circular and in publicly available information on the Non-Participating Shareholders, the Non-Participating Shareholders have no plans to (a) introduce any major changes to the businesses of the Company or any other SLL Group Company, (b) re-deploy the fixed assets of any SLL Group Company, (c) affect the operations of any SLL Group Company, or (d) discontinue the employment of the existing employees of any SLL Group Company, in each case, other than in the ordinary and usual course of business.

Each Non-Participating Shareholder may request the Board, at any time and from time to time, to consider any options or opportunities in relation to any SLL Group Company which may present themselves and which that Non-Participating Shareholder may regard to be in the best interests

of such SLL Group Company and conduct a review of the SLL Group's business strategy to identify potential areas in which the Company can achieve optimal value and generate higher returns in the long term.

In particular, each Non-Participating Shareholder may request the Board to undertake an assessment of (i) the SLL Group's capital structure and needs and (ii) the human resource requirements of the SLL Group, taking into account the future plans for the SLL Group but ensuring continuity of its existing operations and the objectives of retaining and attracting competent personnel to further enhance the management and operations of the SLL Group.

The Non-Participating Shareholders retain the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves and which they may regard to be in the best interests of the SLL Group and the UIC Group.

5.2 Compulsory Acquisition

Each of the Non-Participating Shareholders is not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act. It should also be noted that the Participating Shareholders will also have no right and are not entitled to require the Non-Participating Shareholders to acquire their Shares under Section 215(3) of the Companies Act.

6. DISCLOSURES

6.1 Holdings and Dealings

(a) *Non-Participating Shareholders and Parties Acting in Concert*

Paragraph 1 of Appendix 3 to this Circular sets out the number of SLL Securities owned, controlled or agreed to be acquired by the Non-Participating Shareholders as at the Latest Practicable Date.

(b) *No Other Holdings and Dealings*

Paragraph 2 of Appendix 3 to this Circular sets out the details of the Non-Participating Shareholders' dealings in SLL Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

Save as disclosed in this Circular, none of the Non-Participating Shareholders, directors of the Non-Participating Shareholders and parties acting in concert with the Non-Participating Shareholders:

- (i) owns, controls or has agreed to acquire any SLL Securities as at the Latest Practicable Date; or
- (ii) has dealt for value in any SLL Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

6.2 No Other Arrangements

As at the Latest Practicable Date, none of the Non-Participating Shareholders and parties acting in concert with the Non-Participating Shareholders has:

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

6.3 No Indemnity and Other Arrangements

As at the Latest Practicable Date, neither the Non-Participating Shareholders nor parties acting in concert with the Non-Participating Shareholders has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.

6.4 Irrevocable Undertakings

As at the Latest Practicable Date, none of the Non-Participating Shareholders, parties acting in concert with the Non-Participating Shareholders and/or the Company has received any irrevocable undertaking from any Participating Shareholder to vote in favour of the Selective Capital Reduction.

7. 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, in order for the Selective Capital Reduction to be approved, (a) a special resolution¹ must be passed by Shareholders approving the Selective Capital Reduction and (b) the approval and confirmation by the Court of the Selective Capital Reduction must be obtained.

Upon the Court Order being made, 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 within 90 days beginning with the date the Court Order is made, or within such longer period as the Registrar may allow.

8. ABSTENTIONS

The Non-Participating Shareholders and parties acting in concert with the Non-Participating Shareholders will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM.

9. ADMINISTRATIVE PROCEDURES

The following paragraphs set out the administrative procedures for the Selective Capital Reduction.

9.1 Books Closure Date

Subject to the conditions in paragraph 7 above being satisfied, the Participating Shareholders registered in the Register of Members as at the Books Closure Date will be entitled to receive S\$9.20 for each Share registered in their respective names as at the Books Closure Date.

9.2 Settlement of Cash Distribution

Subject to the conditions in paragraph 7 above being satisfied, on the lodgement of a copy of the Court Order together with the other documents prescribed under the Companies Act with the Registrar, the Selective Capital Reduction shall take effect on such date (the "**Effective Date**"), and payment of the Cash Distribution pursuant to the Selective Capital Reduction will be made in the manner set out below.

¹ A special resolution on a poll requires the approval of at least 75 per cent. of all Shares voted by Shareholders present and voting at the EGM.

The Participating Shareholders who hold Shares registered in their own names in the Register of Members as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution despatched to them by ordinary post at their own risk at their Registered Addresses within seven (7) Business Days of the Effective Date. **A Participating Shareholder who wishes to record any change in his Registered Address should notify the Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898, of such change before the Books Closure Date.**

10. EXEMPTIONS BY THE SIC

10.1 Exemptions by the SIC

The SIC 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 Code.

10.2 Independence of Directors and Scope of Responsibility

The SIC ruled that both Directors, being Mr Lim Hock San and Ms Goh Poh Leng, are exempted from the requirement to make a recommendation on the Selective Capital Reduction to the Participating Shareholders as each Director has irreconcilable conflicts of interest in doing so in view of the relationship between the Directors and the Non-Participating Shareholders for the reasons set out below:

- (a) Mr Lim Hock San, the President, Chief Executive Officer and Executive Director of the Company, is also currently the President, Chief Executive Officer and Executive Director of UIC; and
- (b) Ms Goh Poh Leng, an Executive Director of the Company, is also currently an employee of UIC, as the Senior General Manager, Marketing of both UIC and the Company.

Both Directors must, nonetheless, still assume responsibility for the accuracy and facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Selective Capital Reduction.

11. ADVICE OF THE IFA

11.1 IFA

ANZ has been appointed as the independent financial adviser to advise the Participating Shareholders in respect of the Selective Capital Reduction. The Participating Shareholders should consider carefully the advice of the IFA before deciding whether to vote in favour of the Selective Capital Reduction at the EGM. The IFA's advice is set out in its letter dated 8 June 2016 which is reproduced in Appendix 1 to this Circular.

11.2 Advice of the IFA

Having considered the points set out in Section 7 of the IFA Letter and reproduced in italics below, including the various factors set out in the IFA Letter, the IFA is of the opinion that, on balance, the financial terms of the Selective Capital Reduction are fair and reasonable and not prejudicial to the interests of the Participating Shareholders in the context of an exercise involving no change in control of the Company. Accordingly, the IFA has advised the Participating Shareholders to vote in favour of the Selective Capital Reduction. **The considerations and recommendations set out below should be considered and read in conjunction with, and in the context of, the full text of the IFA Letter.** Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings as defined in the IFA Letter.

“7. RECOMMENDATION

The Participating Shareholders should read the following in conjunction with, and in context of, the full text of the letter. In arriving at our opinion on the Selective Capital Reduction, we have taken into consideration, amongst other things, the following factors:

- (a) No change of control would occur as a result of the Selective Capital Reduction and hence no change of control premium is applicable;*
- (b) The Non-Participating Shareholders currently hold 99.683% of the total number of issued Shares and are in a position to exert significant control including passing of ordinary resolutions and reducing dividends;*
- (c) The Company was delisted from the Official List of the SGX-ST on 25 August 2014 and the Shares are no longer quoted on the SGX-ST. 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. In addition, the Company is no longer required to comply with the enhanced disclosure requirements of the SGX-ST Listing Manual and to explain any deviations from the Code of Corporate Governance;*
- (d) Although the Company has paid dividends in the past, future dividend payments are not fixed and would depend on various factors including but not limited to the financial performance of the Company, its working capital and capital expenditure need as well as other considerations. There is no assurance that Shareholders will receive dividends in the future;*
- (e) There is no publicly available information of any alternative offer for the Shares. To the best of the Directors' knowledge, Shareholders have not received any offer from any other party;*
- (f) Profit attributable to Shareholders of the Company increased approximately 6.3% from S\$339.2 million in FY2013 to S\$360.7 million in FY2014. However, subsequently, profit attributable to Shareholders of the Company decreased by approximately 37.5% to S\$225.6 million in FY2015. ROE was approximately 6.5% in FY2013 and FY2014 and 3.9% in FY2015;*
- (g) The Cash Distribution of S\$9.20 per share is within the range that the Shares traded over the 3-year period up to and including the Last Undisturbed Trading Day, with the exception of five market days in March and April 2013 with a price range of S\$9.23 to S\$9.30. The Cash Distribution represents a 72.6% premium over the lowest closing price of S\$5.33 during this period and a 1.1% discount from the highest closing price of S\$9.30 during this period;*
- (h) The Cash Distribution represents a premium of 28.54%, 21.25%, 5.55%, 8.61%, 11.45% and 14.43% over the 3-year, 2-year, 12-month, 6-month, 3-month and 1-month VWAP of the Shares up to and including the Last Undisturbed Trading Day, respectively;*
- (i) Since the Last Undisturbed Trading Day up to and including the Latest Practicable Date, the broader Singapore market index declined by approximately 10.4% while the Comparable Companies Index declined by approximately 6.8%;*
- (j) The Company's ordinary dividend yield of 2.2% implied by the Cash Distribution lies below the entire range of dividend yields of the selected alternative investments relating to last paid dividends;*

- (k) *The Cash Distribution of S\$9.20 represents a discount of 35.3% to the NTA per Share on a carrying value basis and a discount of 39.6% after including the fair market value of the Hotel Properties;*
- (l) *The discount to the NTA per Share of 35.3% and to the adjusted NTA per Share of 39.6% as at 31 March 2016 should be considered in the context of the lack of public market for the Shares since the Delisting on 25 August 2014;*
- (m) *The Company's Share price had consistently traded at a discount to the trailing NTA per Share over the 3-year period up to and including the Last Undisturbed Trading Day. The historical discount, based on closing Share prices, to prevailing NTA over the 3-year period up to and including the Last Undisturbed Trading Day had ranged from 25.0% to 54.8%; the Cash Distribution discount to prevailing NTA per Share of 35.3% is narrower than the average discount to NTA per Share of 38.8% at which the Shares had closed over the 3-year period up to and including the Last Undisturbed Trading Day;*
- (n) *In comparison with the Comparable Companies, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:*
- The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Comparable Companies, are above the mean, and are in line with the median;*
 - The PIE ratios implied by the Cash Distribution are within the range of the PIE ratios of the Comparable Companies and are above the mean and median;*
 - The P/NTA ratios implied by the Cash Distribution are within the range of P/NTA ratios of the Comparable Companies and are in line with the mean and median;*
 - The P/IRNTA ratios implied by the Cash Distribution are within the range of P/IRNTA ratios of the Comparable Companies and are in line with the mean and median;*
- (o) *In comparison with the Precedent Transactions, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:*
- The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Precedent Transactions and are in line with the mean and median;*
 - The PIE ratios implied by the Cash Distribution are within the range of the PIE ratios of the Precedent Transactions and are above the mean and median;*
 - The P/IRNTA ratios implied by the Cash Distribution are within the range of the P/IRNTA ratios of the Precedent Transactions and are below the mean and median;*
 - The P/NTA ratios implied by the Cash Distribution are within the range of the P/NTA ratios of the Precedent Transactions and are below the mean and median;*

(p) *The Non-Participating Shareholders are not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act and the Participating Shareholders will also have no right and are not entitled to require the Non-Participating Shareholders to acquire their Shares under Section 215(3) of the Companies Act.*

Based on the considerations set out in this letter and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Selective Capital Reduction are fair and reasonable and not prejudicial to the interests of the Participating Shareholders in the context of an exercise involving no change in control of the Company. Accordingly, we advise that the Participating Shareholders vote in favour of the Selective Capital Reduction.”

SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER SET OUT IN APPENDIX 1 TO THIS CIRCULAR CAREFULLY.

12. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 80 Raffles Place, 62nd Storey, UOB Plaza 1, Singapore 048624 on Thursday, 30 June 2016 at 3.15 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the 52nd Annual General Meeting of the Company to be convened at 3.00 p.m. on the same day and at the same venue), for the purpose of considering and, if thought fit, passing with or without any modifications, the special resolution set out in the Notice.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice and Proxy Form in relation to the EGM. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy or proxies to attend and vote at the EGM on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, not later than Tuesday, 28 June 2016 at 3.15 p.m. (being not less than 48 hours before the time set for the EGM). Completion and return of a Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM in place of the proxy if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

A copy of this Circular is available on the UIC Website and released by UIC on behalf of the Company on SGXNet. Please refer to the UIC Website and SGXNet for further announcements in relation to the Selective Capital Reduction.

14. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

14.1 Information Pertaining to CPFIS Investors

CPFIS Investors who wish to attend and vote at the EGM are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

14.2 Information Pertaining to SRS Investors

SRS Investors who wish to attend and vote at the EGM are advised to consult their respective SRS Operators should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than (a) the IFA Letter set out in Appendix 1 to this Circular for which the IFA has taken responsibility, (b) paragraphs 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 (to the extent relating to the Non-Participating Shareholders) to this Circular for which the Non-Participating Shareholders have taken responsibility, (c) all other facts relating to, and opinions expressed by, the Non-Participating Shareholders, and (d) the extracts from the Valuation Reports set out in Appendix 7 to this Circular for which the Valuers have taken responsibility) are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

Where any information in this Circular has been extracted or reproduced from published or publicly available sources (other than (i) the IFA Letter set out in Appendix 1 to this Circular for which the IFA has taken responsibility, (ii) paragraphs 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 (to the extent relating to the Non-Participating Shareholders) to this Circular for which the Non-Participating Shareholders have taken responsibility, (iii) all other facts relating to, and opinions expressed by, the Non-Participating Shareholders, and (iv) the extracts from the Valuation Reports set out in Appendix 7 to this Circular for which the Valuers have taken responsibility), the sole responsibility of the Directors 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 Circular.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the SLL Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Yours faithfully

For and on behalf of the Board

SINGAPORE LAND LIMITED

Mr Lim Hock San

President, Chief Executive Officer and Executive Director

APPENDIX 1

LETTER FROM THE IFA TO THE PARTICIPATING SHAREHOLDERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, SINGAPORE BRANCH

(Incorporated in Australia)

Australian Company Number: 005357522

8 June 2016

To: The Participating Shareholders of
Singapore Land Limited
24 Raffles Place No. 22-01/06, Clifford Centre
Singapore 048621

Dear Sir and Madam,

INDEPENDENT FINANCIAL ADVICE TO THE PARTICIPATING SHAREHOLDERS IN RESPECT OF THE SELECTIVE CAPITAL REDUCTION BY SINGAPORE LAND LIMITED (THE “COMPANY”) PURSUANT TO SECTION 78G OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (THE “COMPANIES ACT”)

For the purpose of this letter, capitalised terms not otherwise defined shall have the same meaning given to them in the circular dated 8 June 2016, circulated to the Shareholders of the Company (the “Circular”).

1. INTRODUCTION

On 10 March 2014, United Overseas Bank Limited (“**UOB**”), for and on behalf of UIC Enterprise Pte Ltd (“**UEPL**”), a wholly-owned subsidiary of United Industrial Corporation Limited (“**UIC**”), made a voluntary unconditional cash offer (the “**Offer**”) for all the Shares in the capital of the Company, other than those Shares held, directly or indirectly, by UIC and its subsidiaries (including UEPL) as at the date of the Offer.

As at the close of the Offer at 5.30 p.m. (Singapore time) on 25 April 2014, the total number of (a) Shares owned, controlled or agreed to be acquired by UEPL and parties acting or deemed to be acting in concert with it and (b) valid acceptances of the Offer, amounted to an aggregate of 401,216,185 Shares, representing approximately 97.27% of the total number of issued Shares as at such date. Following the close of the Offer, an announcement was made on 12 May 2014 by UOB, for and on behalf of UEPL, that pursuant to Section 215(3) of the Companies Act, Shareholders who had not accepted the Offer had a right to require UEPL to acquire their Shares on the same terms as that set out in the offer document dated 10 March 2014 (the “**S215(3) Acquisition**”). At the end of the S215(3) Acquisition, UEPL and its related corporations held, or had agreed to acquire, an aggregate of 410,414,347 Shares, representing approximately 99.50% of the total number of Shares. Upon the completion of the S215(3) Acquisition, the Company was delisted from the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with effect from 9 a.m. (Singapore time) on 25 August 2014 (the “**Delisting**”).

Following the S215(3) Acquisition, UEPL made various off-market purchases of an aggregate of 755,389 Shares from Shareholders who had approached UEPL and offered to sell UEPL their Shares. As at 17 May 2016, being the latest practicable date prior to the publication of the Announcement by the Company, UIC and its wholly-owned subsidiaries (including UEPL) hold an aggregate number of 411,169,736 Shares, representing approximately 99.683% of the total number of issued Shares. As at the Latest Practicable Date, the total number of issued Shares is 412,477,559 Shares.

The Company proposes to implement a selective capital reduction exercise pursuant to Section 78G of the Companies Act, to be undertaken by the Company (the “**Selective Capital Reduction**”) and cancel all the Shares held by Shareholders (except those held by UIC and its subsidiaries) (the “**Participating Shareholders**”), to provide Participating Shareholders with an avenue to realise the value of their Shares following the Delisting. For the purposes of this letter, UIC and its subsidiaries which hold Shares shall be referred to as the “**Non-Participating Shareholders**”.

Australia and New Zealand Banking Group Limited, Singapore Branch (“**ANZ**” or the “**IFA**”) has been appointed as the independent financial advisor to the Participating Shareholders to advise them in respect of the Selective Capital Reduction. This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Selective Capital Reduction and our opinion thereon, and will form part of the Circular issued by the Company providing, *inter alia*, details of the Selective Capital Reduction.

2. TERMS OF REFERENCE

ANZ has been appointed to advise the Participating Shareholders on the financial terms of the Selective Capital Reduction in compliance with the provisions of the Singapore Code on Takeovers and Mergers (the “**Code**”). We make no representations or warranties in relation to the merits of the Selective Capital Reduction other than to form an opinion for the purposes of Rules 7.1 and 24.1(b) of the Code. We have confined our evaluation to the financial terms of the Selective Capital Reduction and have not taken into account the commercial risks and/or commercial merits of the Selective Capital Reduction.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Selective Capital Reduction or on the future prospects of the Company, or the Company, its subsidiaries and associated companies (the “**Group**”), or any of its respective related corporations (as defined in the Companies Act), or the method and terms by which the Selective Capital Reduction is made or any other alternative methods by which the Selective Capital Reduction may be made. Such evaluations and comments remain the sole responsibility of the Directors and the management of the Company. We were also not requested or authorised to solicit any indications of interest from any third party with respect to the Selective Capital Reduction. We are not addressing the relative merits of the Selective Capital Reduction as compared to any alternative transaction previously considered by the Company (or Shareholders), or that otherwise may become available to the Company (or Shareholders) in the future, or as compared to any alternative proposals that might otherwise be available.

We have held discussions with the Directors and the management of the Company and have examined information provided by the Directors and the management of the Company and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made enquiries and used our judgement as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated detailed supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than (i) this letter for which the IFA has taken responsibility, (ii) paragraphs 5 and 6 of the letter to Shareholders in this Circular and Appendices 2 to 4 (to the extent applicable to the Non-Participating Shareholders) to this Circular

for which the Non-Participating Shareholders have taken responsibility, (iii) all other facts relating to, and opinions expressed by, the Non-Participating Shareholders, and (iv) the extracts from the valuation reports ("the **Valuation Reports**") provided by independent valuers, being Knight Frank Pte Ltd and DTZ Debenham Tie Leung (SEA) Pte Ltd (collectively, the **Valuers**") set out in Appendix 7 to the Circular for which the Valuers have taken responsibility) are fair and accurate and that no material facts have been omitted from the Circular.

For the purposes of assessing the financial terms of the Selective Capital Reduction and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company or the Group in connection with our opinion in this letter.

We have relied upon the Valuation Reports provided by the Valuers and a copy of each of the Valuation Reports is reproduced in Appendix 7 to the Circular. With respect to such Valuation Reports, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these Valuation Reports for such asset appraisal and have not made any independent verification of the contents thereof in respect of the assets held by the Group and its subsidiaries nor have we evaluated the solvency of the Group under any applicable laws relating to bankruptcy, insolvency or similar matters. We have not made an independent evaluation or appraisal of the assets and liabilities of the Group and we have not been furnished with any such evaluation or appraisal, except for the Valuation Reports as stated above.

Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

Furthermore, our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company, or any of its respective related or associated companies. We are therefore not expressing any opinion herein as to the future financial or other performance of those companies.

Our opinion, as set out in this letter, is based upon the financial, market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion contained herein. Shareholders of the Company should take note of any announcement relevant to their consideration of the Selective Capital Reduction which may be released by or on behalf of the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder. **As different Shareholders would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors immediately.**

This letter and our opinion are solely for the use and benefit of the Participating Shareholders in connection with and for the purpose of their consideration of the Selective Capital Reduction.

The Company has been separately advised by its own professional advisors in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views, expressed or implied, on the contents of the Circular (other than this letter).

A copy of this letter will be reproduced in the Circular. However, neither the Company nor the Directors and the Participating Shareholders may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Selective Capital Reduction, at any time or in any manner without the prior written consent of ANZ.

Our opinion in relation to the Selective Capital Reduction should be considered in the context of the entirety of this letter and the Circular.

3. SELECTIVE CAPITAL REDUCTION

3.1 The Company's Proposal

The Company proposes to implement the Selective Capital Reduction and cancel all the Shares held by 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\$9.20 for each Share held that is cancelled as a result of the Selective Capital Reduction.**

3.2 Reduction of Share Capital

The Selective Capital Reduction will involve reducing the share capital of the Company from S\$840,348,142.83 comprising 412,477,559 Shares to S\$828,316,171.23 comprising 411,169,736 Shares, representing a reduction of the total issued share capital of the Company by approximately 0.317%.

The Selective Capital Reduction will be effected by:

- (i) cancelling the amount of S\$12,031,971.60 constituting part of the total paid-up share capital of the Company that is held by the Participating Shareholders; and
- (ii) cancelling 1,307,823 of the said Shares constituting part of the total issued share capital of the Company that is held by the Participating Shareholders.

3.3 Cash Distribution

The aggregate sum of S\$12,031,971.60 arising from the Selective Capital Reduction will be returned to the Participating Shareholders in cash, on the basis of S\$9.20 for each Share held by each Participating Shareholder that is cancelled as a result of the Selective Capital Reduction (the "**Cash Distribution**"). Only the Participating Shareholders whose Shares are cancelled as a result of the Selective Capital Reduction will be entitled to the Cash Distribution. The Non-Participating Shareholders are not entitled to the Cash Distribution.

3.4 Funds for the Selective Capital Reduction

The Selective Capital Reduction will be funded from existing cash and cash equivalents of the Company.

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

3.5 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, in order for the Selective Capital Reduction to be approved (i) a special resolution¹ must be passed by 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 must be obtained.

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 lodgment 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.

3.6 Abstentions

The Non-Participating Shareholders will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM.

3.7 Exemptions by the Securities Industry Council ("**SIC**")

The SIC 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 Code.

The SIC ruled that both Directors, being Mr. Lim Hock San and Ms. Goh Poh Leng, are exempted from the requirement to make a recommendation on the Selective Capital Reduction to the Participating Shareholders as each Director has irreconcilable conflicts of interest in doing so in view of the relationship between the Directors and the Non-Participating Shareholders for the reasons set out below:

- (i) Mr. Lim Hock San, President, Chief Executive Officer and Executive Director of the Company, is also currently the President, Chief Executive Officer and Executive Director of UIC; and
- (ii) Ms. Goh Poh Leng, an Executive Director of the Company, is also currently an employee of UIC, as the Senior General Manager, Marketing of both UIC and the Company.

Both Directors must, nonetheless, still assume responsibility for the accuracy and facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company in

¹ A special resolution on a poll requires the approval of at least 75% of all Shares voted by Shareholders present and voting at the EGM.

connection with the Selective Capital Reduction. There are no independent directors on the Company's Board.

4. RATIONALE OF THE SELECTIVE CAPITAL REDUCTION

The full text of the rationale for the Selective Capital Reduction has been extracted from paragraph 4 of the Circular and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Circular.

"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\$12,031,971.60 in cash to the Participating Shareholders in respect of the cancellation of the Shares held by them.

The Cash Distribution of S\$9.20 for each Share cancelled as a result of the Selective Capital Reduction will result in the Participating Shareholders receiving effectively the same amount per Share received by former shareholders of the Company who tendered their Shares in acceptance of the Offer at the base offer price of S\$9.40 for each Share (the "Offer Price") as:

- (a) the Offer Price was determined on the basis that the Shares to which the Offer related to (the "Offer Shares") would be acquired with the right to receive a tax-exempt (one-tier) dividend of 20 cents per Share for the financial year ended 31 December 2013 (the "FY2013 Dividend"). As the settlement date in respect of the Offer Shares accepted pursuant to the Offer fell before the record date for the determination of entitlements to the FY2013 Dividend, each Shareholder who accepted the Offer received the Offer Price of S\$9.40 per Share for each Offer Share; and*
- (b) the directors of the Company intend to propose a dividend of 20 cents per Share for the financial year ended 31 December 2015 (the "FY2015 Dividend"). If approved by Shareholders, the books closure date for the determination of entitlements to the FY2015 Dividend will fall on or before the date on which the Shares of the Participating Shareholders are cancelled pursuant to the Selective Capital Reduction. As such, the Participating Shareholders will receive the Cash Distribution of S\$9.20 for each Share cancelled as a result of the Selective Capital Reduction and, if approved by Shareholders, the FY2015 Dividend of 20 cents per Share, thereby also effectively receiving an aggregate of S\$9.40 for each Share.*

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. THE NON-PARTICIPATING SHAREHOLDERS' INTENTIONS FOR THE COMPANY

The full text of the Non-Participating Shareholders' intentions for the Company has been extracted from paragraph 5 of the Circular and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Circular.

5.1 The Non-Participating Shareholders' Future Plans

"The Non-Participating Shareholders currently intend for the Company to continue its existing business activities. Save as disclosed in this Circular and in publicly available information on the Non-Participating Shareholders, the Non-Participating Shareholders have no plans to (a) introduce any major changes to the businesses of the Company or any other SLL Group Company, (b) re-deploy the fixed assets of any SLL Group Company, (c) affect the operations of any SLL Group Company, or (d) discontinue the employment of the existing employees of any SLL Group Company, in each case, other than in the ordinary and usual course of business.

Each Non-Participating Shareholder may request the Board, at any time and from time to time, to consider any options or opportunities in relation to any SLL Group Company which may present themselves and which that Non-Participating Shareholder may regard to be in the best interests of such SLL Group Company and conduct a review of the SLL Group's business strategy to identify potential areas in which the Company can achieve optimal value and generate higher returns in the long term.

In particular, each Non-Participating Shareholder may request the Board to undertake an assessment of (i) the SLL Group's capital structure and needs and (ii) the human resource requirements of the SLL Group, taking into account the future plans for the SLL Group but ensuring continuity of its existing operations and the objectives of retaining and attracting competent personnel to further enhance the management and operations of the SLL Group.

The Non-Participating Shareholders retain the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves and which they may regard to be in the best interests of the SLL Group and the UIC Group."

5.2 Compulsory Acquisition

"Each of the Non-Participating Shareholders is not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act. It should also be noted that the Participating Shareholders will also have no right and are not entitled to require the Non-Participating Shareholders to acquire their Shares under Section 215(3) of the Companies Act."

6. FINANCIAL EVALUATION OF THE TERMS OF THE SELECTIVE CAPITAL REDUCTION

In evaluating the terms of the Selective Capital Reduction, from a financial point of view, as at the Latest Practicable Date, we have considered the following factors:

- (A) Recent financial performance of the Group;
- (B) Historical market price performance and trading activity of the Shares;
- (C) Performance of an index of selected Singapore-listed companies which are considered to be broadly comparable to the Company ("**Comparable Companies Index**") in limited aspects and the Straits Times Index ("**STI Index**");

- (D) Net tangible assets (“**NTA**”) of the Group as at 31 December 2015 relative to the Cash Distribution;
- (E) Historical trailing NTA per Share of the Group relative to the Cash Distribution and market price of the Shares;
- (F) Valuation multiples of selected Singapore-listed companies which are considered to be broadly comparable to the Company (“**Comparable Companies**”) in limited aspects;
- (G) Precedent acquisitions of selected companies broadly comparable to the Company;
- (H) Dividend yield of the Company and selected alternative investments; and
- (I) Other relevant considerations which have a significant bearing on our assessment.

General Bases and Assumptions

The underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., SGX-ST, Capital IQ, analyst / broker reports and other public filings as at the Latest Practicable Date. ANZ makes no representation or warranties, expressed or implied, as to the accuracy or completeness of such information.

As the Shares have ceased trading since 28 April 2014 and it is likely that the market prices and trading activity of the Shares on and after the initial announcement of the Offer (the “**Offer Announcement**”) on 24 February 2014 (the “**Offer Announcement Date**”) were influenced by the Offer Announcement, 19 February 2014 being the last trading day preceding the Offer Announcement Date on which the Shares were traded (“**Last Undisturbed Trading Day**”) has been referred to in our assessment where relevant.

Delisted Status of the Shares of the Company

The Shares have been delisted from the SGX-ST since 25 August 2014. However, our assessment of the financial terms of the Selective Capital Reduction necessitates the review and analysis of publicly available information, which would include information of other listed companies.

Accordingly, when making a comparison with other listed companies, the Participating Shareholders should note the implications or consequences of the delisted status of the Shares as mentioned above.

(A) Recent Financial Performance of the Group

We refer to the recent financial performance of the Group prior to the despatch of the Circular in relation to the Selective Capital Reduction.

The Group's recent historical revenue and net earnings in respect of the audited financial years (“**FY**”) ended 31 December 2013, 2014 and 2015 (“**FY2013**”, “**FY2014**” and “**FY2015**”, respectively) and unaudited 3-month periods ended 31 March 2015 and 2016 (“**Q1 FY2015**” and “**Q1 FY2016**”, respectively) are summarised below. The following financial information should be read in conjunction with the full text of the Company's unaudited financial statements for Q1 2016, audited financial statements for FY2014 and FY2015 and annual report for FY2013 including the notes thereto.

Consolidated Income Statement					
(S\$m)	FY2013 (Audited)	FY2014 (Audited)	FY2015 (Audited)	1Q FY2015 (Unaudited)	1Q FY2016 (Unaudited)
Revenue	454.0	470.8	535.4	120.2	134.9
Gross profit	233.8	235.5	225.9	59.5	62.6
Profit before tax ("PBT")	458.6	434.4	290.8	71.0	71.2
Profit after tax ("PAT")	429.5	399.6	256.0	61.7	61.2
Profit attributable to Shareholders of the Company	339.2	360.7	225.6	53.2	53.5
<i>Gross margin</i>	51.5%	50.0%	42.2%	49.5%	46.4%
<i>PBT margin</i>	101.0%	92.3%	54.3%	59.1%	52.8%
<i>PAT margin</i>	94.6%	84.9%	47.8%	51.4%	45.4%

Sources: The Company's audited annual financial statements, annual report and unaudited quarterly financial statements.

The financial position of the Group as at 31 December 2013, 2014 and 2015 and 31 March 2016 are summarised below:

Consolidated Balance Sheet				
(S\$m)	FY2013 (Audited)	FY2014 (Audited)	FY2015 (Audited)	Q1 FY2016 (Unaudited)
Total assets	6,978.8	7,328.8	7,265.4	7,374.2
Current assets, comprised mainly:				
Cash and cash equivalents	97.5	64.3	61.8	60.1
<i>Percentage of total assets</i>	1.4%	0.9%	0.9%	0.8%
Properties held for sale	656.4	676.8	676.8	675.0
<i>Percentage of total assets</i>	9.4%	9.2%	9.3%	9.2%
Non-current assets, comprised mainly:				
Property, plant and equipment	431.3	418.2	405.6	402.6
<i>Percentage of total assets</i>	6.2%	5.7%	5.6%	5.5%
Investment properties	4,858.5	5,050.9	5,103.9	5,105.1
<i>Percentage of total assets</i>	69.6%	68.9%	70.2%	69.2%
Investments in associates and joint ventures and long-term investments	710.6	780.0	835.5	842.2
<i>Percentage of total assets</i>	10.2%	10.6%	11.5%	11.4%
Total liabilities	869.6	907.4	674.4	730.2
Total borrowings⁽¹⁾	631.6	667.3	426.0	499.1
Shareholders' equity (excluding non-controlling interests)	5,391.2	5,673.1	5,820.8	5,866.0
Average shareholders' equity for period	5,256.8	5,532.2	5,746.9	n.a.
Return on equity ("ROE")⁽²⁾	6.5%	6.5%	3.9%	n.a.

Sources: The Company's audited annual financial statements, annual report and unaudited quarterly financial statements.

Notes:

(1) Comprised of short-term and long-term borrowings as at the end of each period.

(2) Calculated based on profit attributable to Shareholders of the Company and the average shareholders' equity for the period.

The Group's revenue increased approximately 3.7% from S\$454.0 million in FY2013 to S\$470.8 million in FY2014, and subsequently increased approximately 13.7% to S\$535.4 million in FY2015. The Group's revenue increased approximately 12.2% quarter-on-quarter from S\$120.2 million in Q1 FY2015 to S\$134.9 million in Q1 FY2016.

PAT margin was approximately 94.6%, 84.9%, 47.8% and 45.4% in FY2013, FY2014, FY2015 and Q1 FY2016, respectively.

Profit attributable to Shareholders of the Company increased approximately 6.3% from S\$339.2 million in FY2013 to S\$360.7 million in FY2014, and subsequently decreased approximately 37.5% to S\$225.6 million in FY2015. Profit attributable to Shareholders of the Company increased approximately 0.6% quarter-on-quarter from S\$53.2 million in Q1 FY2015 to S\$53.5 million in Q1 FY2016. ROE was approximately 6.5% in FY2013 and FY2014 and approximately 3.9% in FY2015.

With respect to the financial position of the Group, the assets comprised mainly of (i) investment properties which accounted for approximately 69.2% of the Group's total assets as at 31 March 2016, (ii) investments in associates and joint ventures and long-term investments which accounted for approximately 11.4% of the Group's total assets as at 31 March 2016 and (iii) properties held for sale which accounted for approximately 9.2% of the Group's total assets as at 31 March 2016.

Total borrowings for the Group decreased by S\$132.5 million from S\$631.6 million as at 31 December 2013 to S\$499.1 million as at 31 March 2016.

(B) Historical Market Price Performance and Trading Activity of the Shares

We have compared the Cash Distribution to the historical price performance of the Shares and considered the historical trading volume of the Shares. We set out below a chart of the closing price of the Shares for the 3-year period up to and including the Last Undisturbed Trading Day.



Sources: The Company's announcements, annual reports, quarterly reports and Bloomberg.

(1) 27 Apr 2011	The Company announced its financial results for Q1 2011. Revenues increased 29% to S\$138.3 million while net profit from operations increased 2% to S\$48.8 million compared to the previous year's corresponding period. The Company held its annual general meeting ("AGM").
(2) 5 Aug 2011	The Company announced its financial results for Q2 2011. Revenues increased 37% to S\$173.7 million while net profit from operations decreased 13% to S\$55.2 million compared to the previous year's corresponding period.
(3) 28 Oct 2011	The Company announced its financial results for Q3 2011. Revenues increased 16% to S\$172.4 million while net profit from operations increased 13% to S\$56.6 million compared to the previous year's corresponding period.

(4) 17 Feb 2012	The Company announced its FY2011 financial results. Revenues increased 17% to S\$615.3 million while net profit from operations increased 5% to S\$214.8 million compared to the previous year's corresponding period. The Company proposed a first and final dividend of S\$0.20 per share for FY2011.
(5) 27 Apr 2012	The Company announced its financial results for Q1 2012. Revenues increased 41% to S\$195.5 million while net profit from operations increased 14% to S\$55.5 million compared to the previous year's corresponding period. The Company held its AGM.
(6) 3 Aug 2012	The Company announced its financial results for Q2 2012. Revenues declined 40% to S\$104.2 million while net profit from operations declined 23% to S\$42.4 million compared to the previous year's corresponding period.
(7) 2 Nov 2012	The Company announced its financial results for Q3 2012. Revenues declined 12% to S\$152.5 million while net profit from operations increased 1% to S\$57.0 million compared to the previous year's corresponding period.
(8) 8 Feb 2013	The Company announced its FY2012 financial results. Revenues declined 6% to S\$580.6 million while net profit from operations increased 2% to S\$218.6 million compared to the previous corresponding period. The Company proposed a first and final dividend of S\$0.20 per share for FY2012.
(9) 17 Apr 2013	Marina Centre Holdings Pte Ltd, a subsidiary of The Company, announced plans for a two-phase re-development plan for Marina Square Shopping Mall. At the time of the announcement, works in phase 1 were already underway and works in phase 2 were expected to span over two years.
(10) 26 Apr 2013	The Company announced its financial results for Q1 2013. Revenues declined 41% to S\$114.7 million while net profit from operations declined 11% to S\$56.8 million compared to the previous year's corresponding period. The Company held its AGM.
(11) 2 Aug 2013	The Company announced its financial results for Q2 2013. Revenues declined 14% to S\$118.8 million while net profit from operations increased 14% to S\$48.3 million compared to the previous year's corresponding period.
(12) 1 Nov 2013	The Company announced its financial results for Q3 2013. Revenues declined 28% to S\$110.1 million while net profit from operations declined 13% to S\$49.4 million compared to the previous year's corresponding period.

We set out below the premia implied by the Cash Distribution over the historical volume weighted average transacted price (“**VWAP**”) and the historical trading volume of the Shares for the 3-year period up to and including the Last Undisturbed Trading Day.

Shareholders should note that the Shares have ceased trading since 28 April 2014 and the market price performance analysis undertaken in this section is not current.

The VWAP and trading volume of the Shares for various periods up to and including the Last Undisturbed Trading Day are set out below:

	VWAP ⁽¹⁾ (S\$)	Premium of Cash Distribution Over VWAP (%)	Highest Closing Price (S\$)	Lowest Closing Price (S\$)	Average Daily Trading Volume ⁽²⁾ (‘000)	Daily Trading Volume as a % of Free Float ⁽³⁾
Period up to and including the Last Undisturbed Trading Day						
3-year	7.157	28.54%	9.30	5.33	89	0.11%
2-year	7.588	21.25%	9.30	5.33	76	0.09%
12-month	8.716	5.55%	9.30	7.67	63	0.08%
6-month	8.471	8.61%	8.98	7.67	36	0.04%
3-month	8.255	11.45%	8.62	7.67	35	0.04%
1-month	8.040	14.43%	8.45	7.67	40	0.05%
Last closing price on Last Undisturbed Trading Day	8.450	8.88%	8.45	8.45	136	0.17%

Source: Bloomberg.

Notes:

- (1) VWAP figures shown are rounded to the nearest three decimal places.
- (2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days traded for the Shares during that period.
- (3) For the purpose of calculating the average daily trading volume as a percentage of free float for the various periods, we have used the free float of approximately 80,609,175 Shares (or approximately 19.54% of the Company’s issued share capital) as at the Offer Announcement Date.

Based on the above, we note the following:

- (i) The Cash Distribution is within the range of the daily closing price of the Shares over the 3-year period up to and including the Last Undisturbed Trading Day, which was between a low of S\$5.33 and a high of S\$9.30 per Share;
- (ii) The Cash Distribution represents a 72.6% premium over the lowest closing price of S\$5.33 and a 1.1% discount from the highest closing price of S\$9.30, over the 3-year period up to and including the Last Undisturbed Trading Day;
- (iii) Trading in the Shares had been illiquid in the 3-year period up to and including the Last Undisturbed Trading Day, with an average daily trading volume of the Shares of approximately 89,000 Shares;
- (iv) For the 3-year period up to and including the Last Undisturbed Trading Day, the Share prices closed above the Cash Distribution on five market days, out of a total of 753, in March and April 2013, at a price range of S\$9.23 to S\$9.30;

- (v) The Cash Distribution represents a premium of 28.54%, 21.25%, 5.55%, 8.61%, 11.45% and 14.43% over the 3-year, 2-year, 12-month, 6-month, 3-month and 1-month VWAP of the Shares, respectively; and
- (vi) The Cash Distribution represents a premium of 8.88% over the closing price of S\$8.45 of the Shares on the Last Undisturbed Trading Day.

As the Shares have ceased trading since 28 April 2014 and were delisted from the Official List of the SGX-ST on 25 August 2014, there is no recent trading data to provide a comparison against the current market value of the Shares. Accordingly, there is no ready market for the Shares.

In view of the non-trading of the Shares, the Selective Capital Reduction provides an opportunity for the Participating Shareholders to realise the value of their Shares at a premium to market prices up to and including the Last Undisturbed Trading Day without incurring trading commission and other costs. 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.

Shareholders should note that the historical price performance of the Shares may have been due to market factors and other individual factors which may not be easily isolated and identified with certainty.

(C) Performance of the Comparable Companies Index and STI Index since the Last Undisturbed Trading Day

We have evaluated the performance of the STI Index and the Comparable Companies Index comprising various Singapore-listed companies that can be considered broadly comparable to the Company for the period from the Last Undisturbed Trading Day up to and including the Latest Practicable Date.



Source: Capital IQ.

Note:

- (1) The Comparable Companies Index is comprised of the share prices of CapitaLand, UOL, Frasers Centrepoint and Ho Bee. The Comparable Companies Index is weighted based on the respective Comparable Companies' market capitalisations.

Based on the above, we note that the STI Index declined approximately 10.4% while the Comparable Companies Index declined approximately 6.8% over the period.

(D) **NTA of the Group as at 31 March 2016 relative to the Cash Distribution**

Based on the latest unaudited consolidated financial statements of the Company, as at 31 March 2016, the NTA of the Group was S\$14.22 per Share.

The Cash Distribution of S\$9.20 represents a discount of 35.3% to the NTA per Share.

In our evaluation of the financial terms of the Selective Capital Reduction, we have considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Company that are likely to have a material impact on its unaudited NTA as at 31 March 2016. In this respect, save as disclosed in the unaudited financial statements of the Group as at 31 March 2016 or as otherwise mentioned in this letter, the Directors have confirmed that as at the Latest Practicable Date, to the best of their knowledge, there are no contingent liabilities which are likely to have a material impact on the NTA of the Group.

We set out below a summary of the carrying values as at 31 March 2016 of the Investment Properties, Hotel Properties, Associate Properties, Joint Ventures and Development Projects owned by the Group (collectively, "**Property Portfolio**").

	Location	Description	Effective Percentage of Company Shareholding	Carrying Value as at 31 March 2016 (Unaudited) ⁽¹⁾⁽²⁾ (\$m)
Investment Properties				
Singapore Land Tower	Singapore	47-storey complex of banks and offices and three basements of car parking space with frontages on Raffles Place / Battery Road	100%	1,550.1
Clifford Centre	Singapore	29-storey complex of shops and offices with frontages on both Raffles Place and Collyer Quay	100%	558.6
The Gateway	Singapore	Pair of 37-storey towers with two basements of car parking space located at Beach Road	100%	1,110.2
ABACUS Plaza	Singapore	Pair of 8-storey office buildings (ABACUS Plaza and Tampines Plaza) with two basements of car parking space located at Tampines Central 1 in the Tampines Finance Park	100%	93.7
Tampines Plaza	Singapore		100%	93.2
SGX Centre 1 & 2 (Company's interest)	Singapore	29-storey office building with two basements of car parking space located at 4 Shenton Way	100%	519.5
Marina Square Retail Mall ⁽³⁾	Singapore	4-storey Retail Mall (comprising a diverse selection of shopping, dining and lifestyle options)	53.1%	1,179.8
Subtotal				5,105.1

	Location	Description	Effective Percentage of Company Shareholding	Carrying Value as at 31 March 2016 (Unaudited) ⁽¹⁾⁽²⁾ (\$m)
Hotel Properties				
Pan Pacific ⁽⁴⁾	Singapore	38-storey, 790-room hotel located at Raffles Boulevard	53.1%	401.7
Marina Mandarin ⁽⁵⁾	Singapore	22-storey, 575-room hotel at Raffles Boulevard	26.5%	78.7
Mandarin Oriental ⁽⁶⁾	Singapore	22-storey, 527-room hotel located at Raffles Avenue	26.5%	81.5
Subtotal				561.9
Associate Properties				
West Mall	Singapore	5-storey retail and entertainment complex with three basements of car parking space, located at Bukit Batok Town Centre	50%	205.0
Novena Square	Singapore	Commercial complex comprising two office towers of 25 and 18 storeys and a three-storey retail block located at the junction of Thomson Road and Moulmein Road	20%	269.6
Changfeng	Shanghai, China	398-unit condominium development at No. 11 plot, Danba Road/Tongpu Road, Changfeng Area, Putuo District, Shanghai	30%	179.4
Subtotal				654.0
Residual net assets / (liabilities) of associate investment holding companies				(72.9)
Net total				581.1
Development Projects				
The Excellency	Chengdu, China	Two 51-storey blocks, located near the popular Chun Xi shopping belt in Dacisi Road	100%	
Mon Jervois	Singapore	5-storey boutique development with 109 units, located in the exclusive vicinity of embassies and good class bungalows in Bishopgate and Chatsworth Road	100%	675.0
Alex Residences	Singapore	40-storey development with 429 units, located at Alexandra View, next to Redhill MRT Station	100%	
Pollen & Bleu	Singapore	Low-rise 8-storey development with 106 units, located in Prime District 10, near Farrer Road MRT Station	100%	
Subtotal				675.0

	Location	Description	Effective Percentage of Company Shareholding	Carrying Value as at 31 March 2016 (Unaudited) ⁽¹⁾⁽²⁾ (S\$m)
Joint Ventures				
Archipelago	Singapore	577-unit condominium development at Bedok Reservoir Road	50%	
Thomson Three	Singapore	Three 21-storey blocks with 445 apartments and 10 strata semi-detached houses, located near the upcoming Upper Thomson MRT Station	50%	88.9
Subtotal				88.9
Grand total of Property Portfolio				7,012.0

Sources: The Company's annual report, unaudited quarterly financial statements and Valuation Reports.

Notes:

- (1) Carrying values, as at 31 March 2016, are sourced from the Company's Q1 FY2016 unaudited balance sheet and are set out in line with its accounting practices. Accordingly, Investment Properties are shown on a 100% consolidated basis and Associate and Joint Venture Properties are shown on a proportional equity accounting basis. The Company consolidates its subsidiary, Marina Centre Holdings ("MCH"), on a 100% basis. Hence, the carrying value of Pan Pacific Hotel (100% owned by MCH) is shown on a 100% consolidated basis, whereas that of Marina Mandarin Hotel and Mandarin Oriental Hotel (50% owned by MCH) is shown on a proportional equity accounting basis. The carrying value of the Group's Property Portfolio as at 31 March 2016 represents the carrying value of S\$7,008.8 million as per the audited Company balance sheet dated 31 December 2015 and any additions to the Property Portfolio during Q1 FY2016.
- (2) Carrying value methods are in line with the Company's accounting practices and set out in Note 2 of the Notes to the Financial Statements in the audited FY2015 financial statements which are included in Appendix 8 of the Circular.
- (3) The Company's 53.07% shareholding in Marina Square Retail Mall represents a value of S\$626.1 million on a proportional basis; in line with the Company's accounting practices it is allocated in the above schedule on a 100% consolidated basis.
- (4) The Company's 53.07% shareholding in Pan Pacific Hotel represents a value of S\$213.2 million on a proportional basis; in line with the Company's accounting practices it is allocated in the above schedule on a 100% consolidated basis representing MCH's shareholding. The asset's carrying value of S\$401.7 million is held principally within the "Property, plant and equipment" line in the balance sheet of the Company's unaudited Q1 FY2016 financial statements.
- (5) The Company's 26.54% shareholding in Marina Mandarin Hotel represents a value of S\$41.7 million on a proportional basis. The asset's carrying value of S\$78.7 million is held principally within the "Investments in associated companies" line in the balance sheet of the Company's unaudited Q1 FY2016 financial statements.
- (6) The Company's 26.54% shareholding in Mandarin Oriental Hotel represents a value of S\$43.3 million on a proportional basis. The asset's carrying value of S\$81.5 million is held principally within the "Investments in associated companies" line in the balance sheet of the Company's unaudited Q1 FY2016 financial statements.

Based on the Company's unaudited financial statements as at 31 March 2016, the carrying value of the Group's Property Portfolio was S\$7,012.0 million.

The table below sets out the computation of the NTA of the Group and the premium or discount of the Cash Distribution to the NTA per Share based on the carrying value of the Group's assets and liabilities as at 31 March 2016 according to the Company's unaudited financial statements.

	Carrying Value as at 31 March 2016 (Unaudited) (S\$m)
Value of Property Portfolio	7,012.0
Other assets	362.1
Total liabilities	(730.2)
Non-controlling interests	(777.9)
NTA of the Group as at 31 March 2016	5,866.0
NTA per Share as at 31 March 2016 (S\$) ⁽¹⁾	14.22
Premium / (Discount) of Cash Distribution to NTA per Share (%)	(35.3%)

Sources: The Company's unaudited quarterly financial statements and Valuation Reports.

Note:

(1) Calculated based on the Company's issued share capital of 412,477,559 Shares as of the Latest Practicable Date.

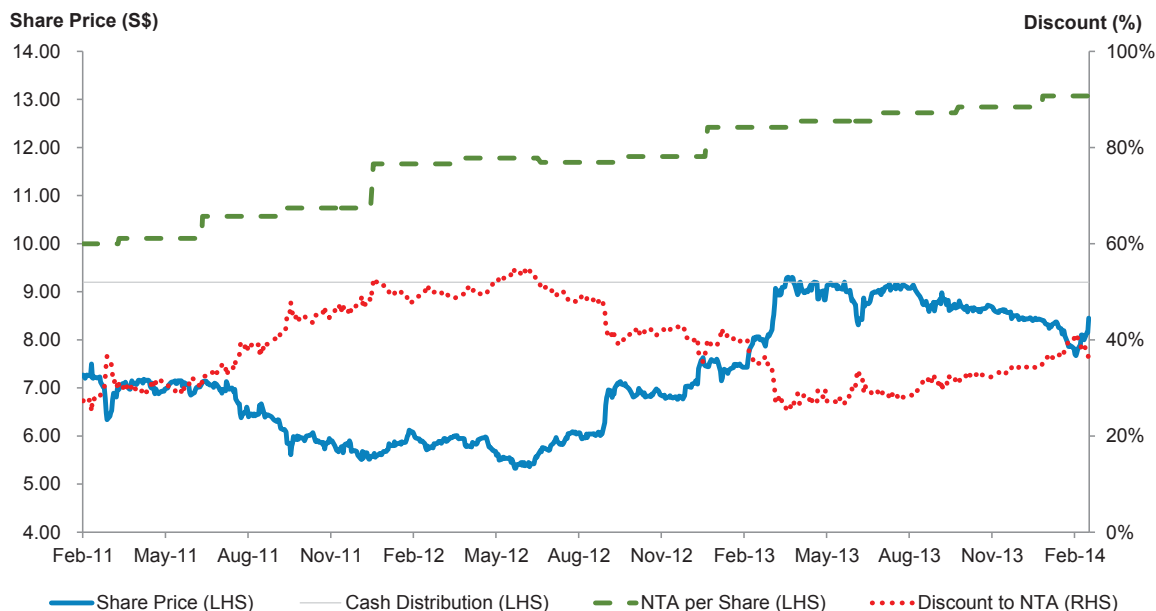
The Company's equity share of the carrying value of the three hotels – The Pan Pacific Hotel Singapore, The Marina Mandarin Singapore and Mandarin Oriental Singapore – as at 31 March 2016 is S\$298.2 million, based on its cost-based accounting policy for hotel assets.

Based on valuation reports as at 31 December 2015 of these hotels, which are included in Appendix 7 of the Circular, the fair market value of the Company's shareholding in the three hotels is S\$713.8 million, which represents a gain of S\$415.6 million. The adjusted NTA (including the fair market value of the hotels) is therefore S\$6,281.6 million, or S\$15.23 per share. The Cash Distribution represents a discount of 39.6% to this figure.

Based on the above, we note that the discount implied by the Cash Distribution to NTA per Share is significant. However, comparisons to Comparable Companies' discounts and the Company's own historical discount to NTA per Share are also relevant considerations and are performed in sections (E) and (F) below.

(E) Historical Trailing NTA per Share of the Company Relative to the Cash Distribution and Market Price of the Shares

We have compared the historical closing market price of the Shares and the Cash Distribution against the historical NTA per Share of the Company as announced in its quarterly and annual results over the 3-year period up to and including the Last Undisturbed Trading Day as follows:



Sources: The Company's annual reports and quarterly reports, Bloomberg and Capital IQ.

Based on the above, we note that:

- (i) the Company's Share price had consistently traded at a discount to the historical NTA per Share over the 3-year period up to and including the Last Undisturbed Trading Day;
- (ii) the historical discount, based on closing Share prices, to prevailing NTA over the 3-year period up to and including the Last Undisturbed Trading Day had ranged from 25.0% to 54.8%; and
- (iii) the discount to prevailing NTA per Share of 35.3% implied by the Cash Distribution is narrower than the average discount to NTA per Share of 38.8% at which the Shares had closed over the 3-year period up to and including the Last Undisturbed Trading Day.

(F) Valuation Multiples of Comparable Companies

For the purpose of evaluating the financial terms of the Selective Capital Reduction, we have made reference to the valuation statistics of various Singapore-listed companies that can be considered broadly comparable to the Company to provide an indication of the current market expectations with regard to the valuation of these businesses. Brief descriptions of the Comparable Companies are set out below:

Company	Company Description	Market Cap ⁽¹⁾ (S\$m)
CapitaLand Limited ("CapitaLand")	<p>CapitaLand is a developer and operator of real estate and a fund manager, focused on residential properties, offices, shopping malls, serviced residences and mixed developments.</p> <p>The company's portfolio is predominately in Singapore and China with additional assets located around Asia, in Australia and Europe.</p>	12,597.6
Frasers Centrepoint Limited ("Frasers Centrepoint")	<p>Frasers Centrepoint is a real estate company engaged in property development, investment and management of commercial property, serviced residences and property trusts.</p> <p>The company's portfolio is located primarily in Singapore, with additional investments in China, Australasia, the UK and around Asia.</p>	4,611.0
Ho Bee Land Limited ("Ho Bee")	<p>Ho Bee is a real estate company focused on residential, commercial and industrial property development and investment.</p> <p>The company operates primarily in Singapore, with additional exposure to China, Australia and Europe.</p>	1,492.4
UOL Group Limited ("UOL")	<p>UOL is a developer and operator of real estate, with a portfolio comprising residential apartments, offices, retail malls, hotels, spas and restaurants.</p> <p>The company's portfolio is focused on Singapore with additional investments around Asia and in Australia. UOL is the ultimate controlling shareholder of the Company.</p>	4,508.3
The Company	<p>The Company is a developer and operator of real estate, with a portfolio comprising offices, retail properties, hotels and residential projects.</p> <p>The Company's portfolio is primarily focused on Singapore.</p>	3,794.8

Sources: Annual reports and Bloomberg.

Note:

- (1) Market capitalisation calculated based on the closing price as at Latest Practicable Date and dilutive shares outstanding; market capitalisation for the Company based on Cash Distribution.

We wish to highlight that the Comparable Companies are not exhaustive and that there is no listed company which we may consider to be identical to the Company in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Furthermore, valuations in different geographical markets are impacted by, amongst other market-centric factors, economic conditions prevalent in those markets, cost of capital, liquidity considerations and political environments. As such, any comparison made is necessarily limited and serves only as an illustrative guide.

For the purpose of evaluating the financial terms of the Selective Capital Reduction, we have applied the following valuation ratios on the Comparable Companies to arrive at their valuation statistics:

Valuation Multiples	Description
EV/EBITDA	<p>“EV” or “enterprise value” is the sum of a company’s market capitalisation, preferred equity, non-controlling interests, short and long term debt less cash and cash equivalents.</p> <p>“EBITDA” stands for earnings before interest, tax, depreciation and amortisation expenses, excluding exceptional items¹.</p> <p>The EV/EBITDA multiple illustrates the market value of a company’s business relative to its pre-tax operating cashflow performance, without regard to the company’s capital structure.</p>
P/E	<p>“P/E” or “price-to-earnings” multiple illustrates the market price of a company’s shares relative to its earnings per share, excluding exceptional items¹. The P/E multiple is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.</p>
P/NTA	<p>“NTA” or “net tangible asset” is defined to exclude, where applicable, non-controlling interests, goodwill and other intangibles. The NTA figure used for the purpose of the Comparable Companies analysis is sourced from the Comparable Companies’ publicly available balance sheets as at 31 March 2016.</p> <p>“P/NTA” or “price-to-NTA” ratio illustrates the ratio of the market price of a company’s shares relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders.</p> <p>Comparison of companies using their NTAs is affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>
P/RNTA	<p>“RNTA” or “revalued net tangible asset” is adjusted to current market values of a company’s key assets, and defined to exclude, where applicable, non-controlling interests, goodwill and other intangibles. The RNTA figure used for the purpose of the Comparable Companies analysis is based on the latest average RNTA estimates of publicly available analyst / broker reports for the respective Comparable Companies.</p> <p>“P/RNTA” or “price-to-RNTA” ratio illustrates the ratio of the market price of a company’s shares relative to its RNTA per share. The RNTA figure provides an estimate of the market value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders.</p> <p>Comparison of companies using their RNTAs is affected by differences in the valuation methodologies and assumptions used by analysts / brokers as well as accounting policies of the companies.</p>

Note:

- (1) Exceptional items for the purpose of this analysis are assumed to include fair value gains of investment properties and other non-recurring items.

The table below sets out the valuation statistics for the Comparable Companies based on their last closing share prices as at the Latest Practicable Date.

Comparable Companies	Market Cap ⁽¹⁾ (S\$m)	EV/ EBITDA ⁽²⁾⁽³⁾ (times)	P/E ⁽²⁾ (times)	P/NTA ⁽⁴⁾ (times)	P/RNTA ⁽⁵⁾ (times)
CapitaLand	12,597.6	16.2 x	17.7 x	0.74 x	0.64 x
Frasers Centrepoint	4,611.0	16.8 x	9.3 x	0.81 x	0.65 x
Ho Bee	1,492.4	n.m.	17.8 x	0.53 x	0.57 x
UOL	4,508.3	13.8 x	12.2 x	0.57 x	0.54 x
High		16.8 x	17.8 x	0.81 x	0.65 x
Low		13.8 x	9.3 x	0.53 x	0.54 x
Mean		15.6 x	14.3 x	0.66 x	0.60 x
Median		16.2 x	14.9 x	0.65 x	0.61 x
The Company⁽⁶⁾ (audited FY2015 financials)	3,794.8	16.1 x	16.6 x	0.65 x	0.61 x
The Company⁽⁶⁾ (unaudited Q1 FY2016 LTM financials)	3,794.8	16.3 x	16.6 x	0.65 x	0.60 x

Sources: Annual reports, quarterly reports, broker reports and Bloomberg.

Notes:

- (1) Market capitalisation is calculated based on the closing price as at the Latest Practicable Date and diluted shares outstanding.
- (2) Based on actual earnings and EBITDA for the trailing 12-month period ending 31 March 2016. EBITDA figures have been normalised to exclude exceptional items. Earnings figures are profits after tax and minority interests, normalised to exclude exceptional items. Exceptional items for the purpose of this analysis are assumed to include fair value gains of investment properties and other non-recurring items.
- (3) The EVs of the respective Comparable Companies were calculated based on (i) the respective market capitalisation as at the Latest Practicable Date; (ii) the preferred equity, non-controlling interest and net debt (if any) as set out in the respective latest available financial statements as at the Latest Practicable Date.
- (4) Based on the book NTA obtained from the Comparable Companies' financial statements as at 31 March 2016. The P/NTA multiples of the Company are based on its audited NTA per Share of S\$14.11 and S\$14.22 as at 31 December 2015 and 31 March 2016, respectively, unadjusted for any hotel fair value gains which is not represented in the balance sheet due to its accounting policy relating to hotel properties.
- (5) Based on the latest average RNAV estimates from publicly available analyst / broker reports for the respective Comparable Companies. The P/RNTA multiples of the Company implied by the Cash Distribution are based on its adjusted NTA per Share of approximately S\$15.11 and S\$15.23 as at 31 December 2015 and 31 March 2016, respectively, which have been adjusted for hotel fair value gains.
- (6) Based on the Cash Distribution and Shares outstanding as at the Latest Practicable Date. "LTM" denotes last twelve months.
- (7) "n.m." denotes not meaningful.

For illustrative purposes, we note that, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:

- (i) The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Comparable Companies, are above the mean, and are in line with the median;
- (ii) The P/E ratios implied by the Cash Distribution are within the range of the P/E ratios of the Comparable Companies and are above the mean and median;
- (iii) The P/NTA ratios implied by the Cash Distribution are within the range of P/NTA ratios of the Comparable Companies and are in line with the mean and median; and

- (iv) The P/RNTA ratios implied by the Cash Distribution are within the range of P/RNTA ratios of the Comparable Companies and are in line with the mean and median.

The financial data used to calculate the EV/EBITDA, P/E, P/NTA and P/RNTA multiples in this analysis has been extracted, where available and / or applicable, from respective company and analyst / broker reports, Bloomberg L.P., Capital IQ and other publicly available sources as at the Latest Practicable Date. We make no representations or warranties, expressed or implied, as to the correctness of such information.

(G) Valuation Multiples of Precedent Transactions

We have compared the valuation multiples implied by the Cash Distribution to those of comparable transactions completed during the 5-year period up to and including the Latest Practicable Date, partly involving the acquisitions of controlling equity stakes in companies primarily engaged in the business of property development and for which information is publicly available (“**Precedent Transactions**”).

We have conducted our analysis based on EV/EBITDA, P/E, P/NTA and P/RNTA multiples as the key parameters for the comparison and the implied valuation multiples for the Precedent Transactions are set out below:

Announcement Date	Target Company	Stake Sought (%)	Implied Equity Value (\$m)	EV/EBITDA ⁽¹⁾⁽²⁾ (times)	P/E ⁽¹⁾ (times)	P/NTA ⁽³⁾ (times)	P/RNTA ⁽⁴⁾ (times)
14-Mar-16	Keppel Land	0.7	6,558.8 ⁽⁶⁾	15.8 x	17.3 x	0.81 x	0.70 x
14-Oct-15	Starland Holdings	17.1	34.2 ⁽⁷⁾	n.m.	n.m.	0.86 x	0.47 x
12-Jan-15	LCD Global Investments	70.7	347.7 ⁽⁸⁾	24.5 x	n.m.	1.22 x	n.a. ⁽¹⁴⁾
04-Nov-14	Forterra Trust	27.4	578.3 ⁽⁹⁾	n.m.	n.m.	0.58 x	0.58 x
25-Sep-14	Lee Kim Tah Holdings	13.6	545.9 ⁽¹⁰⁾	n.m.	n.m.	1.04 x	0.94 x
14-Apr-14	CapitaMalls Asia	34.7	8,652.9 ⁽¹¹⁾	17.7 x	16.6 x	1.19 x	0.95 x ⁽¹⁵⁾
05-Dec-12	SC Global Developments	39.3	744.5 ⁽¹²⁾	n.m.	12.6 x	1.16 x	0.80 x
23-May-11	Allgreen Properties	44.3	2,544.6 ⁽¹³⁾	8.2 x	10.9 x	0.96 x	0.78 x ⁽¹⁵⁾
High				24.5 x	17.3 x	1.22 x	0.95 x
Low				8.2 x	10.9 x	0.58 x	0.47 x
Mean				16.6 x	14.4 x	0.98 x	0.75 x
Median				16.8 x	14.6 x	1.00 x	0.78 x
The Company⁽⁵⁾ (audited FY2015 financials)		0.3	3,794.8	16.1 x	16.6 x	0.65 x	0.61 x
The Company⁽⁵⁾ (unaudited Q1 FY2016 LTM financials)		0.3	3,794.8	16.3 x	16.6 x	0.65 x	0.60 x

Sources: Shareholders' circulars, offer announcements, annual reports, quarterly reports and Bloomberg.

Notes:

- (1) Based on actual EBITDA and earnings for the 12-month period preceding the announcement dates of the respective Precedent Transactions. EBITDA figures have been normalised to exclude exceptional items. Earnings figures are profits after tax and minority interest, and have been normalised to exclude exceptional items. Exceptional items for the purpose of this analysis are assumed to include fair value gains of investment properties and other non-recurring items.
- (2) The implied EVs were based on (i) the implied equity values; (ii) non-controlling interests and net debt (if any) as set out in the latest available financial statements preceding the announcement dates of the respective Precedent Transactions.
- (3) Based on the offer price per share and the book NTA per share or the ex-cash offer price per share and the adjusted / ex-cash NTA per share (where applicable) based on the latest reported filings as of the announcement dates of the respective Precedent Transactions. The P/NTA multiples of the Company are based on its audited NTA per Share of S\$14.11 and S\$14.22 as at 31 December 2015 and 31 March 2016, respectively, unadjusted for any hotel fair value gain which is not represented in the balance sheet due to the Company's accounting policy relating to hotel properties.
- (4) Based on the offer price per share and the RNAV figures per share or the ex-cash offer price per share and the adjusted / ex-cash RNAV figures per share (where applicable), adjusted for intangible assets, of the target company as disclosed in the independent financial advisor's opinion letter for the respective offer. The P/RNTA multiples of the Company implied by the Cash Distribution are based on its adjusted NTA per Share of approximately S\$15.11 and S\$15.23 as at 31 December 2015 and 31 March 2016, respectively, which have been adjusted for hotel fair value gains.
- (5) Based on the Cash Distribution and Shares outstanding of 412,477,559 as at the Latest Practicable Date. "LTM" denotes last twelve months.
- (6) Based on the cash distribution of S\$4.24 per share and a total of 1,546,881,101 shares as at the announcement date of the transaction.
- (7) Based on the offer price of S\$0.236 per share and a total of 144,733,000 shares as at the announcement date of the transaction.
- (8) Based on the offer price of S\$0.33 per share and a total of 1,053,664,464 shares as at the announcement date of the transaction.
- (9) Based on the offer price of S\$2.25 per share and a total of 257,019,717 units as at the announcement date of the transaction.
- (10) Based on the offer price of S\$1.08 per share and a total of 505,442,835 shares as at the announcement date of the transaction.
- (11) Based on the offer price of S\$2.22 per share and a total of 3,897,695,302 shares as at the announcement date of the transaction.
- (12) Based on the offer price of S\$1.80 per share and a total of 413,637,481 shares as at the announcement date of the transaction.
- (13) Based on the offer price of S\$1.60 per share and a total of 1,590,381,075 shares as at the announcement date of the transaction.
- (14) "n.a." denotes not applicable. The RNAV was neither disclosed in the relevant circular nor in the independent financial advisor's opinion letter for the offer.
- (15) Based on the offer price per share and the higher of the two RNAV per share, adjusted for intangible assets, as disclosed in the independent financial advisor's opinion letter for the offer.
- (16) "n.m." denotes not meaningful.

For illustrative purposes, we note that, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:

- (i) The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Precedent Transactions and are in line with the mean and median;
- (ii) The P/E ratios implied by the Cash Distribution are within the range of the P/E ratios of the Precedent Transactions and are above the mean and median;
- (iii) The P/RNTA ratios implied by the Cash Distribution are within the range of the P/RNTA ratios of the Precedent Transactions and are below the mean and median; and
- (iv) The P/NTA ratios implied by the Cash Distribution are within the range of the P/NTA ratios of the Precedent Transactions and are below the mean and median.

Shareholders should note that in the Selective Capital Reduction, the Non-Participating Shareholders already have statutory control of the Company, and that the Company has already been delisted.

We wish to highlight that as at the Latest Practicable Date, the Non-Participating Shareholders own or control 411,169,736 Shares, representing approximately 99.683% of the total number of issued Shares and will therefore be in a position to significantly influence, *inter alia*, the management, operating and financial policies of the Company and are in a position to pass all ordinary and special resolutions put forth at general meetings of Shareholders of the Company other than resolutions that they are not able to vote on due to applicable rules and / or regulations.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The analysis above was performed without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies above. Further, the list of target companies involved in the Precedent Transactions set out in the analysis above are not directly comparable with the Company in terms of size of operations, market / industry size, political risk, competitive and regulatory environment, composition of business activities, asset base, geographical spread, track record, valuation methodologies adopted, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. Hence, the comparison of the Selective Capital Reduction with the Precedent Transactions set out above is for illustration purpose only and conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

(H) Dividend Yield of the Company and Selected Alternative Investments

For the purpose of assessing the Selective Capital Reduction, we have considered the dividend yield of the Company as implied by the Cash Distribution and compared it to the returns which a Participating Shareholder may potentially obtain by re-investing the proceeds from the Selective Capital Reduction in other selected alternative equity investments.

A calculation of the implied dividend yield based on the Cash Distribution and the FY2015 Dividend, if approved by Shareholders, is set out below:

	Per Share
Ordinary Dividend (S\$)	0.20
Cash Distribution (S\$)	9.20
Implied Dividend Yield (%)⁽¹⁾	2.2

Sources: The Company's Circular and audited financial statements.

Note:

(1) Computed as the FY2015 Dividend divided by the Cash Distribution.

The Participating Shareholders who approve the Selective Capital Reduction may re-invest the proceeds in alternative equity investments including the equity of the Comparable Companies and / or broad Singapore market index instruments such as the STI Exchange Traded Fund (“**STI ETF**”). For the purpose of illustration, the dividend yields of these selected alternative investments based on their ordinary dividends declared in respect of their respective last financial year for which all dividends have been paid are as follows:

Comparable Companies	Dividend Yield (%) ⁽¹⁾
CapitalLand	2.8
Frasers Centrepoint	5.3
Ho Bee	2.3
UOL	2.5
High	5.3
Low	2.3
Mean	3.2
Median	2.7
STI ETF	3.5
The Company⁽²⁾	2.2

Sources: Annual reports, quarterly reports and Bloomberg.

Notes:

- (1) Computed as the ordinary dividend per share for the last financial year in which dividends have been paid out, divided by the closing market price on the last cum-dividend date (or where there is no trading on such date, the last available closing market price prior thereto). The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor.
- (2) Computed as the FY2015 Dividend divided by the Cash Distribution.

For illustrative purposes, we note that the Company's ordinary dividend yield of 2.2% implied by the Cash Distribution lies below the entire range of dividend yields of the selected alternative investments relating to last paid dividends.

The dividend analysis above suggests that the Participating Shareholders may potentially experience an increase in dividend income if they re-invest the proceeds from the Selective Capital Reduction in the equity of the other selected alternative investments.

We wish to highlight that the above dividend analysis serves only as an illustrative guide and is neither an indication of the Company's future dividend policy, nor that of any of the Comparable Companies and constituent companies of the STI ETF. Furthermore, an investment in the equity of the Comparable Companies and / or the STI ETF also presents different risk-return profiles compared to an investment in the Shares. Moreover, there is no assurance that the Company or any of the above selected alternative investments will continue to pay dividends in the future or maintain the level of dividends paid in past periods. Furthermore, it should also be noted that the above analysis ignores the effect of any potential capital gain or capital loss that may accrue to the Shareholders arising from their investment in the shares due to market fluctuations in share prices during the relevant corresponding periods in respect of which the above dividend yields were analysed.

(I) OTHER CONSIDERATIONS

(i) Control by the Non-Participating Shareholders over the Company

As at the Latest Practicable Date, the Non-Participating Shareholders hold 411,169,736 Shares, representing approximately 99.683% of the total number of issued Shares, and have statutory control of the Company. The Non-Participating Shareholders are in a position to exert significant control including passing of ordinary resolutions and reducing dividends. Such statutory control allows the Non-Participating Shareholders to significantly influence any corporate actions such as mergers and takeover attempts. The Non-Participating Shareholders will also have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where the Non-Participating Shareholders are required by any rules or authorities to abstain from voting. Such concentration of ownership may not be beneficial to the Participating Shareholders.

(ii) Delisted Status of the Company

The Company was delisted from the Official List of the SGX-ST on 25 August 2014 and the Shares are no longer quoted on the SGX-ST.

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. If the Participating Shareholders do not approve the Selective Capital Reduction and the Selective Capital Reduction does not proceed, there may not be another opportunity in the future for the Participating Shareholders to realise their investment in the Shares.

In addition, notwithstanding that the Company will still be governed by the Companies Act, the Company is no longer required to comply with the enhanced disclosure requirements of the SGX-ST Listing Manual and to explain any deviations from the Code of Corporate Governance.

(iii) Absence of Alternative Offers

As at the Latest Practicable Date, there is no publicly available information regarding any alternative offer for the Shares. To the best of the Directors' knowledge, Shareholders have not received any offer from any other party.

(iv) Compulsory Acquisition

The Participating Shareholders should note that each of the Non-Participating Shareholders is not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act. It should also be noted that the Participating Shareholders will also have no right and are not entitled to require the Non-Participating Shareholders to acquire their Shares under Section 215(3) of the Companies Act.

(v) Potential Funding Requirements of the Company

The Company operates in a capital intensive industry that relies on the availability of sizeable amounts of debt. As at 31 March 2016, the Company had approximately S\$499.1 million of total indebtedness, all of which is due to be refinanced or rolled over within the next twelve months from 31 March 2016. The Company may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways, including limiting its ability to pay dividends or requiring it to procure consents before it can pay dividends to Shareholders.

A material portion of the Company's expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby also reducing the funds available to the Company for use in its general business operations.

In the event that the Company is required to restructure its borrowings or provide funding to any of its subsidiaries or associated companies to preserve long term shareholder value and optimize capital management sources and needs within the Company, it may have to incur additional indebtedness or raise further capital through the issuance of new securities including equity cash calls to shareholders which may result in potential dilution.

7. RECOMMENDATION

The Participating Shareholders should read the following in conjunction with, and in context of, the full text of the letter. In arriving at our opinion on the Selective Capital Reduction, we have taken into consideration, amongst other things, the following factors:

- (a) No change of control would occur as a result of the Selective Capital Reduction and hence no change of control premium is applicable;
- (b) The Non-Participating Shareholders currently hold 99.683% of the total number of issued Shares and are in a position to exert significant control including passing of ordinary resolutions and reducing dividends;
- (c) The Company was delisted from the Official List of the SGX-ST on 25 August 2014 and the Shares are no longer quoted on the SGX-ST. 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. In addition, the Company is no longer required to comply with the enhanced disclosure requirements of the SGX-ST Listing Manual and to explain any deviations from the Code of Corporate Governance;
- (d) Although the Company has paid dividends in the past, future dividend payments are not fixed and would depend on various factors including but not limited to the financial performance of the Company, its working capital and capital expenditure need as well as other considerations. There is no assurance that Shareholders will receive dividends in the future;
- (e) There is no publicly available information of any alternative offer for the Shares. To the best of the Directors' knowledge, Shareholders have not received any offer from any other party;
- (f) Profit attributable to Shareholders of the Company increased approximately 6.3% from S\$339.2 million in FY2013 to S\$360.7 million in FY2014. However, subsequently, profit attributable to Shareholders of the Company decreased by approximately 37.5% to S\$225.6 million in FY2015. ROE was approximately 6.5% in FY2013 and FY2014 and 3.9% in FY2015;
- (g) The Cash Distribution of S\$9.20 per share is within the range that the Shares traded over the 3-year period up to and including the Last Undisturbed Trading Day, with the exception of five market days in March and April 2013 with a price range of S\$9.23 to S\$9.30. The Cash Distribution represents a 72.6% premium over the lowest closing price of S\$5.33 during this period and a 1.1% discount from the highest closing price of S\$9.30 during this period;
- (h) The Cash Distribution represents a premium of 28.54%, 21.25%, 5.55%, 8.61%, 11.45% and 14.43% over the 3-year, 2-year, 12-month, 6-month, 3-month and 1-month VWAP of the Shares up to and including the Last Undisturbed Trading Day, respectively;

- (i) Since the Last Undisturbed Trading Day up to and including the Latest Practicable Date, the broader Singapore market index declined by approximately 10.4% while the Comparable Companies Index declined by approximately 6.8%;
- (j) The Company's ordinary dividend yield of 2.2% implied by the Cash Distribution lies below the entire range of dividend yields of the selected alternative investments relating to last paid dividends;
- (k) The Cash Distribution of S\$9.20 represents a discount of 35.3% to the NTA per Share on a carrying value basis and a discount of 39.6% after including the fair market value of the Hotel Properties;
- (l) The discount to the NTA per Share of 35.3% and to the adjusted NTA per Share of 39.6% as at 31 March 2016 should be considered in the context of the lack of public market for the Shares since the Delisting on 25 August 2014;
- (m) The Company's Share price had consistently traded at a discount to the trailing NTA per Share over the 3-year period up to and including the Last Undisturbed Trading Day. The historical discount, based on closing Share prices, to prevailing NTA over the 3-year period up to and including the Last Undisturbed Trading Day had ranged from 25.0% to 54.8%; the Cash Distribution discount to prevailing NTA per Share of 35.3% is narrower than the average discount to NTA per Share of 38.8% at which the Shares had closed over the 3-year period up to and including the Last Undisturbed Trading Day;
- (n) In comparison with the Comparable Companies, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:
 - The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Comparable Companies, are above the mean, and are in line with the median;
 - The P/E ratios implied by the Cash Distribution are within the range of the P/E ratios of the Comparable Companies and are above the mean and median;
 - The P/NTA ratios implied by the Cash Distribution are within the range of P/NTA ratios of the Comparable Companies and are in line with the mean and median;
 - The P/RNTA ratios implied by the Cash Distribution are within the range of P/RNTA ratios of the Comparable Companies and are in line with the mean and median;
- (o) In comparison with the Precedent Transactions, on basis of the Company's audited FY2015 and unaudited Q1 FY2016 trailing 12-month financials:
 - The EV/EBITDA ratios implied by the Cash Distribution are within the range of the EV/EBITDA ratios of the Precedent Transactions and are in line with the mean and median;
 - The P/E ratios implied by the Cash Distribution are within the range of the P/E ratios of the Precedent Transactions and are above the mean and median;
 - The P/RNTA ratios implied by the Cash Distribution are within the range of the P/RNTA ratios of the Precedent Transactions and are below the mean and median;
 - The P/NTA ratios implied by the Cash Distribution are within the range of the P/NTA ratios of the Precedent Transactions and are below the mean and median;
- (p) The Non-Participating Shareholders are not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act and the Participating Shareholders will also have no right and are not entitled to require the Non-Participating Shareholders to acquire their Shares under Section 215(3) of the Companies Act.

Based on the considerations set out in this letter and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Selective Capital Reduction are fair and reasonable and not prejudicial to the interests of the Participating Shareholders in the context of an exercise involving no change in control of the Company. Accordingly, we advise that the Participating Shareholders vote in favour of the Selective Capital Reduction.

Our opinion as disclosed in this letter is based upon the financial, market, economic, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of, the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder. As different Shareholders have different investment profiles and objectives, we advise any Shareholder who may require specific advice in relation to the Selective Capital Reduction consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisor immediately.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors and the Participating Shareholders may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ANZ in each specific case. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch



Ben Gledhill

Head of Corporate Advisory, Asia

APPENDIX 2

ADDITIONAL INFORMATION ON THE NON-PARTICIPATING SHAREHOLDERS

1. DIRECTORS

1.1 UIC

The names, addresses and descriptions of the directors of UIC as at the Latest Practicable Date are as follows:

Name	Address	Designation
Dr Wee Cho Yaw	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Chairman and Non-Executive Director
Dr John Gokongwei, Jr.	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Deputy Chairman and Non-Executive Director
Mr Lim Hock San	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	President, Chief Executive Officer and Executive Director
Mr Antonio L. Go	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive and Independent Director
Mr James L. Go	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Director
Mr Lance Yu Gokongwei	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Director
Mr Gwee Lian Kheng	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Director
Mr Hwang Soo Jin	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive and Independent Director
Mr Wee Ee Lim	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive Director
Mr Yang Soo Suan	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive and Independent Director

Name	Address	Designation
Mr Yeo Khirn Hai Alvin	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Non-Executive and Independent Director

1.2 UEPL

The names, addresses and descriptions of the directors of UEPL as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Kenneth Lee Ngai Hon	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director
Mr Donald Quek Jee Kwee	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director

1.3 UICD

The names, addresses and descriptions of the directors of UICD as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Kenneth Lee Ngai Hon	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director
Mr Donald Quek Jee Kwee	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director

1.4 UICI

The names, addresses and descriptions of the directors of UICI as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Kenneth Lee Ngai Hon	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director
Mr Donald Quek Jee Kwee	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Director

2. PRINCIPAL ACTIVITIES OF THE NON-PARTICIPATING SHAREHOLDERS

UIC is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The UIC Group includes UEPL, UICD, UICI and the Company, among others. The core business of the UIC Group is property development and investment and the UIC Group is a major real estate developer with a portfolio of 2.6 million square feet of office space and 1 million square feet of retail premise in Singapore. The UIC Group's property portfolio includes some of Singapore's best known commercial and retail landmarks as well as residential projects in prime and suburban areas. Overseas investments include properties in Beijing and Tianjin, China.

3. REGISTERED OFFICE OF THE NON-PARTICIPATING SHAREHOLDERS

The registered office of each of the Non-Participating Shareholders is at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621.

4. SHARES

As at the Latest Practicable Date:

- (a) UIC has an issued and paid-up share capital of S\$1,486,697,571.44 divided into 1,405,046,825 ordinary shares in issue;
- (b) UEPL has an issued and paid-up share capital of S\$1,099,999,982.00 divided into 110,000,000 ordinary shares in issue;
- (c) UICD has an issued and paid-up share capital of S\$14,968,400.00 divided into 14,000,000 ordinary shares in issue; and
- (d) UICI has an issued and paid-up share capital of S\$5,000,000.00 divided into 5,000,000 ordinary shares in issue.

5. FINANCIAL INFORMATION ON THE UIC GROUP

5.1 Financial Statements

(a) Consolidated Profit and Loss Account

Set out below is certain financial information extracted from the unaudited consolidated income statements of the UIC Group for Q1 FY2016 and the annual reports of the UIC Group for FY2015, FY2014 and FY2013.

	UIC Group			
	Unaudited Q1 FY2016 S\$'000	Audited FY2015 S\$'000	Audited FY2014 S\$'000	Audited FY2013 S\$'000
Revenue	201,277	807,199	693,196	609,646
Fair value gain on investment properties	Nil	18,008	167,249	196,031
Profit before income tax	78,833	330,085	491,238	506,613
Net profit	66,834	290,791	450,873	471,777
Non-controlling interests	7,165	30,240	52,882	155,713
Net profit after tax and non-controlling interests	59,669	260,551	397,991	316,064
Earnings per share (cents)				
-Basic	4.2	18.6	28.7	22.9
-Diluted	4.2	18.6	28.7	22.9

A summary of the gross dividend per ordinary share of UIC recommended for each of Q1 FY2016 and FY2015 and the gross dividend per ordinary share of UIC declared in each of FY2014 and FY2013 is set out below.

Gross dividend	Q1 FY2016	FY2015	FY2014	FY2013
First and Final (cents)	Nil	3.0	3.0	3.0
Special (cents)	Nil	Nil	Nil	Nil

As the above summary of the financial information is extracted from the unaudited consolidated financial statements of the UIC Group for Q1 FY2016 and the annual reports of the UIC Group for FY2015, FY2014 and FY2013, it should be read together with the unaudited consolidated financial statements of the UIC Group for Q1 FY2016 and the annual reports of the UIC Group for the relevant financial periods and, in each case, the accompanying notes thereto, copies of which are available for inspection at the registered office of UIC at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM.

(b) Consolidated Balance Sheets

Set out below is certain financial information extracted from the unaudited consolidated balance sheets of the UIC Group as at 31 March 2016 and the annual reports of the UIC Group for FY2015 and FY2014.

	UIC Group		
	Unaudited Q1 FY2016 S\$'000	Audited FY2015 S\$'000	Audited FY2014 S\$'000
Current assets	1,267,518	1,296,145	1,229,334
Non-current assets	7,295,230	7,242,313	7,259,649
Total assets	8,562,748	8,538,458	8,488,983
Current liabilities	1,000,924	865,715	862,859
Non-current liabilities	724,697	891,724	1,128,057
Total liabilities	1,725,621	1,757,439	1,990,916
Net Assets	6,837,127	6,781,019	6,498,067
Share capital	1,486,698	1,486,638	1,446,183
Reserves	4,523,509	4,472,829	4,246,435
Non-controlling interests	826,920	821,552	805,449
Total Equity	6,837,127	6,781,019	6,498,067

As the above summary of the financial information is extracted from the unaudited consolidated financial statements of the UIC Group for Q1 FY2016 and the annual reports of the UIC Group for FY2015 and FY2014, it should be read together with the unaudited consolidated financial statements of the UIC Group for Q1 FY2016 and the annual reports of the UIC Group for the relevant financial periods and, in each case, the accompanying notes thereto, copies of which are available for inspection at the registered office of UIC at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM.

5.2 Significant Accounting Policies

UIC prepares its financial statements in accordance with the provisions of the Companies Act and the Singapore Financial Reporting Standards. The significant accounting policies of UIC are disclosed in Note 2 of the audited consolidated financial statements of the UIC Group for FY2015.

A copy of the audited consolidated financial statements of the UIC Group for FY2015 (which contains notes of the accounts) is available for inspection at the registered office of UIC at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621.

5.3 Changes in Accounting Policies

Save as set out in publicly available information on the UIC Group, as at the Latest Practicable Date:

- (a) there are no significant accounting policies or any matter from the notes of the financial statements of the UIC Group which are of any major relevance for the interpretation of the financial statements of the UIC Group; and
- (b) there are no changes in the accounting policies of the UIC Group which will cause the financial information disclosed in this Circular to not be comparable to a material extent.

A copy of the audited consolidated financial statements of the UIC Group for FY2015 is available for inspection at the registered office of UIC at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM.

6. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Circular, the unaudited consolidated financial statements of the UIC Group for Q1 FY2016 and the annual report of the UIC Group for FY2015 and save for publicly available information on the UIC Group (including, without limitation, the announcements released by UIC on SGXNet), as at the Latest Practicable Date, there have been no material changes in the financial position of the UIC Group since 31 December 2015, being the date of the last published audited accounts of the UIC Group.

Save as disclosed in this Circular, the Q1 FY2016 Results and the FY2015 Results and save for any publicly available information on the Company, as at the Latest Practicable Date, there have been, within the knowledge of the Non-Participating Shareholders, no known material changes in the financial position or prospects of the Company since 31 December 2014, being the date of the last balance sheet laid before Shareholders in general meeting. Shareholders should note that the FY2015 Results and the Q1 FY2016 Results are set out in Appendices 8 and 9 to this Circular respectively.

7. RESPONSIBILITY STATEMENT

The directors of each of the Non-Participating Shareholders (including any who may have delegated detailed supervision of paragraphs 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 to this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in paragraphs 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 to this Circular (other than all facts relating to and opinions expressed by the Company, the IFA and UOB) are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

Where any information in paragraphs 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 to this Circular has been extracted or reproduced from published or publicly available sources (other than all facts relating to and opinions expressed by the Company, the IFA and UOB), the sole responsibility of the directors of each of the Non-Participating Shareholders 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 5 and 6 of the Letter to Shareholders in this Circular and Appendices 2 to 4 to this Circular.

APPENDIX 3

DISCLOSURES OF HOLDINGS AND DEALINGS IN SLL SECURITIES

1. HOLDINGS OF SLL SECURITIES

As at the Latest Practicable Date, based on (a) the latest information available to the Non-Participating Shareholders and (b) the responses received pursuant to enquiries made by the Non-Participating Shareholders, the interests in Shares held by the Non-Participating Shareholders and parties acting in concert with the Non-Participating Shareholders are set out below:

Name	Direct Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
UEPL ⁽²⁾	325,374,040	78.883	325,374,040	78.883
UICD ⁽²⁾	85,643,196	20.763	85,643,196	20.763
UICI ⁽²⁾	152,500	0.037	152,500	0.037

Notes:

- (1) Calculated based on 412,477,559 Shares in issue.
- (2) UIC has an indirect interest in the 411,169,736 Shares derived from the direct interests of its wholly-owned subsidiaries, namely, UEPL, UICD and UICI.

2. DEALINGS IN SLL SECURITIES

During the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date, based on (a) the latest information available to the Non-Participating Shareholders and (b) the responses received pursuant to enquiries made by the Non-Participating Shareholders, UEPL had on 10 March 2016 acquired 49,400 Shares at S\$9.20 per Share.

APPENDIX 4

GENERAL INFORMATION ON THE NON-PARTICIPATING SHAREHOLDERS

1. DISCLOSURE OF INTERESTS

1.1 No Agreement having any Connection with or Dependence upon the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Non-Participating Shareholders and/or parties acting in concert with the Non-Participating Shareholders and (b) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Selective Capital Reduction.

1.2 Transfer of Shares

The Shares held by the Participating Shareholders will be cancelled pursuant to the Selective Capital Reduction. The Non-Participating Shareholders reserve the right to transfer any Shares to any of their related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to them.

1.3 No Payment or Benefit to Directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or a director of a related corporation (within the meaning of Section 6 of the Companies Act) of the Company as compensation for loss of office or otherwise in connection with the Selective Capital Reduction.

1.4 No Agreement Conditional upon Outcome of the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) any Non-Participating Shareholder and (b) any of the Directors or any other person in connection with or conditional upon the outcome of the Selective Capital Reduction or otherwise in connection with the Selective Capital Reduction.

1.5 Transfer Restrictions

The constitution of the Company does not contain any restrictions on the right to transfer Shares, which has the effect of requiring holders of such Shares, before transferring them, to offer them for purchase to members of the Company or to any person.

2. MARKET QUOTATIONS

2.1 Delisting

As the Company was delisted from the Official List of the SGX-ST on 25 August 2014, the Shares are no longer quoted on the SGX-ST. Accordingly, no closing prices are available for the Shares on (a) the Latest Practicable Date and (b) the latest Business Day immediately preceding the Announcement Date.

2.2 Closing Prices

Rule 23.10 of the Code requires that the closing prices of the Shares traded on the SGX-ST at the end of each month from November 2015 to April 2016 (being the six (6) calendar months preceding the Announcement Date) be disclosed. However, as the Offer closed at 5.30 p.m. (Singapore time) on 25 April 2014, and trading in the Shares was suspended after the close of the Offer until the Delisting, the closing prices of the Shares traded on the SGX-ST at the end of each month from November 2015 to April 2016 are not available.

2.3 Highest and Lowest Prices

Rule 23.10 of the Code requires that the highest and lowest closing prices of the Shares traded on the SGX-ST during the period between 18 November 2015 and 25 May 2016 (being the period between the start of the six (6) months preceding the Announcement Date and ending on the Latest Practicable Date) be disclosed. However, as the Offer closed at 5.30 p.m. (Singapore time) on 25 April 2014, and trading in the Shares was suspended after the close of the Offer until the Delisting, the highest and lowest closing prices of the Shares traded on the SGX-ST during the period between 18 November 2015 and 25 May 2016 are not available.

3. **DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM:

- (a) the constitutions of the Non-Participating Shareholders;
- (b) the annual reports of the UIC Group for FY2013, FY2014 and FY2015; and
- (c) the unaudited consolidated financial statements of the UIC Group for Q1 FY2016.

APPENDIX 5

ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Lim Hock San	c/o 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	President, Chief Executive Officer and Executive Director
Ms Goh Poh Leng	24 Raffles Place #22-01/06 Clifford Centre Singapore 048621	Executive Director

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

As one of Singapore's largest property players, the Company is synonymous with premier property developments in both prime and suburban locations. The Company's portfolio comprises interests in office and retail spaces across Singapore, which include Singapore Land Tower, Clifford Centre, SGX Centre, The Gateway, Abacus Plaza, Tampines Plaza, West Mall as well as Marina Square.

3. REGISTERED OFFICE

The registered office of the Company is at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621.

4. SHARE CAPITAL

4.1 Issued Capital

The issued share capital of the Company as at the Latest Practicable Date is S\$840,348,142.83 comprising 412,477,559 Shares. There is only one class of shares in issue.

4.2 Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 December 2015, being the end of the last financial year.

4.3 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the articles of association comprising part of the constitution of the Company. For ease of reference, selected texts of the articles of association comprising part of the constitution of the Company relating to the same have been extracted and reproduced in Appendix 6 to this Circular.

4.4 Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of Shares or securities which carry voting rights affecting Shares.

4.5 Sale of Shares

Save as disclosed below, during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date, based on the Register of Transfers of the Company, there was no sale of Shares by the Shareholders.

Date	No. of Shares sold	Transaction price per Share
20 November 2015	4,000	Nil ⁽¹⁾
3 December 2015	666	Nil ⁽¹⁾
8 December 2015	666	Nil ⁽²⁾
22 December 2015	30,000	S\$9.20
10 March 2016	49,400	S\$9.20
18 March 2016	1,163	Nil ⁽³⁾

Notes:

- (1) The transfer of Shares was made from the estate of a deceased Shareholder to the executor / administrator of the estate of the deceased Shareholder.
- (2) The transfer of Shares was made from the executor / administrator of the estate of a deceased Shareholder to the beneficiaries of the estate of the deceased Shareholder.
- (3) The transfer of Shares was made from a nominee to the beneficial owner and there was no change of the beneficial ownership of the said Shares.

5. **DISCLOSURE OF INTERESTS**

5.1 Interests of the Company in Non-Participating Shareholders' Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in Non-Participating Shareholders' Securities.

5.2 Dealings in Non-Participating Shareholders' Securities by the Company

The Company has not dealt for value in any Non-Participating Shareholders' Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.3 Interests of Directors in Non-Participating Shareholders' Securities

As at the Latest Practicable Date, save as disclosed below, neither of the Directors has any direct or deemed interests in Non-Participating Shareholders' Securities.

Name	Non-Participating Shareholder	Direct Interest		Total Interest	
		No. of securities	% ⁽¹⁾	No. of securities	% ⁽¹⁾
Mr Lim Hock San	UIC	124,280 ordinary shares	n.m. ⁽²⁾	124,280 ordinary shares	n.m.
		1,170,000 share options	n.m.	1,170,000 share options	n.m.
Ms Goh Poh Leng	UIC	74,900 ordinary shares	n.m.	74,900 ordinary shares	n.m.
		436,000 share options	n.m.	436,000 share options	n.m.

Notes:

(1) Calculated based on 1,405,046,825 ordinary shares in the issued share capital of UIC.

(2) "n.m." means not meaningful.

5.4 Dealings in Non-Participating Shareholders' Securities by the Directors

Save as disclosed below, neither of the Directors has dealt for value in any Non-Participating Shareholders' Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

Name	Non-Participating Shareholder	Date	No. of share options accepted	No. of Shares sold	Transaction price per security
Mr Lim Hock San	UIC	3 March 2016	100,000 share options	Nil	S\$1.00 per share option
Ms Goh Poh Leng	UIC	8 March 2016	64,000 share options	Nil	S\$1.00 per share option

5.5 Interests of the Directors in SLL Securities

As at the Latest Practicable Date, neither of the Directors has any direct or deemed interests in SLL Securities.

5.6 Dealings in SLL Securities by the Directors

Neither of the Directors has dealt for value in any SLL Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.7 Interests of UOB in SLL Securities

As at the Latest Practicable Date, none of UOB, its related corporations or any of the funds whose investments are managed by UOB on a discretionary basis owns or controls any SLL Securities.

5.8 Dealings in SLL Securities by UOB

None of UOB, its related corporations or any of the funds whose investments are managed by UOB on a discretionary basis has dealt for value in any SLL Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.9 Interests of the IFA in SLL Securities

As at the Latest Practicable Date, none of ANZ, its related corporations or any of the funds whose investments are managed by ANZ on a discretionary basis owns or controls any SLL Securities.

5.10 Dealings in SLL Securities by the IFA

None of ANZ, its related corporations or any of the funds whose investments are managed by ANZ on a discretionary basis has dealt for value in any SLL Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.11 Intentions of the Directors in respect of their Shares

As at the Latest Practicable Date, neither of the Directors holds any Shares.

6. OTHER DISCLOSURES AND ARRANGEMENTS AFFECTING DIRECTORS

6.1 Directors' Service Contracts

- (a) As at the Latest Practicable Date, there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation.
- (b) In addition, there are no such service contracts entered into or amended between any of the Directors or proposed directors with the Company or any of its subsidiaries during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

6.2 No Payment or Benefit to the Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Selective Capital Reduction.

6.3 No Agreement Conditional upon Outcome of Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Selective Capital Reduction.

6.4 Material Contracts entered into by the Non-Participating Shareholders

As at the Latest Practicable Date, there are no material contracts entered into by the Non-Participating Shareholders in which any Director has a material personal interest, whether direct or indirect.

7. FINANCIAL INFORMATION

7.1 Financial Statements

(a) Consolidated Profit and Loss Account

Set out below is certain financial information extracted from the unaudited consolidated income statements of the SLL Group for Q1 FY2016, the audited consolidated income statements of the SLL Group for FY2015 and FY2014 and the annual report of the SLL Group for FY2013.

	SLL Group			
	Unaudited Q1 FY2016 S\$'000	Audited FY2015 S\$'000	Audited FY2014 S\$'000	Audited FY2013 S\$'000
Revenue	134,914	535,369	470,776	453,983
Fair value gain on investment properties	Nil	11,576	135,256	158,233
Profit before income tax	71,183	290,808	434,443	458,619
Net profit	61,192	256,039	399,594	429,537
Non-controlling interests	7,674	30,449	38,900	90,332
Net profit after tax and non-controlling interests	53,518	225,590	360,694	339,205
Earnings per share (cents)				
-Basic	13.0	54.7	87.4	82.2
-Diluted	13.0	54.7	87.4	82.2

A summary of the gross dividend per Share recommended for each of Q1 FY2016 and FY2015 and the gross dividend per Share declared in each of FY2014 and FY2013 is set out below.

Gross dividend	Q1 FY2016	FY2015	FY2014	FY2013
First and Final (cents)	Nil	20.0	20.0	20.0
Special (cents)	Nil	Nil	Nil	Nil

As the above summary financial information is extracted from the Q1 FY2016 Results, the FY2015 Results, the audited consolidated financial results of the SLL Group for FY2014 and the annual report of the SLL Group for FY2013, it should be read together with the Q1 FY2016 Results, the FY2015 Results, the audited consolidated financial results of the SLL Group for FY2014 and the annual report of the SLL Group for FY2013 and, in each case, the accompanying notes thereto, copies of which are available for inspection at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM. The FY2015 Results, the Q1 FY2016 Results and the accompanying notes thereto are also set out in Appendices 8 and 9 to this Circular respectively.

(b) Consolidated Balance Sheets

Set out below is certain financial information extracted from the unaudited consolidated balance sheets of the SLL Group as at 31 March 2016 and the audited consolidated balance sheets of the SLL Group (i) as at 31 December 2015 and (ii) as at 31 December 2014.

	SLL Group		
	Unaudited Q1 FY2016 S\$'000	Audited FY2015 S\$'000	Audited FY2014 S\$'000
Current assets	967,433	905,810	908,563
Non-current assets	6,406,728	6,359,576	6,420,192
Total assets	7,374,161	7,265,386	7,328,755
Current liabilities	637,021	412,763	406,520
Non-current liabilities	93,198	261,607	500,920
Total liabilities	730,219	674,370	907,440
Net Assets	6,643,942	6,591,016	6,421,315
Share capital	840,349	840,349	840,349
Reserves	5,025,698	4,980,446	4,832,746
Non-controlling interests	777,895	770,221	748,220
Total Equity	6,643,942	6,591,016	6,421,315

As the above summary financial information is extracted from the Q1 FY2016 Results, the FY2015 Results and the audited consolidated financial results of the SLL Group for FY2014, it should be read together with the Q1 FY2016 Results, the FY2015 Results and the audited consolidated financial results of the SLL Group for FY2014 and, in each case, the accompanying notes thereto, copies of which are available for inspection at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM. The FY2015 Results, the Q1 FY2016 Results and the accompanying notes thereto are also set out in Appendices 8 and 9 to this Circular respectively.

7.2 Significant Accounting Policies

The Company prepares its financial statements in accordance with the provisions of the Companies Act and the Singapore Financial Reporting Standards. The significant accounting policies of the Company are disclosed in Note 2 of the FY2015 Results which are set out in Appendix 8 to this Circular.

7.3 Changes in Accounting Policies

Save as set out in publicly available information on the SLL Group, as at the Latest Practicable Date:

- (a) there are no significant accounting policies or any matter from the notes of the financial statements of the SLL Group which are of any major relevance for the interpretation of the financial statements of the SLL Group; and
- (b) there are no changes in the accounting policies of the SLL Group which will cause the financial information disclosed in this Circular to not be comparable to a material extent.

8. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Circular, the Q1 FY2016 Results and the FY2015 Results and save for any publicly available information on the SLL Group, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 December 2014, being the date of the last published audited accounts of the Company. Shareholders should note that the FY2015 Results and the Q1 FY2016 Results are set out in Appendices 8 and 9 to this Circular respectively.

9. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Company and the Selective Capital Reduction that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Announcement Date and ending on the Latest Practicable Date.

10. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in publicly available information on the SLL Group, neither the Company nor any of its subsidiaries has entered into any material contracts with any Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three (3) years prior to the Announcement Date and ending on the Latest Practicable Date.

11. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the SLL Group:

- (a) no SLL Group Company is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the SLL Group taken as a whole; and
- (b) the Directors are not aware of any litigation, claim or proceeding pending or threatened against any SLL Group Company, or of any fact likely to give rise to any litigation, claim or proceeding which might materially and adversely affect the financial position of the SLL Group taken as a whole.

12. VALUATION REPORTS

12.1 Bases of Valuation

The Company has independent Valuation Reports. Extracts of the Valuation Reports (which include the basis of the respective valuations) are set out in Appendix 7 to this Circular.

12.2 Potential Tax Liability

Under Rule 26.3 of the Code, for the valuation of the assets given in connection with the Selective Capital Reduction, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with the Selective Capital Reduction, were to be sold at the amount of the valuation.

Based on information from the Valuation Reports as well as information provided by the Company, no potential tax liabilities is expected to be incurred by the SLL Group on the hypothetical disposal of the Subject Properties on an "as is" basis.

13. GENERAL

13.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Selective Capital Reduction will be borne by the Company.

13.2 Consent of UOB

UOB has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references to its name, in the form and context in which they appear in this Circular.

13.3 Consent of the IFA

ANZ has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, its advice to the Participating Shareholders set out in paragraph 11.2 of the Letter to Shareholders in this Circular and the IFA Letter as set out in Appendix 1 to this Circular and all references thereto, in the form and context in which they appear in this Circular.

13.4 Consent of the Valuers

Each of the Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and extracts of its Valuation Reports which are annexed hereto as Appendix 7 to this Circular and all references thereto, in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the SLL Group for FY2013;
- (c) the audited consolidated financial results of the SLL Group for FY2014;
- (d) the FY2015 Results;
- (e) the Q1 FY2016 Results;
- (f) the IFA Letter as set out in Appendix 1 to this Circular;
- (g) the Valuation Reports, extracts of which are set out in Appendix 7 to this Circular;
- (h) the letters of consent referred to in paragraph 13 of this Appendix 5 above; and
- (i) the Announcement.

APPENDIX 6

EXTRACTS FROM THE ARTICLES OF ASSOCIATION COMPRISING PART OF THE CONSTITUTION OF THE COMPANY

1. RIGHTS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

- 1.1 All capitalised terms used in the following extracts shall have the same meanings given to them in the articles of association comprising part of the constitution of the Company, a copy of which is available for inspection at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM.
- 1.2 The rights of Shareholders in respect of capital, dividends and voting are contained in the articles of association comprising part of the constitution of the Company, the relevant provisions of which are set out below:

Rights in Respect of Capital

“CAPITAL OF THE COMPANY

5. *The Company may by Ordinary Resolution —* *Alteration of capital.*
- (a) *consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the shares of Members to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any shares of Members being consolidated with shares of another Member may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company PROVIDED THAT when the necessary unissued shares are available the Directors may in each case where the number of shares in respect of which any holder or Depositor is a Member is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder or Depositor credited as fully paid up by way of capitalisation the minimum number of shares required to round up his shareholding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;*
- (b) *cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled; and*
- (c) *subdivide its shares or any of them (subject nevertheless to the provisions of the Act) PROVIDED ALWAYS that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares is derived.*

6. *The Company may by Special Resolution reduce its share capital, or any undistributable reserve in any manner and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- Power to reduce capital.

SHARES

7. *Subject to the Act and other written laws, the Listing Rules of the SGX-ST and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Company in General Meeting but subject thereto, the Directors may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions, for such consideration and at such times as the Directors may determine. PROVIDED THAT:-*
- (a) *the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and*
- (b) *no shares may be issued to transfer a controlling interest without the prior approval of the Company in General Meeting.*
- Shares under control of General Meeting.
8. *Subject to the Act and other written laws, these Articles and any direction to the contrary that may be given by the Company in General Meeting and except as permitted under the listing rules of the Exchange, all new shares shall, before issue, be offered to such Members as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, or of which new shares which could not be offered to Members outside Singapore, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may likewise so dispose of any such new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of Directors, be conveniently offered in the manner hereinbefore provided.*
- Issue of new Shares.
9. *Notwithstanding Article 8, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-*
- (a) (i) *issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*
- (ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- Authority to issue shares and convertible securities.

- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force.

PROVIDED THAT:-

- (a) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange; and
- (b) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and

(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

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| <p>10. (1) Any share in the Company may be issued with such preferred, deferred or other special rights or any other restrictions, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine. Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. The total number of issued preference shares shall not exceed the total number of issued ordinary shares.</p> | <p>Company may issue shares with preferred, deferred or other special rights.</p> |
| <p>(2) Subject to any directions that may be given in accordance with the powers contained in the Memorandum or these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital and as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of original capital.</p> | <p>New capital considered part of original capital.</p> |
| <p>11. In the event of the Company at any time issuing preference capital, the Company shall have power to issue further preference capital ranking equally with or in priority to the preference shares already issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto.</p> | <p>Issue of further preference shares.</p> |
| <p>12. Subject to the provisions of the Act, all or any of the special rights or privileges for the time being attached to any preference shares for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting all the provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two holders of preference shares present either in person or by proxy representing not less than one-third of the preference shares issued and that</p> | <p>Alteration of rights of preference shareholders.</p> |

every such holder of preference shares shall be entitled on a poll to one vote for every preference share held by him, and that any holder of preference shares present either in person or by proxy may demand a poll.

PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holder or holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

- 13. Preference shares may be issued subject to the limitations as may be prescribed by the Exchange and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or these Articles. Preference shareholders shall have the same rights as ordinary shareholders as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company unless the conditions of the issue of the relevant class of preference shares provide otherwise. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or where the dividend on the preference shares is more than six months in arrears.*

Rights of preference shareholders.
- 14. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the persons who for the time being, and from time to time, shall be holders for the time being of the shares, or their legal personal representatives.*

Instalments of shares.
- 15. The Company may pay a commission or brokerage to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares or debentures in the capital of the Company or options therefor. Any such commission may be paid at such rate or amount and in such manner as the Directors may deem fit and the Company may, in addition to, or in lieu of, such commission or brokerage, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares or debentures in the Company or options therefor, confer on any such person an option to call within a specified time for a specified number or amount of shares in the Company at a specified price. The requirements of the provisions of the Act shall be observed, so far as applicable.*

Commission of subscribing.
- 17. Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire shares (whether ordinary or preference or otherwise), options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and to the extent permitted and in the manner prescribed by the Act. Any shares so purchased or acquired by the Company may be cancelled immediately on purchase or acquisition, or held in treasury in accordance with the Act. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, in accordance with the Act.*

Company may acquire its own shares.
- 18. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its*

Treasury shares.

treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Unless otherwise specified or restricted by law, the Company may pay commissions or brokerage on any issue or purchase of its shares, or sale, disposal or transfer of treasury shares at such rate or amount and in such manner as the Directors may deem fit.

JOINT HOLDERS OF SHARES

20. (1) *The Company and the CDP shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member.* Joint holders and Depositors.
- (2) *Subject to Article 20(1), any two or more persons may be registered as joint holders of any share or named in the Depository Register as joint Depositors. In the case of the death of any one or more of the joint registered holders or joint Depositors of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such share but the Company may require such evidence of death as it may deem fit.*
- (3) *Any one of the joint holders of any share or joint Depositors may give effectual receipts for any dividends, bonuses or other moneys payable to such joint holders or joint Depositors. The first named on the Register or the Depository Register shall, however, as regards voting, appointment of proxies, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share and any notice given to such person shall be deemed notice to all the joint holders or joint Depositors, as the case may be.*
- (4) *The joint holders of any share or the joint Depositors in respect of any share shall be liable jointly and severally in respect of all payments and liabilities in respect of such share.*

REGISTERED HOLDERS

21. *Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and a Depositor as the absolute owner of the number of shares which are entered against his name in the Depository Register and accordingly, shall not be bound (except as ordered by a court of competent jurisdiction or as by law required) to recognise even when having notice of any equitable or other claim to or interest in any such share on the part of any person.* Member absolute owner.
22. *No person shall exercise any rights or privileges as a Member until his name shall have been entered in the Register or the Depository Register and he shall have paid all calls and other moneys for the time being due and payable on any share in respect of which he is a Member alone or jointly with any other person.* Exercise of rights of Members.

CONVERSION OF SHARES INTO STOCK

59. (1) *The Company in General Meeting may convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares.* Conversion of shares into stock.
- (2) *When any shares have been converted into stock the several holders of and Depositors in respect of such stock may transfer their respective interests therein or any in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. The Directors may if they think fit from time to time fix the minimum amount of stock transferable.* Stockholders entitled to transfer interest.

- (3) *The several holders of and Depositors in respect of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof and the Depositors in respect thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held or were Depositors in respect of the shares from which the stock arose, but so that none of such rights, privileges or advantages (except the participation in the dividends, profits and assets of the Company) shall be conferred by any such part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.* *Stockholders entitled to profits.*
- (4) *All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words "shares" and "shareholder" shall include "stock" and "stockholder".* *Definitions.*

MODIFICATION OF CLASS RIGHTS

60. (1) *Subject to the provisions of the Act, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of such shares of not less than three-fourths of the issued shares of the class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of such shares of the class, and all the provisions contained in these Articles relating to general meeting shall mutatis mutandis apply to every such meeting, but so that the quorum thereof shall be not less than two persons personally present and being or representing by proxy of one-third of the issued shares of the class, and that any holder of such shares, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class in respect of which he is a holder of such shares, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of such shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or resolution to the Accounting and Corporate Regulatory Authority.* *Modification of class rights.*
- (2) *The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights whereof are to be varied.*
- (3) *Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority thereto for payment of a dividend or repayment of capital but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued.*

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

148. (1) *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 9):* Bonus Issues.
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the CDP register at the close of business on:*
 - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
 - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 9) such other date as may be determined by the Directors, in proportion to their holdings of shares; and*
 - (b) *capitalize any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the CDP register at the close of business on:*
 - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determine as therein provided); or*
 - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 9) such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued ordinary shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*
- (2) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Article 148(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (3) *In addition and without prejudice to the powers provided for by Articles 148(1) and 148(2), the Directors shall have power to issue shares for which no consideration is payable and to capitalize any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit."*

Rights in Respect of Dividends

"TRANSMISSION OF SHARES

58. (1) *A person becoming entitled to a share or an interest in respect of a share in consequence of the death or bankruptcy of any Member shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder or named in the Depository Register as the Depositor in respect thereof PROVIDED ALWAYS that the Directors may at any time give notice requiring any such person to elect either to be registered or named in the Depository Register himself or to transfer the share, and if the notice is not complied with in accordance with these Articles within ninety days, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.* *Persons entitled to dividends on transmission.*
- (2) *The Company shall be entitled to charge a fee not exceeding ten dollars or such other sum as may be determined from time to time on the registration in the Register of every probate, letter of administration, death or marriage certificate, power of attorney, or any document relating to or affecting the title to the shares.* *Fee on registration of probate, etc.*

DIVIDENDS

134. *The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the number of their existing shares.* *Appropriation of profits.*
135. *The Company in General Meeting may declare a dividend to the Members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.* *Declaration of Dividend.*
136. (1) *Whenever the Company in General Meeting has resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:* *Scrip Dividend Scheme.*
- (a) *The basis of any such allotment shall be determined by the Directors;*
- (b) *The Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members, (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise*

make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 136;

- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded PROVIDED THAT the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect of which the right of election has been duly exercised (the "Elected Ordinary Shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding the provisions of the Articles to the contrary), the Directors shall:*

 - (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or*
 - (ii) apply the sum which would otherwise have been payable in cash to the holders of the Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.*
- (2) (a) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article 136 shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article 136, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members).*
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 136, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit.*

- (4) *The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 136, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore and if they have not supplied CDP or the Company (as the case may be) addresses in Singapore for the service of notices or documents or to such other Members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (5) *Notwithstanding the foregoing provisions of this Article 136, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article 136 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (1) of this Article 136.*

137. *The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. No dividend shall carry interest. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise provided by the Act:-*

Dividends payable out of profits.

(a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*

(b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.*

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

138. *The declaration of the Directors as to the net profits of the Company shall be conclusive.*

Declaration conclusive.

139. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit.*

Payment of preference and interim dividend.

140. *The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of or in connection with calls due or payable.*

Deduction of debts due to Company.

141. *The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.*

Debts may be deducted.

142. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the transfer in the Depository Register, as the case may be. Effect of transfer.
143. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular, of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debentures stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 61 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective. Dividend in specie.
144. The Company may retain the dividends payable upon shares or any part thereof in respect of which any person is, under Article 56, entitled to become entered in the Register or the Depository Register, as the case may be, as a Member, or which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same. Power to retain dividends.
145. In case several persons are jointly Members in respect of any shares, any one of such persons may give effectual receipts for dividends and payment on account of dividends in respect of such shares. Any joint Member may give receipt.
146. Unless otherwise directed, any dividend may be paid by cheque, warrant or Post Office Order, sent through the post to the address of the Member entitled appearing in the Register or the Depository Register, as the case may be, or in the case of a joint Member to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect of the joint shareholding, and every cheque, warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for the loss of any cheque, dividend warrant, or Post Office Order, which shall be sent by post duly addressed to the Member for whom it is intended. The payment by the Company to CDP of any dividend payable or distribution due to a Depositor shall, to the extent of the payment or distribution made, discharge the Company from any liability in respect of that payment or distribution. Payment by post.
147. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 1 year from the date of declaration of such dividend may be forfeited and if so shall revert to the Company. For the avoidance of doubt, no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, whatsoever and howsoever arising.” Unclaimed dividends.

Rights in Respect of Voting

“GENERAL MEETINGS

69. *The Directors shall, on the requisition of the Members holding at the date of the deposit of the requisition not less than 10% of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings (excluding treasury shares) of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:-*
- Extraordinary Meetings to be called on requisition of Members.*
- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists;*
 - (2) If the Directors of the Company do not proceed to cause a meeting to be held within twenty one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit;*
 - (3) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the meeting shall be deemed not to be duly convened by the Directors if they do not give such notice as is required by the provisions of the Act; and*
 - (4) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.*
70. *Subject to any requirements of the Act or the listing rules for the giving of notice of resolutions, any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days' notice in writing and any Annual General Meeting and any other Extraordinary General Meeting by at least fourteen days' notice in writing (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day of the meeting for which the notice is given) in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained and the Act entitled to receive notice from the Company and at least fourteen days' notice of such meeting shall be given by one advertisement in the daily press circulating in Singapore and in writing to any Stock Exchange upon which the Company may be listed. PROVIDED THAT a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-*
- Notice of Meetings.*
- (1) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and*
 - (2) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the Members having a right to vote at that Meeting.*
71. *The omission to give any notice to or non-receipt of any such notice by any Member shall not invalidate the General Meeting for which the notice was given or any resolution passed or proceedings at any General Meeting.*
- Omission to give notice.*

72. *Subject to Article 106, any Member entitled to be present and vote at a General Meeting or his proxy may submit any resolution to any General Meeting PROVIDED THAT at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served by the Member and the day appointed for the General Meeting, there shall be not less than seven nor more than fourteen intervening days.*

Members may submit resolution to meeting on giving notice to Company.

73. *Upon receipt of any such notice in accordance with the conditions as mentioned in the last preceding Article mentioned, the Secretary shall include in the notice of the General Meeting in any case where the notice of intention is received before the notice of the General Meeting is issued, and shall in any other case (save as provided in Article 106) issue as quickly as possible to the Members notice that such resolution will be proposed.*

Secretary to give notice to Members.

PROCEEDINGS AT GENERAL MEETINGS

75. *Except at any time when a corporation is the sole Member, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business. For the purposes of this Article, "Member" includes a person attending as a proxy. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 88.*

Quorum.

76. *If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.*

If quorum not present.

78. *The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Whenever any meeting is adjourned for fourteen days or more, at least three days' notice of the place and hour of such adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*

Power to adjourn.

79. *At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded (a) by the chairman of the meeting or (b) by any two Members present in person or by proxy, and entitled to vote at the meeting, or (c) by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting or (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right (excluding treasury shares). Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book of*

How matters to be decided.

proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution. A demand for a poll may be withdrawn.

80. *Without prejudice to the aforesaid, on a poll, a person entitled to more than one vote need not use all his votes or cast all his votes he uses in the same way.* Utilisation of the vote.
81. *If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting directs, and the results of the poll shall be deemed to be the Resolution of the meeting at which the poll was demanded. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded.* Chairman's direction as to poll.
82. *In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.* In the event of equality of votes.
83. *No poll shall be demanded on the election of a chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.* Poll on election of Chairman.
84. *If:-* Error in the counting of votes.
- (a) *any objection shall be raised as to the qualification of any voter; or*
- (b) *any votes have been counted which ought not to have been counted or which might have been rejected; or*
- (c) *any votes are not counted which ought to have been counted,*
- the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.*

VOTES OF MEMBERS

85. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 18 each Member entitled to vote may vote in person or by proxy, attorney or representative. A proxy, attorney or representative need not be a Member of the Company. On a show of hands every Member who is present in person or by proxy, attorney or representative shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy, attorney or representative may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the CDP register* Voting rights.

as at 48 hours before the time for the relevant General Meeting as certified by CDP to the Company. Every member shall be entitled to be present and to vote at any General Meeting either personally or by proxy, attorney or representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

86. In the case of joint Members any of such Member may vote but if more than one such Member is present at the meeting, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be. Where there are several executors or administrators of a deceased Member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. Right of joint Members.
87. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a show of hands or on a poll, vote by proxy. PROVIDED THAT such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting. Votes of Members of unsound mind.
88. Any corporation which is a Member may, by resolution of its Directors, authorize any person to act as its representative at any meetings of the Company; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder and such corporation shall for the purpose of these Articles (but subject to the Act) be deemed to be present in person at any such Meeting if a person so authorised is present thereat. Corporation may attend by representative.
89. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal, or under the hand of an official or attorney duly authorised. An instrument of proxy shall not, unless the Directors in their absolute discretion determine otherwise, be required to be witnessed. Execution of proxy and deposit of proxy.
90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or authority shall, if required by law, be duly stamped and deposited at the Office, not less than 48 hours before the time for holding the meeting, or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy or attorney shall not be treated as valid. Authority to sign instrument of proxy to be deposited with Company.
91. A Member may appoint not more than two proxies to attend and vote at the same General Meeting. In the event that a member has appointed more than one proxy, only one proxy is counted in determining the quorum. A Member appointing more than one proxy shall specify the proportion of shares to be represented by each proxy and if no proportion is specified, the first named proxy shall be deemed to represent 100 per cent. (100%) of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. An instrument appointing a proxy shall be in such form as the Directors may from time to time approve. The Company shall be entitled (i) to reject any instrument of proxy executed by a Depositor if the Depositor's name does not appear in the Depository Register 48 hours prior to the commencement of the relevant General Meeting as certified

by CDP to the Company, and (ii) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (i) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy.

92. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given PROVIDED THAT no notice in writing of the death or revocation or transfer shall have been received at the Office at least 48 hours before the time fixed for holding the meeting. When vote by proxy valid though authority revoked.
93. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll to move any resolution or amendment thereto and to speak at the Meeting. Instrument deemed to confer authority to demand for poll.
94. Where the capital of the Company consists of shares of different monetary denominations, voting rights may, at the discretion of the Board, be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable." Voting in respect of shares of different monetary denominations.

APPENDIX 7

EXTRACTS FROM THE VALUATION REPORTS

This Appendix 7 sets out the extracts of the Valuation Reports in respect of the Subject Properties as set out in the list below. The full Valuation Reports of the respective Subject Properties are available for inspection at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of this Circular until the date of the EGM.

List of Subject Properties


	Subject Properties	Valuer
1.	Singapore Land Tower	DTZ
2.	Clifford Centre	DTZ
3.	SGX Centre	DTZ
4.	The Gateway	DTZ
5.	Abacus Plaza	DTZ
6.	Tampines Plaza	DTZ
7.	West Mall	DTZ
8.	Novena Square	DTZ
9.	Marina Square Retail Mall	Knight Frank
10.	The Pan Pacific Hotel Singapore	Knight Frank
11.	Marina Mandarin Singapore	Knight Frank
12.	Mandarin Oriental Singapore	Knight Frank



VALUATION SUMMARY

(1) Property	:	Singapore Land Tower 50 Raffles Place Singapore 048623
Legal Description	:	Lot 499M Town Subdivision 1.
Site Area	:	5,064.4 sq.m.
Tenure	:	999 years leasehold commencing from 20 April 1826.
Brief Description	:	<p>Singapore Land Tower is a 47-storey commercial development, with 3 basement carpark levels (comprising a total of 288 lots). It was completed in May 1982. It comprises a 4-storey podium and a 43-storey tower block. The podium houses banking halls on the 1st storey, offices on the 2nd and 3rd storeys, and a roof terrace on the 4th storey as well as on the 45th storey.</p> <p>The tower block accommodates office units from the 5th to 46th storeys (excluding the 20th storey). We were informed that the building had undergone upgrading works which were completed in 2003. Modifications were made to the carpark system in 2006.</p>
Registered Proprietor	:	S.L. Development Pte Ltd.
Total Lettable Area	:	Approximately 58,145.2 sq.m.
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$5,300,628/-
Occupancy Rate as at 31 December 2015	:	98.87%
Lease Terms	:	The offices are generally leased out on 1 to 5 year terms.
Market Value as at 31 December 2015	:	S\$1,550,000,000/- (Singapore Dollars One Billion Five Hundred And Fifty Million).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD


Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

Date : 4 February 2016
Our Ref : NC:KF:ao:1512068



VALUATION SUMMARY

(2) Property	:	Clifford Centre 24 Raffles Place Singapore 048621
Legal Description	:	Lot 419C Town Subdivision 1.
Site Area	:	3,342.5 sq.m.
Tenure	:	999 years leasehold commencing from 20 April 1826.
Brief Description	:	Clifford Centre is a 29-storey commercial development with a basement, completed in 1977. It comprises a 7-storey podium and a 22-storey tower block. The subject development comprises a food court on the basement level, shops on the 1 st storey and 2 nd storey, carparking lots on the 3 rd to 6 th storeys and plant rooms on the 8 th and 9 th storeys. Office units are located on the 7 th , 10 th to 29 th storeys. We were informed that the carpet flooring for the office common corridor was replaced in 2006.
Registered Proprietor	:	S.L. Properties Ltd.
Total Lettable Area	:	Approximately 25,963 sq.m.
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$2,142,120/-
Occupancy Rate as at 31 December 2015	:	97.75%
Lease Terms	:	The shops/offices are generally leased out on 1 to 5 year terms.
Market Value as at 31 December 2015	:	S\$558,500,000/- (Singapore Dollars Five Hundred Fifty-Eight Million And Five Hundred Thousand).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD


Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)


Date : 4 February 2016
Our Ref : NC:KF:ao:1512069



VALUATION SUMMARY

(3) Property	:	Shing Kwan Realty Pte Ltd's Interest in SGX Centre 1 & 2 at Nos. 2 & 4 Shenton Way Singapore 068804 / 068807	
Legal Description	:	Lot 168K Town Subdivision 30.	
Site Area	:	5,798.2 sq.m.	
Tenure	:	99 years leasehold commencing from 13 November 1995.	
Brief Description	:	SGX Centre 1 & 2 is a commercial development comprising two 29-storey office towers, a 2-storey podium and 2 levels of basement carparks. Temporary Occupation Permit (T.O.P) was issued on 29 December 2000 and 29 June 2001 for SGX Centre 1 & 2 respectively. Central air-conditioning system, CCTV, Singapore Cable Vision (SCV) pipelines and security control are provided.	
Registered Proprietor	:	Shing Kwan Realty (Pte) Ltd	
Total Lettable Area	:	<u>Approximate Lettable Area</u>	
		<u>SGX Centre 1</u>	
		15 th to 18 th Storeys	- 3,234.70 sq.m.
		<u>SGX Centre 2</u>	
		1 st , 4 th , 6 th to 28 Storeys	- 21,758.47 sq.m.
			<u>24,993.17 sq.m</u>
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$1,827,575/-	
Occupancy Rate as at 31 December 2015	:	99.47%	
Lease Terms	:	The offices are generally leased out on 2 to 6-year terms.	
Market Value as at 31 December 2015	:	S\$519,500,000/- (Singapore Dollars Five Hundred Nineteen Million And Five Hundred Thousand).	

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD


Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)


Date : 4 February 2016
Our Ref : NC:KF:ao:1512070R



VALUATION SUMMARY

(4) Property	:	The Gateway 150/152 Beach Road Singapore 189720 / 189721
Legal Description	:	Lot 1121C Town Subdivision 13.
Site Area	:	21,961.1 sq.m.
Tenure	:	99 years leasehold commencing from 20 May 1982.
Brief Description	:	The Gateway is an office development comprising two 37-storey towers with 2 inter-linked basement levels with 689 carpark lots. It was completed in mid 1990. There is a cafeteria / canteen on the 1 st basement, showrooms (with basement office) on the 1 st storey and offices on the upper floors. We were informed that the air-conditioning systems had been upgraded in 2006.
Registered Proprietor	:	Gateway Land Limited.
Total Lettable Area	:	Approximately 79,126.15 sq.m.
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$5,221,741/-
Occupancy Rate as at 31 December 2015	:	97.14%
Lease Terms	:	The offices are generally leased out on 1 to 5-year terms.
Market Value as at 31 December 2015	:	S\$1,110,000,000/- (Singapore Dollars One Billion One Hundred And Ten Million).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD


Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

Date : 4 February 2016
Our Ref : NC:KF:ao:1512071

VALUATION SUMMARY

(5)	Property	:	Abacus Plaza 3 Tampines Central 1 Singapore 529540
	Legal Description	:	Lot 1654M Mukim 29.
	Site Area	:	2,613.8 sq.m.
	Tenure	:	99 years leasehold commencing from 27 February 1996.
	Brief Description	:	Abacus Plaza is an 8-storey commercial development with shops on the 1 st storey and offices on the upper storey. We were informed that it was completed on 5 June 1998. A carpark with a total of 87 lots is located at the 2 basement levels of the buildings.
	Registered Proprietor	:	S.L. Prime Properties Pte Ltd.
	Total Lettable Area	:	Approximately 8,394.84 sq.m.
	Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$457,203/-
	Occupancy Rate as at 31 December 2015	:	100%
	Lease Terms	:	The offices are generally leased out on 2 to 5-year terms.
	Market Value as at 31 December 2015	:	S\$93,700,000/- (Singapore Dollars Ninety-Three Million And Seven Hundred Thousand).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD



Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

Date : 4 February 2016
Our Ref : NC:CWK:ao:1512072



VALUATION SUMMARY

(6) Property	:	Tampines Plaza 5 Tampines Central 1 Singapore 529541
Legal Description	:	Lot 1653C Mukim 29.
Site Area	:	2,612.9 sq.m.
Tenure	:	99 years leasehold commencing from 27 February 1996.
Brief Description	:	Tampines Plaza is an 8-storey office development with 2 basement carpark levels. We were informed that it was completed on 5 June 1998. A carpark with a total of 79 lots is located at the basement levels of the building.
Registered Proprietor	:	S.L. Prime Realty Pte Ltd.
Total Lettable Area	:	Approximately 8,374.77 sq.m.
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$445,104/-
Occupancy Rate as at 31 December 2015	:	100%
Lease Terms	:	The offices are generally leased out on 3-4 year terms.
Market Value as at 31 December 2015	:	S\$93,200,000/- (Singapore Dollars Ninety-Three Million And Two Hundred Thousand).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD



Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

Date : 4 February 2016
Our Ref : NC: CWK:ao.1512073



LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions :-

1) VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the highest value at which the sale interest in the property might reasonably be expected to have been completed on the date of valuation, assuming :

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

2) CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

3) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.



4) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

5) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

6) STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

7) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

8) ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.

9) MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.



VALUATION SUMMARY

(3) Property	:	1 Bukit Batok Central Link West Mall Singapore 658713
Legal Description (for the whole development)	:	Lot 3071V Mukim 10.
Site Area (for the whole development)	:	9,889.6 sq.m.
Tenure	:	99 years leasehold commencing from 1 March 1995.
Brief Description	:	A 5-storey shopping mall with 3 carpark basement levels located next to the Bukit Batok MRT Station at Bukit Batok Central. It was completed in 1998.
Registered Proprietor	:	Alprop Pte Ltd.
Total Lettable Area	:	Approximately 17,039.64 sq.m.
Total Committed Monthly Gross Rental as at 31 December 2015	:	S\$2,370,177/-
Occupancy Rate as at 31 December 2015	:	99.8%
Lease Terms	:	The shops are generally leased out on 3-year terms.
Valuation Approach	:	- Direct Comparison Approach - Capitalisation Approach
Market Value as at 31 December 2015	:	S\$410,000,000/- (Singapore Dollars Four Hundred And Ten Million).

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

Nicholas Cheng
Executive Director
Valuation Advisory Services
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

Date : 4 February 2016
Our Ref : NC: CWK:ao:1512076



LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions :-

1) VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the highest value at which the sale interest in the property might reasonably be expected to have been completed on the date of valuation, assuming :

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

2) CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

3) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.



4) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

5) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

6) STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

7) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

8) ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.

9) MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.



VALUATION SUMMARY

Property : Novena Square
238/A/B Thomson Road
Singapore 307683

Legal Description : Novena Square is sited on Lot 812A and Lot 813K Town Subdivision (T.S.) 29. The subject property has been strata-subdivided.

After the completion of decanting exercise of the subject property in October 2015, the owners submitted a new schedule to regularise the strata areas/share values. Provisional approval was granted by Building and Construction Authority (BCA) on 28 October 2015 for the proposed amendments. The new strata floor area and share value are listed below as follows:

238 Thomson Road

Unit No.	Strata Lot No.	Area	Share Value	Registered Proprietor
# 01-01 to 06, #01-72/73	U5604A	368 sq.m.	739 /100,000	NSI
# 01-07 to 15	U5605K	524 sq.m.	1,052 /100,000	NSI
# 01-16 to 21	U5606N	347 sq.m.	697 /100,000	NSI
# 01-22 to 30	U5607X	1,777 sq.m.	3,568 /100,000	NSI
# 01-31 to 37	U5608L	426 sq.m.	856 /100,000	NSI
# 01-38	U5609C	364 sq.m.	731 /100,000	UOB
# 01-39 to 58	U5610X	1,185 sq.m.	2,380 /100,000	NSI
# 01-59 to 61	U5611L	145 sq.m.	291 /100,000	NSD
# 01-62 to 69	U5612C	350 sq.m.	703 /100,000	NSI
# 01-70/71	U5613M	37 sq.m.	74 /100,000	NSI
# 02-01 to 10, 02-46/47	U5614W	953 sq.m.	1,914 /100,000	NSI
# 02-11 to 14, 02-78/79	U5615V	623 sq.m.	1,251 /100,000	NSI
# 02-15 to 24	U5616P	409 sq.m.	821 /100,000	NSI
# 02-25 to 36, 38 to 42	U5617T	887 sq.m.	1,781 /100,000	NSI
# 02-43 to 45	U5618A	109 sq.m.	219 /100,000	NSI
# 02-48 to 77	U5619K	1,677 sq.m.	3,368 /100,000	NSI
# 03-01 to 08, 03-33 to 36	U5620T	476 sq.m.	956 /100,000	NSI
# 03-09 to 12	U5621A	515 sq.m.	1,034 /100,000	NSI
# 03-13 to 22	U5622K	404 sq.m.	811 /100,000	NSI
# 03-23 to 32, 32A	U5623N	1,247 sq.m.	2,504 /100,000	NSI
# 03-37 to 64	U5624X	2,006 sq.m.	4,028 /100,000	NSI
# 03-65/66	U5625L	43 sq.m.	86 /100,000	NSI

**VALUATION SUMMARY (cont'd)**Legal Description (cont'd) : **238 Thomson Road**

Unit No.	Strata Lot No.	Area	Share Value	Registered Proprietor
# 08-01 to 10	U5626C	3,187 sq.m.	4,111 /100,000	NSI
# 10-01 to 10	U5627M	1,686 sq.m.	2,445 /100,000	NSI
# 11-01 to 10	U5628W	1,713 sq.m.	2,484 /100,000	NSI
# 12-01 to 10	U5629V	1,740 sq.m.	2,524 /100,000	NSI
# 13-01 to 10	U5630M	1,767 sq.m.	2,563 /100,000	NSI
# 14-01 to 10	U5631W	1,795 sq.m.	2,603 /100,000	NSI
# 15-01 to 10	U5632V	1,822 sq.m.	2,643 /100,000	NSI
# 16-01 to 10	U5633P	1,850 sq.m.	2,683 /100,000	NSI
# 17-01 to 10	U5634T	1,878 sq.m.	2,724 /100,000	NSI
# 18-01 to 10	U5635A	1,906 sq.m.	2,764 /100,000	NSI
# 19-01 to 10	U5636K	1,946 sq.m.	2,822 /100,000	NSI
# 20-01 to 10	U5637N	1,974 sq.m.	2,863 /100,000	NSI
# 21-01 to 10	U5638X	2,001 sq.m.	2,902 /100,000	NSI
# 22-01 to 10	U5639L	2,029 sq.m.	2,943 /100,000	NSI
# 23-01 to 10	U5640N	2,067 sq.m.	2,998 /100,000	NSI
# 24-01 to 10	U5641X	1,566 sq.m.	2,271 /100,000	NSI
# 25-01 to 10	U5642L	2,103 sq.m.	3,050 /100,000	NSI

238B Thomson Road

Unit No.	Strata Lot No.	Area	Share Value	Registered Proprietor
# 04-01 to 08	U5643C	1,128 sq.m.	2,265 /100,000	NSD
# 05-01 to 08	U5644M	1,138 sq.m.	2,285 /100,000	NSD
# 08-01 to 08	U5645W	1,138 sq.m.	1,651 /100,000	NSD
# 09-01 to 08	U5646V	1,140 sq.m.	1,653 /100,000	NSD
# 10-01 to 08	U5647P	1,140 sq.m.	1,653 /100,000	NSD
# 11-01 to 08	U5648T	1,140 sq.m.	1,653 /100,000	NSD
# 12-01 to 08	U5649A	1,140 sq.m.	1,653 /100,000	NSD
# 13-01 to 08	U5650P	1,140 sq.m.	1,653 /100,000	NSD
# 14-01 to 08	U5651T	1,140 sq.m.	1,653 /100,000	NSD
# 15-01 to 08	U5652A	1,142 sq.m.	1,656 /100,000	NSD
# 16-01 to 08	U5653K	1,142 sq.m.	1,656 /100,000	NSD
# 17-01 to 08	U5654N	1,142 sq.m.	1,656 /100,000	NSD
# 18-01 to 08	U5655X	1,142 sq.m.	1,656 /100,000	NSD

NSI : Novena Square Investments Limited
NSD : Novena Square Development Limited
UOB : United Overseas Bank

All the units have been mortgaged to United Overseas Bank Limited except for #01-38.

Tenure : 99 years commencing from 19 July 1997.

Brief Description : The subject development comprises a 25-storey office Tower A (238A Thomson Road), an 18-storey office Tower B (238B Thomson Road) and a 3-storey retail podium with a 3-storey extension (238 Thomson Road) completed in year 2000.



VALUATION SUMMARY (cont'd)

	Lettable Area	
	(sq.m.)	(sq.ft.)
Total Lettable Area		
25-storey Office Tower A (238A Thomson Road)	29,745.7	320,180
18-storey Office Tower B (238B Thomson Road)	11,834.0	127,380
3-storey Existing Retail Podium * (238 Thomson Road)	9,438.4	101,594
3-storey Retail Extension (238 Thomson Road)	4,151.5	44,686
Gymnasium (238/238B Thomson Road)	2,478.6	26,679
Total	57,648.2	620,519

* excluding #01-38 banking hall.

	Occupancy	Gross Rental (per month)	
		psm	psf
Tenancy Details			
25-storey Office Tower A (238A Thomson Road)	96.6%	range from S\$71.04 to S\$102.26	range from S\$6.60 to S\$9.50
18-storey Office Tower B (238B Thomson Road)	100%	range from S\$61.89 to S\$91.49	range from S\$5.75 to S\$8.50
3-storey Existing Retail Podium * (238 Thomson Road)	99.8%	range from S\$75.35 to S\$462.84	range from S\$7.00 to S\$43.00
3-storey Retail Extension (238 Thomson Road)	92.1%	range from S\$53.81 to S\$1,295.65	range from S\$5.00 to S\$120.37
Gymnasium (238/238B Thomson Road)	100%	S\$64.58	S\$6.00

* excluding #01-38 banking hall.



VALUATION SUMMARY (cont'd)

	Market Value
Market Value at at 31 December 2015	
25-storey Office Tower A (238A Thomson Road)	S\$672,600,000/-
18-storey Office Tower B (238B Thomson Road)	S\$276,300,000/-
3-storey Existing Retail Podium * (238 Thomson Road)	S\$273,300,000/-
3-storey Retail Extension (238 Thomson Road)	S\$102,100,000/-
Gymnasium (238/238B Thomson Road)	S\$23,600,000/-
Grand Total	S\$1,347,900,000/- (Singapore Dollars One Billion Three Hundred Forty-Seven Million And Nine Hundred Thousand)

* excluding #01-38 banking hall.

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Regional Head (SEA), Valuation Advisory Services
BSc (Est Mgt) FSISV, MRICS
(Appraiser's Licence No: AD041-2003168D)

Hazel Ng
Director
Valuation Advisory Services
B.Pty Econ (Hons) MSISV
(Appraiser's Licence No. AD041-2009006G)

Date : 31 December 2015
Our Ref : PKE:HN:ao:1510099



LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions:-

VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale.
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

No allowance are made for any expenses or realisation or for taxation which might arise in the event of a disposal. Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

SOURCE OF INFORMATION

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TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been or will be issued with a Certificate of Statutory Completion by the competent authority.

STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.

ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specify arrangement has been made therefor.

Valuation Certificate

Property : 6 Raffles Boulevard
 "Marina Square Retail Mall Including New Retail Wing And Marina Square Retail Underpass"
 Singapore 039594

Client : Marina Centre Holdings Pte Ltd

Purpose : For the proposed selective capital reduction by Singapore Land Limited

Legal description : Land Lot Nos. : 357L and 358C
 Town Subdivision : 11

Tenure : Leasehold 99 years commencing 9 September 1980
 (Balance of approximately 63.7 years as at 31 December 2015)

Basis of valuation : Market value subject to existing tenancies and occupational arrangements

Registered lessee : Marina Centre Holdings Pte Ltd

Master plan 2014 : "Hotel" with a gross plot ratio of 3.4

Brief description : Marina Square is situated right at the heart of Marina Centre bounded by Marina East and Marina South. Marina Centre is formed by reclaimed land between the Singapore River and Kallang River. Marina Centre is situated at the crossroads of the major East Coast Parkway and Ayer Rajah Expressway. The immediate locality has developed into a comprehensive prime retail, hotel, convention, exhibition and office centre.

Marina Square is an integrated mega-scale commercial complex. It has three world-class hotels with distinctive designs located at three strategic positions to fully exploit the harbour view and city landscape from their locations. They are linked by a four-storey retail and recreation podium block and a basement car park.

Marina Square Retail Mall is a 4-storey podium block containing specialty shops and anchor tenants. The majority of the specialty shop units are located on the 2nd and 3rd storeys of the 4-storey podium block. It is an asymmetrical cross-shaped mall, running the length of the whole Marina Square from east to west and from north to south with the four ends designated for anchor stores. The "Raffles Link" shops fronting Raffles Link were added as part of the existing retail mall in May 1991.

The mall accommodates a new gourmet wing on the 2nd storey near the North West Entrance of the mall fronting Raffles Link. The gourmet zone of 3,257.0 sm received its Temporary Occupation Permit on 30 May 2013. A new retail wing with Gross Floor Area of 22,666.85 sm was developed in the open space facing Marina Bay and Esplanade-Theatres on the Bay. The new retail wing received its Temporary Occupation Permit on 28 May 2015. It offers three levels of shopping space and rooftop dining venues and houses over 80 specialty stores. The new wing is seamlessly connected to the existing mall.

As at 31 December 2015, we understand that previous anchor spaces occupied by the cinema, department store and bowling alley operators are vacant. These spaces are understood to be under re-configuration and marketing/negotiation with new leases expected to commence in mid 2016.

Land area	Town Subdivision 11	Land Area
	Lot No.	(sm)
	357L	20,548.1
	358C	71,649.2
	Total :	92,197.3

Net lettable area : 55,419 sm approximately

Valuation approaches : Capitalisation Approach

Valuation date : 31 December 2015

Market Value : S\$1,179,000,000/-
 (Singapore Dollars One Billion One Hundred And Seventy-Nine Million Only)

Assumptions, disclaimers, limitations & qualifications : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

Prepared by : Knight Frank Pte Ltd



Png Poh Soon
 MSc., B.Sc.(Real Estate) Hons., MSISV
 Director, Valuation
 Appraiser's Licence No: AD 041-2009900J
 For and on behalf of Knight Frank Pte Ltd

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 KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

LIMITING CONDITIONS

The following limiting conditions apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the proposal letter or stated within the main body of the valuation report and/or certificate.

1. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

2. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. If our valuation report and/or certificate is disclosed to the persons other than the addressees of our valuation report and/or certificate, it will be on a non-reliance basis and for information purposes only. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

3. Valuation Standards

All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

4. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

5. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

6. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

7. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

8. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

9. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

10. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

11. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

12. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

13. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

14. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

15. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

16. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

17. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

18. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

19. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

Valuation Certificate

Property	:	7 Raffles Boulevard "The Pan Pacific Hotel Singapore" Singapore 039595	
Client	:	Hotel Marina City Private Limited	
Purpose	:	For the proposed selective capital reduction by Singapore Land Limited	
Legal description	:	Land Lot Nos.	: 357L and 358C
		Town Subdivision	: 11
Tenure	:	Leasehold 99 years commencing 9 September 1980. (Balance of approximately 63.7 years as at 31 December 2015)	
Basis of valuation	:	Market value subject to existing use and existing/committed tenancies, and occupational arrangements	
Registered lessee	:	Hotel Marina City Private Limited	
Master plan 2014	:	Zoning	- "Hotel" with a gross plot ratio of 3.4 (Lot 358C Town Subdivision 11) - "Hotel" with a gross plot ratio of 3.6 (Lot 357L Town Subdivision 11)
		Building Height Plan	- Up to 32-storeys (Lot 358C Town Subdivision 11) - Up to 45-storeys (Lot 357L Town Subdivision 11)
Brief description	:	<p>"The Pan Pacific Hotel Singapore" is situated at Raffles Boulevard, within Marina Square, part of an integrated mega-scale hotel-cum-shopping/recreation/office development known as Marina Centre, bounded by Marina East and Marina South. Marina Centre is formed by reclaimed land between the Singapore River and Kallang River.</p> <p>"Marina Square" is an integrated mega-scale commercial complex. It has three world-class hotels known as "Mandarin Oriental Singapore", "The Marina Mandarin Singapore" and "The Pan Pacific Hotel Singapore" with distinctive designs located at three strategic positions to fully exploit the harbour view and city landscape from their locations. They are linked by a four-storey retail and recreation podium block known as "Marina Square Retail Mall". "The Pan Pacific Hotel Singapore" is a 38-storey hotel building with a basement level accommodating a total of 790 guest rooms (equivalent to 850 room modules). We understand that the Temporary Occupation Permit was issued on 18 November 1986.</p> <p>Addition and alteration works were carried out in 2004/2005 at a total cost of about \$4.54 million. The guest rooms were renovated and fitted/furnished at an approximate cost of \$11 million in 2007. Major renovation works were carried out at a total cost of about \$80 million in 2012.</p> <p>Car parking lots are available on the 1st storey and basement levels.</p>	
Land area	:	Town Subdivision 11	Land Area
		<u>Lot No.</u>	<u>(sm)</u>
		357L	20,548.1
		358C	<u>71,649.2</u>
		Total :	<u>92,197.3</u>
Strata floor area (Strata lot no. U1130K TS 11)	:	127,397.0 sm* * including void area of 23,460.0 sm	
Accessory lot area	:	Town Subdivision 11	Accessory Lot Area
		<u>Accessory Lot No.</u>	<u>(sm)</u>
		A4C	1,146.0
		A5M	136.0
		A6W	<u>801.0</u>
		Total :	<u>2,083.0</u>
Gross floor area	:	83,911.5 sm	
Valuation approaches	:	Capitalisation Approach and Comparable Sales Method	
Valuation date	:	31 December 2015	
Market Value	:	S\$780,000,000/- (Singapore Dollars Seven Hundred And Eighty Million Only)	
Assumptions, disclaimers, limitations & qualifications	:	<p><i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i></p>	
Prepared by	:	Knight Frank Pte Ltd  Png Poh Soon MSc., B.Sc. (Real Estate) Hons., MSISV Director, Valuation Appraiser's Licence No: AD 041-2009900J For and on behalf of Knight Frank Pte Ltd	

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
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Other Offices:

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KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

LIMITING CONDITIONS

The following limiting conditions apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the proposal letter or stated within the main body of the valuation report and/or certificate.

1. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

2. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. If our valuation report and/or certificate is disclosed to the persons other than the addressees of our valuation report and/or certificate, it will be on a non-reliance basis and for information purposes only. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

3. Valuation Standards

All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

4. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

5. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

6. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

7. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

8. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

9. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

10. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

11. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

12. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

13. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

14. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

15. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

16. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

17. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

18. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

19. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

Valuation Certificate

Property	:	6 Raffles Boulevard "Marina Mandarin Singapore" Singapore 039594										
Client	:	Aquamarina Hotel Private Limited										
Purpose	:	For the proposed selective capital reduction by Singapore Land Limited										
Legal description	:	Land Lot Nos.	: 357L and 358C									
		Town Subdivision	: 11									
Tenure	:	Leasehold 99 years commencing 9 September 1980. (Balance of approximately 63.7 years as at 31 December 2015)										
Basis of valuation	:	Market value subject to existing use and existing/committed tenancies, and occupational arrangements										
Registered lessee	:	Aquamarina Hotel Private Limited										
Master plan 2014	:	Zoning	- "Hotel" with a gross plot ratio of 3.4 (Lot 358C Town Subdivision 11) - "Hotel" with a gross plot ratio of 3.6 (Lot 357L Town Subdivision 11)									
		Building Height Plan	- Up to 32-storeys (Lot 358C Town Subdivision 11) - Up to 45-storeys (Lot 357L Town Subdivision 11)									
Brief description	:	<p>The subject property is situated at Raffles Boulevard, within Marina Square, part of an integrated mega-scale hotel-cum-shopping/recreation/office development known as Marina Centre, bounded by Marina East and Marina South. Marina Centre is formed by reclaimed land between the Singapore River and Kallang River.</p> <p>"Marina Square" is an integrated mega-scale commercial complex. It has three world-class hotels known as "Mandarin Oriental Singapore", "Marina Mandarin Singapore" and "The Pan Pacific Hotel Singapore" with distinctive designs located at three strategic positions to fully exploit the harbour view and city landscape from their locations. They are linked by a four-storey retail and recreation podium block and a basement car park known as "Marina Square Retail Mall". "Marina Mandarin Singapore" is a 22-storey hotel building with a basement level accommodating a total of 575 guest rooms (equivalent to 603 room modules). We understand that the Temporary Occupation Permit was issued on 12 December 1986.</p> <p>Major addition and alteration works were carried out in 2005 at an approximate cost of \$32 million. Subsequent renovation works were done from 2007 to 2015.</p> <p>Car parking lots are available on the 1st storey and basement levels.</p>										
Land area	:	<table border="0"> <tr> <td>Town Subdivision 11</td> <td>Land Area</td> </tr> <tr> <td><u>Lot No.</u></td> <td><u>(sm)</u></td> </tr> <tr> <td>357L</td> <td>20,548.1</td> </tr> <tr> <td>358C</td> <td><u>71,649.2</u></td> </tr> <tr> <td>Total :</td> <td><u>92,197.3</u></td> </tr> </table>	Town Subdivision 11	Land Area	<u>Lot No.</u>	<u>(sm)</u>	357L	20,548.1	358C	<u>71,649.2</u>	Total :	<u>92,197.3</u>
Town Subdivision 11	Land Area											
<u>Lot No.</u>	<u>(sm)</u>											
357L	20,548.1											
358C	<u>71,649.2</u>											
Total :	<u>92,197.3</u>											
Strata floor area (Strata lot no. U1132X TS 11)	:	104,340.0 sm* * including void area of 27,305.0 sm										
Accessory lot area	:	<table border="0"> <tr> <td>Town Subdivision 11</td> <td>Accessory Lot Area</td> </tr> <tr> <td><u>Accessory Lot No.</u></td> <td><u>(sm)</u></td> </tr> <tr> <td>A7V</td> <td>113.0</td> </tr> <tr> <td>A16X</td> <td><u>20.0</u></td> </tr> <tr> <td>Total :</td> <td><u>133.0</u></td> </tr> </table>	Town Subdivision 11	Accessory Lot Area	<u>Accessory Lot No.</u>	<u>(sm)</u>	A7V	113.0	A16X	<u>20.0</u>	Total :	<u>133.0</u>
Town Subdivision 11	Accessory Lot Area											
<u>Accessory Lot No.</u>	<u>(sm)</u>											
A7V	113.0											
A16X	<u>20.0</u>											
Total :	<u>133.0</u>											
Gross floor area	:	60,528.7 sm										
Valuation approaches	:	Capitalisation Approach and Comparable Sales Method										
Valuation date	:	31 December 2015										
Market Value	:	S\$560,000,000/- (Singapore Dollars Five Hundred And Sixty Million Only)										
Assumptions, disclaimers, limitations & qualifications	:	<p><i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is <u>conditional</u> upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i></p>										
Prepared by	:	Knight Frank Pte Ltd  Png Poh Soon MSc, B.Sc.(Real Estate) Hons., MSISV Director, Valuation Appraiser's Licence No: AD 041-2009900J For and on behalf of Knight Frank Pte Ltd										

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
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Other Offices:

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KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

LIMITING CONDITIONS

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1. Limitations on Liability

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Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

2. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. If our valuation report and/or certificate is disclosed to the persons other than the addressees of our valuation report and/or certificate, it will be on a non-reliance basis and for information purposes only. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

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The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

5. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

6. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

7. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

8. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

9. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

10. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

11. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

12. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

13. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

14. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

15. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

16. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

17. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

18. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

19. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

Valuation Certificate

Property	:	5 Raffles Avenue "Mandarin Oriental Singapore" Singapore 039797												
Client	:	Marina Bay Hotel Private Limited												
Purpose	:	For the proposed selective capital reduction by Singapore Land Limited												
Legal description	:	Land Lot Nos.	: 357L and 358C											
		Town Subdivision	: 11											
Tenure	:	Leasehold 99 years commencing 9 September 1980. (Balance of approximately 63.7 years as at 31 December 2015)												
Basis of valuation	:	Market value subject to existing use and existing/committed tenancies, and occupational arrangements												
Registered lessee	:	Marina Bay Hotel Private Limited												
Master plan 2014	:	Zoning	- "Hotel" with a gross plot ratio of 3.4 (Lot 358C Town Subdivision 11) - "Hotel" with a gross plot ratio of 3.6 (Lot 357L Town Subdivision 11)											
		Building Height Plan	- Up to 32-storeys (Lot 358C Town Subdivision 11) - Up to 45-storeys (Lot 357L Town Subdivision 11)											
Brief description	:	<p>The subject property is situated at Raffles Avenue, within Marina Square, part of an integrated mega-scale hotel-cum-shopping/recreation/office development known as Marina Centre, bounded by Marina East and Marina South. Marina Centre is formed by reclaimed land between the Singapore River and Kallang River.</p> <p>"Marina Square" is an integrated mega-scale commercial complex. It has three world-class hotels known as "Mandarin Oriental Singapore", "Marina Mandarin Singapore" and "The Pan Pacific Hotel Singapore" with distinctive designs located at three strategic positions to fully exploit the harbour view and city landscape from their locations. They are linked by a four-storey retail and recreation podium block and a basement car park known as "Marina Square Retail Mall". "Mandarin Oriental Singapore" is a 22-storey hotel building with a basement level accommodating a total of 527 guest rooms (equivalent to 596 room modules). We understand that the Temporary Occupation Permit was issued on 13 February 1987.</p> <p>Major addition and alteration works were carried out in 2004/2005 at a total cost of about \$39,000,000 (including consulting fees). Renovation and soft refurbishment works were done subsequently from 2011 to 2015.</p> <p>Car parking lots are available on the 1st storey and basement levels.</p>												
Land area	:	<table border="0"> <tr> <td>Town Subdivision 11</td> <td>Land Area</td> </tr> <tr> <td><u>Lot No.</u></td> <td><u>(sm)</u></td> </tr> <tr> <td>357L</td> <td>20,548.1</td> </tr> <tr> <td>358C</td> <td><u>71,649.2</u></td> </tr> <tr> <td>Total :</td> <td><u>92,197.3</u></td> </tr> </table>	Town Subdivision 11	Land Area	<u>Lot No.</u>	<u>(sm)</u>	357L	20,548.1	358C	<u>71,649.2</u>	Total :	<u>92,197.3</u>		
Town Subdivision 11	Land Area													
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357L	20,548.1													
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Total :	<u>92,197.3</u>													
Strata floor area (Strata lot no. U1134C TS 11)	:	91,608.0 sm* * including void area of 13,208.0 sm												
Accessory lot area	:	<table border="0"> <tr> <td>Town Subdivision 11</td> <td>Accessory Lot Area</td> </tr> <tr> <td><u>Accessory Lot No.</u></td> <td><u>(sm)</u></td> </tr> <tr> <td>A10V</td> <td>32.0</td> </tr> <tr> <td>A14K</td> <td>93.0</td> </tr> <tr> <td>A15N</td> <td><u>5.0</u></td> </tr> <tr> <td>Total :</td> <td><u>130.0</u></td> </tr> </table>	Town Subdivision 11	Accessory Lot Area	<u>Accessory Lot No.</u>	<u>(sm)</u>	A10V	32.0	A14K	93.0	A15N	<u>5.0</u>	Total :	<u>130.0</u>
Town Subdivision 11	Accessory Lot Area													
<u>Accessory Lot No.</u>	<u>(sm)</u>													
A10V	32.0													
A14K	93.0													
A15N	<u>5.0</u>													
Total :	<u>130.0</u>													
Gross floor area	:	55,584.0 sm												
Valuation approaches	:	Capitalisation Approach and Comparable Sales Method												
Valuation date	:	31 December 2015												
Market Value	:	S\$570,000,000/- (Singapore Dollars Five Hundred And Seventy Million Only)												
Assumptions, disclaimers, limitations & qualifications	:	<p><i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i></p>												
Prepared by	:	Knight Frank Pte Ltd  Png Poh Soon MSc., B.Sc.(Real Estate) Hons.,MSISV Director, Valuation Appraiser's Licence No: AD 041-2009900J For and on behalf of Knight Frank Pte Ltd												

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LIMITING CONDITIONS

The following limiting conditions apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the proposal letter or stated within the main body of the valuation report and/or certificate.

1. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

2. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. If our valuation report and/or certificate is disclosed to the persons other than the addressees of our valuation report and/or certificate, it will be on a non-reliance basis and for information purposes only. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

3. Valuation Standards

All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

4. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

5. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

6. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

7. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

8. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

9. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

10. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

11. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

12. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

13. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

14. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

15. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

16. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

17. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

18. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

19. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

APPENDIX 8

FY2015 RESULTS

The information set out in this Appendix 8 has been extracted from the audited consolidated financial statements of the SLL Group for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Circular.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2015

	Note	2015 \$'000	2014 \$'000
Revenue	4	535,369	470,776
Cost of sales	5	(309,439)	(235,298)
Gross profit		225,930	235,478
Investment income	6	8,019	6,163
Other gains and losses		1,631	2,726
Selling and distribution costs		(17,160)	(21,162)
Administrative expenses		(12,164)	(12,242)
Finance expenses		(1,357)	(1,574)
Share of results of associated companies		45,249	52,577
Share of results of joint ventures		29,084	37,221
		279,232	299,187
Fair value gain on investment properties	15	11,576	135,256
Profit before income tax	7	290,808	434,443
Income tax expense	8	(34,769)	(34,849)
Net profit		256,039	399,594
Profit attributable to:			
Equity holders of the Company	9	225,590	360,694
Non-controlling interests		30,449	38,900
		256,039	399,594

The accompanying notes form an integral part of these financial statements.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	2015 \$'000	2014 \$'000
Net profit	256,039	399,594
Other comprehensive income items that may be reclassified subsequently to income statement:		
Net currency translation differences of financial statements of foreign entities	<u>4,606</u>	<u>3,681</u>
Total comprehensive income	<u>260,645</u>	<u>403,275</u>
Total comprehensive income attributable to:		
Equity holders of the Company	<u>230,196</u>	<u>364,375</u>
Non-controlling interests	<u>30,449</u>	<u>38,900</u>
	<u>260,645</u>	<u>403,275</u>

The accompanying notes form an integral part of these financial statements.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	Note	The Group		The Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Non-current assets					
Other receivables	10	14,551	171,065	-	-
Available-for-sale financial assets	11	12,045	12,045	-	-
Investments in associated companies	12	737,137	710,767	350	350
Investments in joint ventures	13	86,316	57,232	-	-
Investments in subsidiary companies	14	-	-	973,991	973,605
Investment properties	15	5,103,900	5,050,900	-	-
Property, plant and equipment	16	405,627	418,183	-	-
		<u>6,359,576</u>	<u>6,420,192</u>	<u>974,341</u>	<u>973,955</u>
Current assets					
Cash and cash equivalents	17	61,835	64,258	290	562
Properties held for sale	18	676,826	676,763	-	-
Trade and other receivables	19	166,781	166,630	697,683	756,593
Inventories		368	912	-	-
		<u>905,810</u>	<u>908,563</u>	<u>697,973</u>	<u>757,155</u>
Total assets		<u>7,265,386</u>	<u>7,328,755</u>	<u>1,672,314</u>	<u>1,731,110</u>
LIABILITIES					
Current liabilities					
Trade and other payables	20	111,911	105,139	495,589	420,295
Current income tax liabilities	8	39,044	40,540	1,084	1,246
Borrowings	21	261,808	260,841	87,000	225,000
		<u>412,763</u>	<u>406,520</u>	<u>583,673</u>	<u>646,541</u>
Non-current liabilities					
Trade and other payables	20	52,291	49,243	-	-
Borrowings	21	164,224	406,497	-	-
Deferred income tax liabilities	22	45,092	45,180	-	-
		<u>261,607</u>	<u>500,920</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>674,370</u>	<u>907,440</u>	<u>583,673</u>	<u>646,541</u>
NET ASSETS		<u>6,591,016</u>	<u>6,421,315</u>	<u>1,088,641</u>	<u>1,084,569</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	840,349	840,349	840,349	840,349
Reserves		4,980,446	4,832,746	248,292	244,220
		<u>5,820,795</u>	<u>5,673,095</u>	<u>1,088,641</u>	<u>1,084,569</u>
Non-controlling interests		770,221	748,220	-	-
TOTAL EQUITY		<u>6,591,016</u>	<u>6,421,315</u>	<u>1,088,641</u>	<u>1,084,569</u>

The accompanying notes form an integral part of these financial statements.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2015

	Attributable to equity holders of the Company				Total	Non- controlling interests	Total equity
	Share capital	Retained earnings	Currency translation reserve	Asset revaluation reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015							
Beginning of financial year	840,349	4,776,293	15,883	40,570	5,673,095	748,220	6,421,315
Net profit	-	225,590	-	-	225,590	30,449	256,039
Other comprehensive income	-	-	4,606	-	4,606	-	4,606
Total comprehensive income	-	225,590	4,606	-	230,196	30,449	260,645
Total transactions with owners, recognised directly in equity - dividends paid	-	(82,496)	-	-	(82,496)	(8,448)	(90,944)
End of financial year	840,349	4,919,387	20,489	40,570	5,820,795	770,221	6,591,016
2014							
Beginning of financial year	840,349	4,498,095	12,202	40,570	5,391,216	717,956	6,109,172
Net profit	-	360,694	-	-	360,694	38,900	399,594
Other comprehensive income	-	-	3,681	-	3,681	-	3,681
Total comprehensive income	-	360,694	3,681	-	364,375	38,900	403,275
Total transactions with owners, recognised directly in equity - dividends paid	-	(82,496)	-	-	(82,496)	(8,636)	(91,132)
End of financial year	840,349	4,776,293	15,883	40,570	5,673,095	748,220	6,421,315

The accompanying notes form an integral part of these financial statements.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Profit before income tax		290,808	434,443
Adjustments for:			
Depreciation of property, plant and equipment		16,071	16,103
Loss on disposal of property, plant and equipment		318	1,008
Allowance for foreseeable losses on properties held for sale		14,100	-
Share of results of associated companies		(45,249)	(52,577)
Share of results of joint ventures		(29,084)	(37,221)
Fair value gain on investment properties		(11,576)	(135,256)
Investment income		(8,019)	(6,163)
Interest expense		1,357	1,574
Unrealised currency translation differences		1,169	946
		<u>229,895</u>	<u>222,857</u>
Change in working capital:			
Properties held for sale		(3,760)	(14,791)
Inventories		544	39
Trade and other receivables		91,217	(108,939)
Trade and other payables		9,443	7,633
Cash generated from operations		<u>327,339</u>	<u>106,799</u>
Interest paid		(10,586)	(9,038)
Income tax paid		(36,353)	(40,161)
Net cash provided by operating activities		<u>280,400</u>	<u>57,600</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,880)	(4,058)
Proceeds from disposal of property, plant and equipment		48	15
Upgrading of investment properties		(9,530)	(5,385)
Redevelopment of an investment property		(31,894)	(51,759)
Repayment of loan by a joint venture		77,799	-
Loans to joint ventures		(15,618)	(1,625)
Dividends received from unquoted equity investments		2,793	2,556
Dividends received from associated companies		22,315	23,110
Interest received		8,050	401
Net cash generated from/(used in) investing activities		<u>50,083</u>	<u>(36,745)</u>
Cash flows from financing activities			
Repayment of borrowings		(241,962)	(58,200)
Proceeds from borrowings		-	95,239
Decrease in bank deposits pledged as security		1,660	17,873
Dividends paid to equity holders of the Company		(82,496)	(82,496)
Dividends paid to non-controlling interests		(8,448)	(8,636)
Net cash used in financing activities		<u>(331,246)</u>	<u>(36,220)</u>
Net decrease in cash and cash equivalents		<u>(763)</u>	<u>(15,365)</u>
Cash and cash equivalents at beginning of financial year		52,778	68,143
Cash and cash equivalents at end of financial year	17	<u>52,015</u>	<u>52,778</u>

The accompanying notes form an integral part of these financial statements.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Singapore Land Limited (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 24 Raffles Place #22-01/06, Clifford Centre, Singapore 048621.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiary companies consist of development of properties for investment and trading, investment holding, property management, and investment in hotels and retail centres.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and Company and had no effect on the amounts reported for the current or prior financial years.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax ("GST"), rebates and discounts, and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rental income

Rental income from operating leases (net of any incentives given to the lessees) on investment properties is recognised on a straight-line basis over the lease term.

(b) Revenue on sale of properties held for sale

Revenue from sale of properties held for sale in respect of sale and purchase agreements entered into prior to completion of construction is recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of uncompleted residential properties made with a progressive payment scheme in Singapore, the transfer of significant risks and rewards of ownership occurs in the current state as construction progresses. Revenue is recognised by reference to the stage of completion using the percentage of completion method, determined by the level of construction costs incurred as a proportion of the estimated total construction costs to completion.

For sales of overseas development properties, such transfer generally occurs when the property units are completed and delivered to the purchasers. Revenue is recognised upon completion of construction.

(c) Revenue from hotel operations

Revenue from the rental of hotel rooms and other facilities is recognised when the services are rendered. Revenue from the sale of food and beverage is recognised when the goods are delivered to the customer.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(d) Property services fees

Property services fees are recognised when the services are rendered.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Car parking income

Car parking income is recognised on a straight-line basis based on time proportion.

2.3 Group accounting

(a) Subsidiary companies

(i) Consolidation

Subsidiary companies are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiary companies (continued)*

(i) *Consolidation (continued)*

Non-controlling interests comprise the portion of a subsidiary company's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary company measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiary companies (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in income statement.

Please refer to the paragraph "Investments in subsidiary and associated companies, and joint ventures" for the accounting policy on investments in subsidiary companies in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control over the subsidiary company are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Where necessary, adjustments are made to the financial statements of associated companies or joint ventures to ensure consistency of accounting policies adopted by the Group.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence and joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal is recognised in income statement.

Please refer to the paragraph "Investments in subsidiary and associated companies, and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Renovations in progress are not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives as follows:

Leasehold land and building	93 years
Plant and machinery	10 - 15 years
Furniture, fittings and office equipment	5 - 13 years
Motor vehicles	5 years

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in income statement when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income statement.

2.5 Goodwill on acquisitions

Goodwill on acquisitions of subsidiary companies and businesses represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired.

Goodwill on subsidiary companies is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary and associated companies, and joint ventures include the carrying amount of goodwill relating to the entity sold.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.6 Borrowing costs

Borrowing costs are recognised in income statement using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties held for sale and investment properties. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.7 Properties held for sale

Properties held for sale are those which are intended for sale in the ordinary course of business. Properties held for sale which are unsold are carried at the lower of cost and estimated net realisable value. Cost of properties held for sale includes land, construction and related development costs and interest on borrowings obtained to finance the purchase and construction of the properties. Net realisable value represents the estimated selling price in the ordinary course of business less costs to complete the development and selling expenses.

Singapore properties held for sale made with a progressive payment scheme are stated at cost plus attributable profits/losses less progress billings. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Progress billings not yet paid by customers are included within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables".

Overseas properties held for sale are stated at cost and payments received from purchasers prior to completion are included in current liabilities as "monies received in advance".

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.8 Investment properties

Investment properties of the Group, principally comprising office buildings, are held for long-term rental yields and capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in income statement under "fair value gain on investment properties".

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs and minor improvements is recognised in income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in income statement.

2.9 Investments in subsidiary and associated companies, and joint ventures

Investments in subsidiary and associated companies, and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income statement.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(a) Goodwill (continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets

Property, plant and equipment

Investments in subsidiary and associated companies, and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiary and associated companies, and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income statement.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in income statement.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each statement of financial position date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the statement of financial position date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

(iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the statement of financial position date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in income statement. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in income statement when the changes arise.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) Subsequent measurement (continued)

Interest and dividend income on available-for-sale financial assets are recognised separately in income statement. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in income statement and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables/Held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income statement.

The impairment allowance is reduced through income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(e) Impairment (continued)

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through income statement.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income statement over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.16 Leases

(a) Operating leases - when the Group is the lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in income statement on a straight-line basis over the period of the lease.

(b) Operating leases - when the Group is the lessor

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income statement on a straight-line basis over the lease term.

Contingent rents are recognised as income in income statement when earned.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary and associated companies, and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.19 Provisions (continued)

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income statement when the changes arise.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no further payment obligations once the contributions have been paid.

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.21 Currency translation (continued)

(b) Transactions and balances (continued)

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the date of the statement of financial position;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the statement of financial position.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group on its own or in reliance on third party experts, applies estimates and judgements in the following key areas:

- (i) the determination of investment property values by independent professional valuers (note 2.8). The carrying amount of investment properties is disclosed in note 15;
- (ii) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of properties held for sale under development (note 2.2(b)) and allowance for foreseeable losses (note 2.7). The carrying amount of properties held for sale under development is disclosed in note 18;
- (iii) the assessment of impairment of investments in associated companies and joint ventures, and property, plant and equipment (note 2.10). The carrying amounts of investments in associated companies and joint ventures, and property, plant and equipment are disclosed in notes 12, 13 and 16 respectively; and
- (iv) the assessment of adequacy of provision for income taxes (note 2.18). The carrying amounts of current income tax and deferred income tax are disclosed in notes 8 and 22 respectively.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Revenue

	The Group	
	2015 \$'000	2014 \$'000
Gross rental income	236,054	240,788
Gross revenue from hotel operations	133,983	131,166
Sale of properties held for sale	156,350	91,981
Car parking income, property services fees and other income	8,982	6,841
	<u>535,369</u>	<u>470,776</u>

Included in the 'Sale of properties held for sale' is an amount of \$146,470,000 (2014: \$78,322,000) recognised using the percentage of completion method.

5. Cost of sales

	The Group	
	2015 \$'000	2014 \$'000
Property operating expenses	70,096	65,268
Cost of sales from hotel operations	91,073	92,049
Cost of properties held for sale sold	148,270	77,981
	<u>309,439</u>	<u>235,298</u>

6. Investment income

	The Group	
	2015 \$'000	2014 \$'000
Interest income from:		
- Bank deposits	177	162
- Amount due from ultimate holding company	1,000	159
- Amounts due from joint ventures	3,902	3,086
- Others	147	200
	<u>5,226</u>	<u>3,607</u>
Dividend income from unquoted equity investments	2,793	2,556
	<u>8,019</u>	<u>6,163</u>

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7. Profit before income tax

The following items have been included in arriving at profit before income tax:

	The Group	
	2015 \$'000	2014 \$'000
Charging:		
Wages, salaries and other payroll-related costs	45,591	45,563
Employer's contribution to defined contribution plans	5,520	5,058
Total employee compensation	51,111	50,621
Rental expense - operating leases	256	256
Loss on disposal of property, plant and equipment	318	1,008
Allowance made for foreseeable losses on properties held for sale	14,100	-
Depreciation of property, plant and equipment	16,071	16,103
Currency exchange loss - net	-	20
Property tax	27,438	24,910
Utilities	14,296	15,763
Interest expense on loans	1,357	1,574
Cost of inventories recognised as an expense	16,224	15,436

8. Income taxes

(a) *Income tax expense*

	The Group	
	2015 \$'000	2014 \$'000
Tax expense/(credit) attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax (note (b))	36,641	35,749
Deferred income tax (note 22)	(238)	(133)
	36,403	35,616
- (Over)/Underprovision in prior financial years:		
Current income tax (note (b))	(1,784)	(3,097)
Deferred income tax (note 22)	150	2,330
	(1,634)	(767)
	34,769	34,849

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NOTES TO THE FINANCIAL STATEMENTS
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8. Income taxes (continued)

(a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2015 \$'000	2014 \$'000
Profit before income tax	290,808	434,443
Less: Share of results of associated companies	(45,249)	(52,577)
Less: Share of results of joint ventures	(29,084)	(37,221)
	<u>216,475</u>	<u>344,645</u>
Tax calculated at a statutory tax rate of 17%	36,801	58,590
Effects of:		
- Different tax rates in other countries	(104)	(97)
- Singapore statutory tax exemption	(299)	(320)
- Tax incentives	(705)	(458)
- Expenses not deductible for tax purposes	2,529	2,305
- Income not subject to tax	(3,540)	(24,789)
- Utilisation of previously unrecognised deferred income tax assets	(1,231)	(480)
- Deferred income tax assets not recognised	2,952	865
- Overprovision of tax in prior financial years	(1,634)	(767)
Tax charge	<u>34,769</u>	<u>34,849</u>

(b) Movements in current income tax liabilities

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Beginning of financial year	40,540	48,049	1,246	2,460
Income tax paid	(36,353)	(40,161)	(710)	(777)
Tax expense (note (a))	36,641	35,749	1,084	703
Overprovision in prior financial years (note (a))	(1,784)	(3,097)	(536)	(1,140)
End of financial year	<u>39,044</u>	<u>40,540</u>	<u>1,084</u>	<u>1,246</u>

(c) There is no tax charge relating to the components of other comprehensive income.

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9. Net attributable profit

The net profit attributable to equity holders of the Company can be analysed as follows:

	The Group	
	2015 \$'000	2014 \$'000
Net profit before fair value gain on investment properties	205,463	216,369
Fair value gain on investment properties held by subsidiary and associated companies net of non-controlling interests included in:		
- Fair value gain on investment properties	11,576	135,256
- Share of results of associated companies	6,842	12,012
- Non-controlling interests	1,709	(2,943)
	20,127	144,325
Net attributable profit	225,590	360,694

10. Other receivables

Other receivables relate to amounts due from joint ventures for the Group which are not repayable within the next 12 months and are interest-bearing at floating rate. In 2014, the amounts due from joint ventures were subordinated to the borrowings of the joint ventures. At the statement of financial position date, the carrying amounts approximate their fair values.

11. Available-for-sale financial assets

	The Group	
	2015 \$'000	2014 \$'000
Unquoted equity investments	12,045	12,045

12. Investments in associated companies

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Unquoted equity investments, at cost	309,441	309,441	350	350
Share of post acquisition reserves	427,696	401,326	-	-
	737,137	710,767	350	350

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12. Investments in associated companies (continued)

Set out below are associated companies of the Group that are material to the Group.

	Proportion of ownership held by wholly owned subsidiary companies	
	2015 %	2014 %
Novena Square Investments Ltd	20	20
Alprop Pte Ltd	50	50

Summarised financial information of associated companies

The summarised financial information of the associated companies based on the amounts in the financial statements of the associated companies (and not the Group's share of those amounts) and reconciliation to the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	Novena Square Investments Ltd		Alprop Pte Ltd	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current assets	1,166	2,008	979	884
Includes:				
- Cash and cash equivalents	453	542	509	342
Current liabilities	(14,531)	(30,718)	(12,648)	(11,478)
Includes:				
- Financial liabilities (excluding trade and other payables and provisions)	(1,962)	(17,178)	-	-
Non-current assets	956,612	934,716	410,342	404,186
Non-current liabilities	(16,089)	(16,296)	(3,926)	(6,842)
Net assets	927,158	889,710	394,747	386,750
Proportion of the Group's ownership (%)	20	20	50	50
Carrying amount of the investment	185,432	177,942	197,374	193,375

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12. Investments in associated companies (continued)

Summarised statement of comprehensive income

	Novena Square Investments Ltd		Alprop Pte Ltd	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue	45,679	43,295	32,768	32,651
Interest income	31	19	30	28
Expenses				
Includes:				
- Depreciation	(33)	(71)	(112)	(115)
- Interest expense	(204)	(449)	-	-
Profit before income tax	48,090	85,273	30,253	24,107
Income tax expense	(5,642)	(6,123)	(4,256)	(4,230)
Net profit and total comprehensive income	42,448	79,150	25,997	19,877
Dividends received	1,000	1,000	9,000	9,000

Aggregate information about the Group's investments in associated companies that are individually immaterial are as follows:

	The Group	
	2015 \$'000	2014 \$'000
- Net profit and total comprehensive income	23,761	26,808
- Carrying amount	354,331	339,450

Details of associated companies are included in note 33.

13. Investments in joint ventures

	The Group	
	2015 \$'000	2014 \$'000
Unquoted equity investments, at cost	1,000	1,000
Share of post acquisition reserves	85,316	56,232
	86,316	57,232

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13. Investments in joint ventures (continued)

Set out below are joint ventures of the Group that are material to the Group.

	Proportion of ownership held by a wholly owned subsidiary company 2015 %
United Venture Development (Thomson) Pte. Ltd. ("UVDT")	<u>50</u>
	Proportion of ownership held by a wholly owned subsidiary company 2014 %
United Venture Development (Bedok) Pte. Ltd. ("UVDB")	<u>50</u>

Summarised financial information of joint ventures

The summarised financial information of the joint ventures based on the amounts in the financial statements of the joint ventures (and not the Group's share of those amounts) and reconciliation to the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position of UVDT

	2015 \$'000
Current assets	<u>270,246</u>
Includes:	
- Cash and cash equivalents	40,239
Current liabilities	<u>(213,909)</u>
Includes:	
- Financial liabilities (excluding trade and other payables and provisions)	(191,741)
Non-current liabilities	<u>(11,706)</u>
Net assets	<u>44,631</u>
Proportion of the Group's ownership (%)	50
Carrying amount of the investment	<u>22,316</u>

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13. Investments in joint ventures (continued)

Summarised statement of comprehensive income of UVDT

	2015 \$'000
Revenue	302,735
Interest income	263
Profit before income tax	42,968
Income tax expense	<u>(7,305)</u>
Net profit and total comprehensive income	<u>35,663</u>

Summarised statement of financial position of UVDB

	2014 \$'000
Current assets	<u>358,761</u>
Includes:	
- Cash and cash equivalents	22,520
Current liabilities	<u>(227,972)</u>
Includes:	
- Financial liabilities (excluding trade and other payables and provisions)	(197,562)
Non-current liabilities	<u>(25,292)</u>
Net assets	<u>105,497</u>
Proportion of the Group's ownership (%)	50
Carrying amount of the investment	<u>52,748</u>

Summarised statement of comprehensive income of UVDB

	2014 \$'000
Revenue	319,060
Interest income	65
Profit before income tax	78,820
Income tax expense	<u>(13,346)</u>
Net profit and total comprehensive income	<u>65,474</u>

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13. Investments in joint ventures (continued)

Aggregate information about the Group's investment in joint ventures that are individually immaterial are as follows:

	The Group	
	2015 \$'000	2014 \$'000
- Net profit and total comprehensive income	11,252	4,484
- Carrying amount	<u>64,000</u>	<u>4,484</u>

The Company has provided several undertakings on cost overrun, interest shortfall, security margin and project completion on a joint venture basis in respect of term loans drawn down by the joint ventures. As at 31 December 2015, the total outstanding term loans are \$52,000,000 (2014: \$119,500,000).

Details of joint ventures are included in note 33.

14. Investments in subsidiary companies

	The Company	
	2015 \$'000	2014 \$'000
Unquoted equity investments, at cost	978,488	978,488
Less: Allowance for impairment in value of investments	(4,497)	(4,883)
	<u>973,991</u>	<u>973,605</u>

Set out below are subsidiary companies with non-controlling interests that are material to the Group.

	Proportion of ownership held by non-controlling interests		Carrying value of non-controlling interests	
	2015	2014	2015	2014
	%	%	\$'000	\$'000
Marina Centre Holdings Private Limited and its subsidiary companies	<u>47</u>	<u>47</u>	<u>770,221</u>	<u>748,220</u>

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14. Investments in subsidiary companies (continued)

Summarised aggregate financial information of subsidiary companies with material non-controlling interests

Set out below are the summarised aggregate financial information for the subsidiary companies that have non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	2015 \$'000	2014 \$'000
Current		
Assets	41,466	51,531
Liabilities	(82,697)	(62,295)
Non-current		
Assets	1,733,118	1,707,854
Liabilities	(50,663)	(102,748)
Net assets	<u>1,641,224</u>	<u>1,594,342</u>

Summarised statement of comprehensive income

	2015 \$'000	2014 \$'000
Revenue	192,916	199,127
Net profit and total comprehensive income	64,882	82,887
Total comprehensive income allocated to non-controlling interests	30,449	38,900
Dividends paid to non-controlling interests	8,448	8,636

Summarised cash flows

	2015 \$'000	2014 \$'000
Net cash provided by operating activities	68,201	74,089
Net cash used in investing activities	(32,122)	(31,775)
Net cash used in financing activities	(43,809)	(43,353)

Details of subsidiary companies are included in note 33.

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15. Investment properties

	The Group	
	2015 \$'000	2014 \$'000
Completed leasehold properties, at valuation:		
Beginning of financial year	4,840,900	4,704,500
Reclassified from investment property under development	237,000	-
Additions	9,530	5,385
Fair value gain	16,470	131,015
End of financial year	<u>5,103,900</u>	<u>4,840,900</u>
Investment property under development, at valuation:		
Beginning of financial year	210,000	154,000
Reclassified to completed leasehold properties	(237,000)	-
Additions	31,894	51,759
Fair value (loss)/gain	(4,894)	4,241
End of financial year	<u>-</u>	<u>210,000</u>
	<u>5,103,900</u>	<u>5,050,900</u>

Investment properties are leased to non-related parties under operating leases (note 27(c)).

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15. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy which involves significant unobservable inputs:

Description	Fair value at 31 December 2015 (\$'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Completed leasehold properties	5,103,900 (2014: 4,840,900)	Capitalisation Approach	Estimated rental rate (per square metre per month)	\$58 - \$121 (2014: \$58 - \$112)	The higher the rental value per square metre, the higher the fair value.
			Capitalisation rate	3.50% - 5.25% (2014: 3.50% - 5.25%)	The higher the capitalisation rate, the lower the fair value.
		Direct Comparison Approach	Adjusted valuation (per square metre)	\$14,300 - \$28,200 (2014: \$13,800 - \$27,200)	The higher the adjusted valuation per square metre, the higher the fair value.
Investment property under development	- (2014: 210,000)	Residual Approach	Gross development value (per square metre)	- (2014: \$19,200)	The higher the gross development value, the higher the fair value.
The investment property under development has been reclassified to completed properties as at 31 December 2015.			Estimated profit margin required to hold and develop property to completion	- (2014: 10% of property value)	The higher the profit margin required, the lower the fair value.
			Estimated costs to completion	- (2014: \$30,000,000 - \$40,000,000)	The higher the costs to completion, the lower the fair value.
			Estimated remaining period to completion	- (2014: 5 months)	The longer the remaining period to completion, the lower the fair value.

There were no significant inter-relationships between the significant unobservable inputs.

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15. Investment properties (continued)

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties every half-yearly based on the properties' highest and best use. For each valuation, management:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the previous valuation reports;
- holds discussions with the independent valuers; and
- analyses the reasons for the fair value movements.

In the Capitalisation Approach, gross rental income (net of GST) is estimated at a mature maintainable occupancy level from which total expenses have been deducted and net income capitalised at an appropriate rate.

The Direct Comparison Approach involves analysis of recent transactions of comparable properties within the vicinity and elsewhere in Singapore. Necessary adjustments have been made for the differences in location, tenure, size, shape, design and layout, age and condition of buildings, date of transactions and the prevailing market and prevailing condition amongst other factors affecting their values.

The Residual Approach requires an estimate of the gross development value of the proposed development assuming it is completed, from which the various costs of development such as construction costs, professional fees, GST, financial and holding charges on the land and construction, developer's profit, cost of sale, promotion and legal fees are deducted to arrive at the residual land value which would represent what a prudent developer would pay for the site with all its potentialities. The gross development value is arrived at by the Capitalisation Approach.

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16. Property, plant and equipment

	Leasehold land and building \$'000	Plant and machinery \$'000	Furniture, fixtures and office equipment \$'000	Motor vehicles \$'000	Renovations in progress \$'000	Total \$'000
The Group						
2015						
<i>Cost</i>						
Beginning of financial year	354,742	23,890	123,025	204	1,141	503,002
Additions	-	117	1,345	225	2,193	3,880
Transfer in/(out)	-	918	1,533	-	(2,451)	-
Disposals	-	-	(873)	(134)	-	(1,007)
End of financial year	354,742	24,926	125,030	295	883	505,876
<i>Accumulated depreciation</i>						
Beginning of financial year	37,946	6,546	40,123	204	-	84,819
Depreciation charge	4,894	2,015	9,117	45	-	16,071
Disposals	-	-	(507)	(134)	-	(641)
End of financial year	42,840	8,561	48,733	115	-	100,249
<i>Net book value</i>						
End of financial year	311,902	16,365	76,297	180	883	405,627
2014						
<i>Cost</i>						
Beginning of financial year	354,742	23,773	121,131	204	1,288	501,138
Additions	-	-	1,138	-	2,920	4,058
Transfer in/(out)	-	117	2,950	-	(3,067)	-
Disposals	-	-	(2,194)	-	-	(2,194)
End of financial year	354,742	23,890	123,025	204	1,141	503,002
<i>Accumulated depreciation</i>						
Beginning of financial year	33,052	5,059	31,572	204	-	69,887
Depreciation charge	4,894	1,487	9,722	-	-	16,103
Disposals	-	-	(1,171)	-	-	(1,171)
End of financial year	37,946	6,546	40,123	204	-	84,819
<i>Net book value</i>						
End of financial year	316,796	17,344	82,902	-	1,141	418,183

17. Cash and cash equivalents

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and on hand	22,608	25,689	290	562
Short-term bank deposits	39,227	38,569	-	-
	61,835	64,258	290	562

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17. Cash and cash equivalents (continued)

Included in cash and cash equivalents of the Group, are amounts of \$10,229,000 (2014: \$3,055,000) maintained in the Project Accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	2015 \$'000	2014 \$'000
Cash and cash equivalents (as above)	61,835	64,258
Less: Bank deposits pledged	(9,820)	(11,480)
Cash and cash equivalents per consolidated statement of cash flows	<u>52,015</u>	<u>52,778</u>

Bank deposits are pledged as security for borrowings (note 21).

18. Properties held for sale

	The Group	
	2015 \$'000	2014 \$'000
Properties under development	639,688	618,971
Allowance for foreseeable losses	(14,100)	-
	<u>625,588</u>	<u>618,971</u>
Completed properties	51,238	57,792
	<u>676,826</u>	<u>676,763</u>

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18. Properties held for sale (continued)

Properties held for sale where revenue is recognised as construction progresses are as follows:

	The Group	
	2015 \$'000	2014 \$'000
Aggregate cost incurred and development profits recognised	364,119	256,823
Less: Progress billings	(173,434)	(81,504)
	190,685	175,319

Progress billings relating to properties held for sale sold but accounted for using the completion of construction method has been classified as "monies received in advance" under current trade and other payables.

Borrowing costs of \$9,570,000 (2014: \$7,185,000) were capitalised during the financial year. A capitalisation rate of 1.3% to 3.0% (2014: 1.0% to 1.8%) per annum was used in 2015, representing the borrowing costs of the loans used to finance the projects.

In 2015, the Group made an allowance for foreseeable losses taking into account the estimated selling prices and estimated total development costs. The estimated selling prices are based on the recent selling prices for the development project or comparable properties and prevailing property market conditions. The estimated total development costs are based on the contracted amount and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in 'cost of sales'.

Movements in allowance for foreseeable losses in respect of properties held for sale were as follows:

	The Group	
	2015 \$'000	2014 \$'000
Beginning of financial year	-	-
Allowance during the year	14,100	-
End of financial year	14,100	-

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19. Trade and other receivables

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables	12,797	11,182	-	-
Less: Allowance for impairment of receivables	(581)	(426)	-	-
	12,216	10,756	-	-
Deposits	754	34,736	3	137
Prepaid taxes	989	970	-	-
Prepayments	1,064	896	-	-
Amount due from ultimate holding company (non-trade)	58,397	115,459	58,397	115,459
Amount due from an associated company (non-trade)	638	1,608	-	-
Amounts due from joint ventures (non-trade)	90,554	-	-	-
Other receivables	2,169	2,205	245	245
Amounts due from subsidiary companies (non-trade)	-	-	645,575	647,289
Less: Allowance for impairment of receivables	-	-	(6,537)	(6,537)
	-	-	639,038	640,752
	166,781	166,630	697,683	756,593

In 2014, included in deposits was an amount of \$34,030,000 placed for a land tender, which was subsequently refunded in 2015.

The amount due from ultimate holding company is unsecured, repayable on demand and is interest-bearing. Interest is charged on amount due from ultimate holding company and is based on interest incurred by the Company in respect of bank loans obtained on behalf of the ultimate holding company.

The amount due from an associated company for the Group is unsecured, repayable on demand and is interest-free.

The amounts due from joint ventures for the Group are subordinated to the borrowings of the joint ventures and are interest-bearing at floating rate.

The amounts due from subsidiary companies are unsecured, repayable on demand and are interest-bearing except for an amount of \$6,537,000 (2014: \$6,537,000) which is interest-free and an amount of \$82,903,000 (2014: \$82,903,000) that is subordinated to the borrowings of a subsidiary company. Interest is charged on amounts due from certain subsidiary companies and is based on interest incurred by the Company in respect of bank loans obtained on behalf of these subsidiary companies.

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20. Trade and other payables

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(a) <i>Current</i>				
Monies received in advance	1,000	1,314	-	-
Rental received in advance	8,670	7,883	-	-
Rental deposits	20,297	22,352	-	-
Retention monies	7,720	817	-	-
Trade payables	27,137	32,825	-	-
Other payables	11,396	9,944	485	685
Accrued operating expenses	35,691	30,004	169	402
Amounts due to subsidiary companies (non-trade)	-	-	494,935	419,208
	111,911	105,139	495,589	420,295

The amounts due to subsidiary companies are unsecured, repayable on demand and are interest-free.

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(b) <i>Non-current</i>				
Rental deposits	48,219	44,797	-	-
Retention monies	4,072	4,446	-	-
	52,291	49,243	-	-

At the statement of financial position date, the carrying amounts of non-current trade and other payables approximate their fair values.

21. Borrowings

	Note	The Group		The Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(a) <i>Current</i>					
Short-term bank loans (unsecured)	(i)	87,000	259,030	87,000	225,000
Term loans (secured)	(ii)	150,808	1,811	-	-
Term loan (secured)	(iii)	24,000	-	-	-
		261,808	260,841	87,000	225,000
(b) <i>Non-current</i>					
Term loans (secured)	(ii)	164,224	357,497	-	-
Term loan (secured)	(iii)	-	30,000	-	-
Revolving credit loans (secured)	(iii)	-	19,000	-	-
		164,224	406,497	-	-
Total borrowings		426,032	667,338	87,000	225,000

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21. Borrowings (continued)

- (i) The unsecured short-term loans are drawn under various uncommitted floating rate revolving credit facilities.
- (ii) The term loans are secured by way of legal mortgages over certain property development projects with carrying amounts of \$625,588,000 (2014: \$618,970,000) and deposits pledged of \$9,820,000 (2014: \$11,480,000) (note 17).

The term loans include \$313,831,000 (2014: \$353,024,000) of which the Company has provided several undertakings on cost overrun, interest shortfall, security margin and project completion.

- (iii) The term loan and revolving credit loans are secured by way of an open debenture and legal mortgages over certain property, plant and equipment of a subsidiary company with carrying amounts of \$404,721,000 (2014: \$417,221,000). In 2014, the amounts advanced under the revolving credit facilities were included as non-current liabilities as the Group had the discretion to rollover the facilities for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure (note 28(c)), the revolving credit facilities had been classified as current as the disclosure was based on actual contractual drawdowns to be repaid within a year.

(c) Carrying amounts and fair values

The carrying amounts of non-current borrowings approximate their fair values. The fair values are based on discounted cash flows using a discount rate of 2.7% (2014: 1.3% to 6.8%) based upon the prevailing market interest rates.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the statement of financial position dates are as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
6 months or less	326,032	667,338	87,000	225,000
6 - 12 months	100,000	-	-	-

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22. Deferred income taxes

	The Group	
	2015 \$'000	2014 \$'000
Deferred income tax liabilities:		
- to be settled within 1 year	1,255	-
- to be settled after 1 year	43,837	45,180

Movements in the deferred income tax account are as follows:

	The Group	
	2015 \$'000	2014 \$'000
Beginning of financial year	45,180	42,983
Credited to income statement (note 8(a))	(238)	(133)
Underprovision in prior financial years (note 8(a))	150	2,330
End of financial year	45,092	45,180

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses in certain subsidiary companies of approximately \$26,330,000 (2014: \$18,689,000) at the statement of financial position date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

The Group

Deferred income tax liabilities

	Deferred development profits \$'000	Fair value gain \$'000	Accelerated tax depreciation \$'000	Total \$'000
2015				
Beginning of financial year	-	24,440	20,740	45,180
Charged/(Credited) to income statement	1,255	(420)	(1,073)	(238)
Underprovision in prior financial years	-	-	150	150
End of financial year	1,255	24,020	19,817	45,092
2014				
Beginning of financial year	-	24,860	18,123	42,983
(Credited)/Charged to income statement	-	(420)	287	(133)
Underprovision in prior financial years	-	-	2,330	2,330
End of financial year	-	24,440	20,740	45,180

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

23. Share capital

	The Group and the Company			
	2015		2014	
	No. of ordinary shares '000	Amount \$'000	No. of ordinary shares '000	Amount \$'000
Beginning and end of financial year	412,478	840,349	412,478	840,349

All issued shares are fully paid. There is no par value for these ordinary shares.

24. Dividends

	The Group and the Company	
	2015 \$'000	2014 \$'000
Final tax-exempt (one-tier) dividend paid in respect of the previous financial year of 20 cents per share (2014: 20 cents per share) (note 25(b))	82,496	82,496

A final tax-exempt (one-tier) dividend of 20 cents per share amounting to \$82,496,000 will be recommended at the forthcoming Annual General Meeting. The amount will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

25. Retained earnings

- (a) Retained earnings of the Group included accumulated fair value gains on investment properties held by subsidiary and associated companies net of non-controlling interests amounting to \$2,958,116,000 (2014: \$2,937,989,000).
- (b) Movements in retained earnings for the Company are as follows:

	The Company	
	2015 \$'000	2014 \$'000
Beginning of financial year	244,220	236,644
Total comprehensive income - net profit	86,568	90,072
Dividends paid (note 24)	(82,496)	(82,496)
End of financial year	248,292	244,220

26. Asset revaluation reserve

The asset revaluation reserve arose from the acquisition of the remaining 50% of the issued share capital of Hotel Marina City Pte Ltd in 2007.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

27. Commitments

(a) *Capital commitments*

	The Group	
	2015	2014
	\$'000	\$'000
Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements in respect of:		
- investment properties	7,376	33,292
- property, plant and equipment	946	1,700
	<u>8,322</u>	<u>34,992</u>

(b) *Operating lease commitments - where the Group is a lessee*

The Group leases certain space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the statement of financial position date but not recognised as liabilities, are as follows:

	The Group	
	2015	2014
	\$'000	\$'000
Not later than 1 year	322	320
Between 1 and 5 years	930	1,240
	<u>1,252</u>	<u>1,560</u>

(c) *Operating lease commitments - where the Group is a lessor*

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's office buildings and a retail mall.

The future minimum lease receivables under non-cancellable operating leases contracted for at the statement of financial position date but not recognised as receivables, are as follows:

	The Group	
	2015	2014
	\$'000	\$'000
Not later than 1 year	221,720	217,776
Between 1 and 5 years	316,507	241,834
Later than 5 years	5,781	1,352
	<u>544,008</u>	<u>460,962</u>

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28. Financial risk management

Financial risk factors

The financial risk management of the Group is handled as part of the operations of the ultimate holding company. The ultimate holding company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(a) Market risk

(i) *Currency risk*

The Group operates dominantly in Singapore, with some operations in the People's Republic of China. Entities in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. As the entities in the Group transact substantially in their respective functional currencies, the currency exposure at the Group is minimal.

In addition, the Group is exposed to currency translation risk on its monetary assets and liabilities denominated in foreign currencies when they are translated at the statement of financial position date. As these assets and liabilities are substantially denominated in their respective functional currencies, the currency exposure is minimal.

The Company's exposure to currency risk is minimal as revenue and expenses and assets and liabilities are substantially denominated in Singapore Dollars.

(ii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risks mainly arise from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

**SINGAPORE LAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28. Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risks (continued)

If the interest rates increase/decrease by 25 basis points (2014: 25 basis points) with all other variables including tax rate being held constant, the profit after tax for the Group and the Company would have been lower/higher by \$417,000 (2014: \$424,000) and \$181,000 (2014: \$467,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets are bank deposits, trade receivables and other non-current receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk. For the property investment segment, generally advance deposits of at least 3 months rental (or equivalent amount in bankers' guarantee) are obtained for all tenancies. For the property trading segment, progress billings from customers are followed up, and appropriate action taken promptly in instances of non-payment or delay in payment. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Other than amounts due from subsidiary and associated companies, and joint ventures, concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group's current trade and other receivables comprise mainly amounts due from joint ventures and ultimate holding company (note 19), while other non-current receivables comprise of amounts due from joint ventures (note 10). The Company's current trade and other receivables comprise mainly amounts due from subsidiary companies and ultimate holding company (note 19). These receivables are assessed for their recoverability and any recognition/writeback of allowance for impairment are made where necessary. Information regarding these receivables is disclosed in the respective notes.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

28. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk profile of the Group's trade receivables at the statement of financial position date is as follows:

	The Group	
	2015 \$'000	2014 \$'000
<i>By segment of business</i>		
Property investment	2,865	4,390
Property trading	5,291	1,495
Hotel operations	4,060	4,871
	<u>12,216</u>	<u>10,756</u>

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other significant class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2015 \$'000	2014 \$'000
Past due 0 to 1 month	1,838	2,594
Past due 1 to 2 months	682	703
Past due 2 to 3 months	188	320
Past due over 3 months	646	503
	<u>3,354</u>	<u>4,120</u>

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

28. Financial risk management (continued)

(b) Credit risk (continued)

(ii) *Financial assets that are past due and/or impaired (continued)*

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group	
	2015 \$'000	2014 \$'000
Beginning of financial year	426	453
Allowance made	343	110
Allowance utilised	(185)	(33)
Allowance written back	(3)	(104)
End of financial year	<u>581</u>	<u>426</u>

Trade receivables that are individually determined to be impaired at the statement of financial position date relate to debtors that are in significant financial difficulties and have defaulted on payments despite attempts to recover the debts owing through legal means where appropriate. These receivables are not secured by any collateral or credit enhancements.

(c) Liquidity risk

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000	Between 1 and 3 years \$'000	Between 3 and 5 years \$'000	Over 5 years \$'000
The Group				
At 31 December 2015				
Trade and other payables	(101,402)	(41,092)	(8,902)	(2,297)
Borrowings	(269,944)	(165,804)	-	-
	<u>(371,346)</u>	<u>(206,896)</u>	<u>(8,902)</u>	<u>(2,297)</u>
At 31 December 2014				
Trade and other payables	(95,581)	(40,871)	(8,264)	(108)
Borrowings	(287,189)	(394,985)	-	-
	<u>(382,770)</u>	<u>(435,856)</u>	<u>(8,264)</u>	<u>(108)</u>

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

28. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year \$'000	Between 1 and 3 years \$'000	Between 3 and 5 years \$'000	Over 5 years \$'000
The Company				
At 31 December 2015				
Trade and other payables	(495,534)	-	-	-
Borrowings	(87,094)	-	-	-
	<u>(582,628)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2014				
Trade and other payables	(420,203)	-	-	-
Borrowings	(225,110)	-	-	-
	<u>(645,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group's and the Company's policy on liquidity risk management is to maintain sufficient cash to enable them to meet their normal operating commitments and the availability of funding through adequate amounts of credit facilities with various banks. At the statement of financial position date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in note 17.

(d) Capital risk

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern. The Group manages capital using various common measures applied by real estate companies which may include adjusting the dividend payment, returning capital to shareholders or issuing new shares.

Management monitors the Group's capital using a ratio calculated as debt divided by total equity, where debt comprises total borrowings.

	The Group	
	2015 \$'000	2014 \$'000
Debt	426,032	667,338
Total equity	6,591,016	6,421,315
Debt/Total equity ratio	<u>6%</u>	<u>10%</u>

The Group and the Company are required under financial covenants of certain bank facilities to maintain a certain level of total networth and total liabilities to total networth ratio. The Group and the Company are in compliance, where applicable, with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

28. Financial risk management (continued)

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Loans and receivables	431,799	575,406	697,973	757,155
Financial liabilities at amortised cost	580,564	812,523	582,589	645,295

29. Immediate and ultimate holding companies

The Company's immediate holding company is UIC Enterprise Pte Ltd and the ultimate holding company is United Industrial Corporation Limited, both of which are incorporated in Singapore.

30. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	The Group	
	2015 \$'000	2014 \$'000
<u>Transactions with joint ventures</u>		
Marketing fee income	40	266
Project management fee income	185	280
<u>Transactions with a firm in which a director has an interest</u>		
Professional fee expense	67	41
<u>Transactions with the ultimate holding company</u>		
Rental income	1,313	1,313

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

30. Related party transactions (continued)

(b) Key management personnel compensation

Key management's remuneration included fees, salary, bonus and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit is included. The total key management's remuneration is as follows:

	The Group	
	2015 \$'000	2014 \$'000
Directors of the Company		
- Fees	-	252
- Salaries, bonus and other emoluments	975	613
- Employer's contribution to defined contribution plan	20	6
	<u>995</u>	<u>871</u>

31. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are relevant for the Group's accounting periods beginning on or after 1 January 2016 or later periods which the Group has not early adopted. The Group does not expect that the adoption of these accounting standards or interpretations will have a material impact on the Group's financial statements for the financial year ending 31 December 2016, except for FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018) which is the converged standard on revenue recognition. It replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Land Limited on 19 February 2016.

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

33. Listing of subsidiary and associated companies, and joint ventures in the Group

	<u>Principal activities</u>	Country of incorporation/ <u>business</u>	<u>The Group's equity holding</u>	
			2015 %	2014 %
<i>Subsidiary companies</i>				
Gateway Land Limited	Property investment	Singapore	100	100
Ideal Homes Pte. Limited	Property trading	Singapore	100	100
Realty Management Services (Pte.) Ltd.	Property management agents	Singapore	100	100
RMA-Land Development Private Ltd	Property investment	Singapore	100	100
Shing Kwan Realty (Pte.) Limited	Property investment and investment holding	Singapore	100	100
Singland (Chengdu) Development Co., Ltd.	Property trading	People's Republic of China	100	100
Singland Development (Farrer Drive) Pte. Ltd.	Property trading	Singapore	100	100
Singland Development (Jervois) Pte. Ltd.	Property trading	Singapore	100	100
Singland Homes (Alexandra) Pte. Ltd.	Property trading	Singapore	100	100
S.L. Development Pte. Limited	Property investment and investment holding	Singapore	100	100
S L Prime Properties Pte Ltd	Property investment	Singapore	100	100
S L Prime Realty Pte Ltd	Property investment	Singapore	100	100
S.L. Properties Limited	Property investment and investment holding	Singapore	100	100
Pothonier Singapore Pte Ltd	Investment holding	Singapore	100	100
Shenton Holdings Private Limited	Investment holding	Singapore	100	100
Singland China Holdings Pte. Ltd.	Investment holding	Singapore	100	100
Singland Homes Pte. Ltd.	Investment holding	Singapore	100	100
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	100	100
S.L. Management Services Pte Limited	Investment holding	Singapore	100	100

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

33. Listing of subsidiary and associated companies, and joint ventures in the Group (continued)

	<u>Principal activities</u>	Country of incorporation/ <u>business</u>	The Group's equity holding	
			2015 %	2014 %
<i>Subsidiary companies</i>				
Marina Centre Holdings Private Limited	Property development and investment	Singapore	53	53
Marina Management Services Pte Ltd	Property management agents	Singapore	53	53
Hotel Marina City Private Limited	Hotelier	Singapore	53	53
Singland Homes (London 90) Pte. Ltd.	Dormant	Singapore	100	100
Interpex Services Private Limited	Dormant	Singapore	100	100
<i>Joint ventures</i>				
United Venture Development (Bedok) Pte. Ltd.	Property trading	Singapore	50	50
United Venture Development (Thomson) Pte. Ltd.	Property trading	Singapore	50	50
United Venture Development (Clementi) Pte. Ltd.	Property trading	Singapore	50	-
<i>Associated companies</i>				
Alprop Pte Ltd #	Property investment	Singapore	*50	*50
Avenue Park Development Pte. Ltd.	Property trading	Singapore	48	48
Brendale Pte. Ltd #	Property trading	Singapore	35	35
Shanghai Jin Peng Realty Co., Ltd	Property trading	People's Republic of China	30	30
Aquamarina Hotel Private Limited	Hotelier	Singapore	27	27
Marina Bay Hotel Private Limited	Hotelier	Singapore	27	27

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

33. Listing of subsidiary and associated companies, and joint ventures in the Group (continued)

	<u>Principal activities</u>	<u>Country of incorporation/ business</u>	<u>The Group's equity holding</u>	
			<u>2015</u> %	<u>2014</u> %
<i>Associated companies</i>				
Novena Square Investments Ltd	Property investment	Singapore	20	20
Novena Square Development Ltd	Property investment	Singapore	20	20
Kogan Investments Limited	Dormant	British Virgin Islands	50	50
United Venture Investment (Thomson) Pte. Ltd.	Dormant	Singapore	40	40
Marina Laundry Private Limited	Dormant	Singapore	37	37
Peak Venture Pte. Ltd.	Dormant	Singapore	30	30

Notes

- # A fellow subsidiary company under the same ultimate holding company, United Industrial Corporation Limited.
- + The remaining interest in this company is held by a subsidiary company of the ultimate holding company.

APPENDIX 9
Q1 FY2016 RESULTS

SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the financial quarter ended 31 March 2016

	31.3.16	31.3.15
	\$'000	\$'000
Revenue	134,914	120,221
Cost of sales	(72,288)	(60,770)
Gross profit	62,626	59,451
Investment income	1,257	1,497
Other gains and losses	362	92
Selling and distribution costs	(2,744)	(3,693)
Administrative expenses	(3,015)	(2,481)
Finance expenses	(199)	(360)
Share of results of associated companies	10,304	9,574
Share of results of joint ventures	2,592	6,958
Profit before income tax	71,183	71,038
Income tax expense	(9,991)	(9,291)
Net profit	61,192	61,747
Profit attributable to:		
Equity holders of the Company	53,518	53,191
Non-controlling interests	7,674	8,556
	61,192	61,747

**SINGAPORE LAND LIMITED
AND ITS SUBSIDIARIES**

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2016

	The Group		The Company	
	31.3.16 \$'000	31.12.15 \$'000	31.3.16 \$'000	31.12.15 \$'000
ASSETS				
Non-current assets				
Other receivables	56,817	14,551	-	-
Available-for-sale financial assets	12,045	12,045	-	-
Investments in associated companies	741,292	737,137	350	350
Investments in joint ventures	88,907	86,316	-	-
Investments in subsidiary companies	-	-	973,991	973,991
Investment properties	5,105,083	5,103,900	-	-
Property, plant and equipment	402,584	405,627	-	-
	6,406,728	6,359,576	974,341	974,341
Current assets				
Cash and cash equivalents	60,068	61,835	197	290
Properties held for sale	675,041	676,826	-	-
Trade and other receivables	232,016	166,781	830,963	697,683
Inventories	308	368	-	-
	967,433	905,810	831,160	697,973
Total assets	7,374,161	7,265,386	1,805,501	1,672,314
LIABILITIES				
Current liabilities				
Trade and other payables	96,775	111,911	539,469	495,589
Current income tax liabilities	41,163	39,044	1,121	1,084
Borrowings	499,083	261,808	174,800	87,000
	637,021	412,763	715,390	583,673
Non-current liabilities				
Trade and other payables	47,866	52,291	-	-
Borrowings	-	164,224	-	-
Deferred income tax liabilities	45,332	45,092	-	-
	93,198	261,607	-	-
Total liabilities	730,219	674,370	715,390	583,673
NET ASSETS	6,643,942	6,591,016	1,090,111	1,088,641
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	840,349	840,349	840,349	840,349
Reserves	5,025,698	4,980,446	249,762	248,292
	5,866,047	5,820,795	1,090,111	1,088,641
Non-controlling interests	777,895	770,221	-	-
TOTAL EQUITY	6,643,942	6,591,016	1,090,111	1,088,641

SINGAPORE LAND LIMITED
(Company Registration Number: 196300170C)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Singapore Land Limited (the “**Company**”) will be held at 80 Raffles Place, 62nd Storey, UOB Plaza 1, Singapore 048624 on Thursday, 30 June 2016 at 3.15 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the 52nd Annual General Meeting of the Company to be convened at 3.00 p.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

RESOLVED THAT:

- (a) pursuant to Article 6 of the articles of association comprising part of the constitution of the Company, and subject to the confirmation of the High Court of the Republic of Singapore, the issued share capital of the Company be reduced from S\$840,348,142.83 comprising 412,477,559 ordinary shares to S\$828,316,171.23 comprising 411,169,736 ordinary shares, and that such reduction be effected by:
 - (i) cancelling the amount of S\$12,031,971.60 constituting part of the total paid-up share capital of the Company held by all the shareholders of the Company (except those held by United Industrial Corporation Limited and its subsidiaries) (the “**Participating Shareholders**”), such Participating Shareholders holding in aggregate 1,307,823 of the said ordinary shares constituting part of the total issued share capital of the Company; and
 - (ii) cancelling 1,307,823 of the said ordinary shares constituting part of the total issued share capital of the Company held by the Participating Shareholders,

and the aggregate sum of S\$12,031,971.60 arising from such reduction of the Company’s share capital to be returned to the Participating Shareholders in cash, on the basis of S\$9.20 for each ordinary share in the capital of the Company held by each Participating Shareholder so cancelled; and

- (b) the directors of the Company and each of them be and is hereby authorised to do all such acts and things and to execute all such documents as they or he/she may consider necessary, expedient or desirable to give effect to the proposed selective capital reduction as set out in the preceding paragraph (a) and this resolution.

BY ORDER OF THE BOARD

Susie Koh
Company Secretary
Singapore
8 June 2016

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM in his/its stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM in his/its stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

The term "**relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50 of Singapore).

2. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621 not later than 48 hours before the time appointed for holding the EGM.
3. This notice of EGM ("**Notice**") shall be provided by an advertisement in the daily press circulating in Singapore, with a physical copy of the Notice and the circular dated 8 June 2016 available for collection at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621, during normal business hours from the date of the Notice until the date of the EGM, in which case, such Notice shall be deemed to have been sufficiently given notwithstanding any failure by any Overseas Person to receive or see such advertisement.

"**Overseas Person**" means a member of the Company whose registered address is outside of Singapore and has not supplied to the Company an address within Singapore for the giving of notices.

4. For further information relating to the appointment of a proxy or proxies, please refer to the notes to the instrument appointing a proxy or proxies enclosed with this Notice.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company against any claim, cost (including, but not limited to, legal cost), damage, demand, expense, liability, loss, penalty or proceeding arising from the member's breach of warranty.

SINGAPORE LAND LIMITED

(Company Registration Number: 196300170C)

(Incorporated in Singapore)

PROXY FORM**Extraordinary General Meeting****IMPORTANT NOTES**

1. Relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Singapore Land Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 June 2016.

*I/We _____ (Name) _____

(*NRIC/Passport/Co Reg Number) of _____

(Address) _____

being a *member/members of Singapore Land Limited (the "Company"), hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of shares	%

or failing *him/them, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at 80 Raffles Place, 62nd Storey, UOB Plaza 1, Singapore 048624 on Thursday, 30 June 2016 at 3.15 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the 52nd Annual General Meeting of the Company to be convened at 3.00 p.m. on the same day and at the same venue) and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the special resolution to be proposed at the EGM as indicated below. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

Special Resolution	No. of Votes	No. of Votes
	For**	Against**
To approve the Selective Capital Reduction (as defined in the Circular dated 8 June 2016 to members of the Company)		

* Delete where applicable

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" or "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2016

Total Number of Shares held_____
Signature(s) or Common Seal of Member(s)**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

Notes:

1. A member of the Company should insert the total number of shares held. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by such member.
2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM in his/its stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM in his/its stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

The term "**relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50 of Singapore).

3. A proxy need not be a member of the Company. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 24 Raffles Place, #22-01/06, Clifford Centre, Singapore 048621 not less than 48 hours before the time fixed for holding the EGM.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/its attorney duly authorised in writing. Where the appointor is a corporation, the instrument of proxy must be executed either under its common seal or under the hand of its duly authorised officer or attorney. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member of the Company may by resolution appoint, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative or representatives to attend, speak and vote at the EGM, in accordance with its constitution and Section 179 of the Companies Act (Chapter 50 of Singapore).
7. Any alteration made in this instrument appointing a proxy or proxies must be initialled by the person who signs it.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies.
9. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.