

CIRCULAR DATED 20 MARCH 2006

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular does not constitute, and is not intended to be, an offer, or a notice, circular or advertisement calling or drawing attention to an offer to the public or subscribe for or purchase any of the units in K-REIT Asia.

You should also have received, together with this Circular, the Introductory Document which sets out detailed information on K-REIT Asia. Please read the Introductory Document carefully.



Keppel Land Limited

(Incorporated in the Republic of Singapore)

(Registration No. 189000001G)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED DISTRIBUTION BY DIVIDEND *IN SPECIE* OF UP TO S\$264.3 MILLION COMPRISING UP TO 144.4 MILLION UNITS IN K-REIT ASIA, REPRESENTING APPROXIMATELY 60% OF THE ISSUED UNITS IN K-REIT ASIA TO SHAREHOLDERS; AND**
- (2) **THE INTERESTED PARTY AGREEMENTS IN RELATION TO K-REIT ASIA.**

Financial Adviser to the Company in relation to the Distribution In Specie

Deloitte.

Deloitte & Touche Corporate Finance Pte Ltd

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Form	:	7 April 2006 at 4.00 p.m.
Date and Time of Extraordinary General Meeting	:	11 April 2006 at 4.00 p.m.
Place of Extraordinary General Meeting	:	InterContinental Singapore Ballrooms 1 and 2 (Level 2) 80 Middle Road Singapore 188966

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IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS

Distribution and Selling Restrictions

No action has been or will be taken in any jurisdiction that would permit a public offering of the Units or the possession, circulation or distribution of this Circular or any other offering or publicity material relating to K-REIT Asia or the Units in any country or jurisdiction (other than Singapore, where action for the purpose is required). Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Circular nor any other offering material, circular, form of application or advertisement in connection with the Units may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Where the Directors of Keppel Land are of the view that the distribution of Units to any of the Overseas Shareholders may infringe any relevant foreign law or necessitate compliance with conditions or requirements which they regard are onerous or impracticable by reason of costs, delay or otherwise, the Units which such Overseas Shareholder would have been entitled to pursuant to the Distribution *In Specie*, will not be distributed to Overseas Shareholders, and such Overseas Shareholders will not be entitled to receive this Circular and/or other relevant documents. Instead, the Overseas Shareholders' Units will be transferred to nominee(s) appointed by Keppel Land, who shall sell the Overseas Shareholders' Units at prices prevalent at time of sale and thereafter, distribute the aggregate amount of the net proceeds, after deducting all dealing and other expenses in connection therewith, proportionately among such Overseas Shareholders in accordance with their respective entitlements to the Units as at the Books Closure Date in full satisfaction of their rights to the Units to which they would otherwise have become entitled under the Distribution *In Specie*. Where the net proceeds to which any particular Overseas Shareholder is entitled shall be less than S\$10.00, such net proceeds shall be retained for the benefit of Keppel Land, and no Overseas Shareholder shall have any claim whatsoever against CDP or Keppel Land in connection therewith.

Set out below are certain guidelines on the distribution of this Circular to Overseas Shareholders in Australia, Hong Kong, Malaysia, United Kingdom, United States of America. Further details on the distribution of and the entitlement of Overseas Shareholders of the Units are set out in paragraphs 2.8.6 and 2.8.7 of this Circular.

Australia

This Circular is not available for distribution in Australia. Overseas Shareholders in Australia are not eligible to receive Units or vote at the EGM in person or by proxy, and will receive the net proceeds from the sale of Units in the manner set out in this Circular.

Hong Kong

This Circular is for the exclusive use of Shareholders in connection with the proposed Distribution *In Specie*. This Circular has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly, this Circular must not be distributed, published or reproduced (in whole or in part), disclosed by Shareholders to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the Shareholders' consideration of the Distribution *In Specie*. This Circular does not constitute an offer or invitation for the sale or purchase of securities in Hong Kong and shall not form the basis of any contract. Moreover, no advertisement, invitation or document relating to the Units may be issued whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except by a person permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" ("Professional Investors") within the meaning of the Securities and Futures Ordinance (Cap 571) of Hong Kong and any rules made thereunder.

Malaysia

This Circular is for the exclusive use of Shareholders in connection with the proposed Distribution *In Specie*. Overseas Shareholders in Malaysia should note that the distribution of the Units to them is subject to the approval of the Securities Commission of Malaysia. As no approval has been sought by reason of the substantial compliance costs involved and the possible delay, Overseas Shareholders in Malaysia will not receive the Units, but will receive the net proceeds from the sale of the Units in the manner set out in this Circular.

Accordingly, this Circular must not be distributed, published, circulated or reproduced (in whole or in part), disclosed or circulated by Shareholders to any other person in Malaysia or used for any purpose in Malaysia other than in connection with the Shareholders' consideration of the Distribution *In Specie*. This Circular is not and does not constitute a proposal to make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase securities in Malaysia and shall not form the basis of any contract.

United Kingdom

This Circular does not constitute an offer of transferable securities to the public in the United Kingdom to which section 85 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") applies and has not been delivered to the Financial Services Authority ("FSA") in accordance with the Prospectus Rules published by the FSA. No Units have been offered or sold or will be offered or sold, except in circumstances which have not resulted and will not result in an offer to the public in contravention of section 85 of the FSMA in the United Kingdom.

The Units are units in K-REIT Asia, which is an unregulated collective investment scheme for the purposes of United Kingdom law and regulation, and may be promoted in the United Kingdom only to restricted categories of persons.

It is not intended that this Circular be distributed or passed on in the United Kingdom, directly or indirectly, to any other class of person and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this Circular. It is also not intended that the Units be distributed to overseas Shareholders in the United Kingdom; instead they will receive the net proceeds from the sale of the Units in the manner set out in this Circular.

United States of America

This Circular is not an offer of securities in the U.S. and the Units are not being registered in the U.S. and cannot be sold in the U.S. or to U.S. persons absent registration or an exemption from registration.

The Units have not been and will not be registered under the U.S. Securities Act of 1933 as amended, for offer or sale as part of their distribution and, subject to certain exceptions, may not be offered or sold in the U.S. or to U.S. persons.

IMPORTANT NOTICE FOR SCRIP-BASED SHAREHOLDERS

Scrip-based Shareholders should note that entitlements to the Units will be determined on the basis of their holdings of Keppel Land Shares appearing in the Register of Members of Keppel Land as at the Books Closure Date.

Scrip-based Shareholders who have not registered their holdings in the Registrar of Members of Keppel Land, are requested to take the necessary action to ensure that the Keppel Land Shares owned by them are registered in their names or in the names of their nominees by the Books Closure Date.

Scrip-based Shareholders should note that they will not be able to trade in such Units on the SGX-ST unless they open Securities Accounts with CDP for such Units to be held by CDP and recorded as such in the Register of Unitholders maintained by the Unit Registrar and Unit Transfer Office. Scrip-based Shareholders are therefore encouraged to open Securities Accounts with the CDP.

Scrip-based Shareholders who wish to trade their Units on the SGX-ST on or immediately after the Listing should deposit with CDP their physical share certificates of Keppel Land together with the duly executed instruments of transfer in favour of CDP no later than 5.00 p.m. on the date which is 12 Market Days prior to the Books Closure Date, so as to enable CDP to credit their Securities Accounts with their Keppel Land Shares and thereafter, for CDP to credit their Securities Accounts with the Units.

In the case of Scrip-based Shareholders who have not opened their Securities Account with CDP, the Unit Registrar and Unit Transfer Office will send each of such Scrip-based Shareholder a notification letter confirming the number of Units he is entitled to and his entitlements shall be recorded in the Register of Unitholders. The entries in the Register of Unitholders shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each such Scrip-based Shareholder, and whose Units will be kept by the Unit Registrar and Unit Transfer Office on behalf of the Scrip-based Shareholder pending further instructions from them.

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DEFINITIONS

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

Companies

Manager	K-REIT Asia Management Limited
Keppel Land or the Company	Keppel Land Limited
Keppel Land Group	Keppel Land and its subsidiaries
KCL	Keppel Corporation Limited
BCH	BCH Office Investment Pte Ltd
Colliers International	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
DTZ	DTZ Debenham Tie Leung (SEA) Pte Ltd
KLTD	Keppel Land (Tower D) Pte Ltd
MRL	Mansfield Realty Limited

General

Act	Companies Act, Chapter 50 of Singapore
Appraised Value	in relation to each Property, the value for that Property as at 24 November 2005 as appraised by any of the Independent Valuers, determined based on open market value on a willing-buyer and willing-seller basis
Authorised Investments	has the meaning ascribed to it in the Trust Deed and means: <ul style="list-style-type: none">(i) Real Estate, whether freehold, or leasehold and/or held as joint owner, and whether in or outside Singapore; it being understood that an investment in Real Estate may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own Real Estate. (In respect of investments in Singapore, the Scheme must comply with the provisions of the Residential Property Act);(ii) any improvement or extension of or addition to or reconstruction or renovation or other development of any Real Estate or any building thereon;(iii) Real Estate-Related Assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;(iv) listed or unlisted debt securities and listed shares or stock of or issued by local or foreign non-property companies or corporations;

- (v) Government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;
- (vi) Cash and Cash Equivalent Items;
- (vii) financial derivatives only for the purposes of (a) hedging existing positions in the Scheme's portfolio where there is a strong correlation to the underlying investments or (b) Efficient Portfolio Management (as defined in the CIS Code), provided that such derivatives are not used to gear the overall portfolio of the Scheme or intended to be borrowings of the Scheme; and
- (viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Guidelines (or as otherwise permitted by the MAS) and selected by the Manager for investment by the Scheme and approved by the Trustee in writing,

it being understood that the above definitions of "**Authorised Investments**" shall always be subject to the definition of "**permissible investments**" as set out in the Property Funds Guidelines

Base Fee	in relation to the Manager, means a periodic charge not exceeding 0.5% per annum of the value of the Deposited Property at the relevant time or such other periodic charge as may from time to time be fixed or otherwise determined pursuant to the Trust Deed
Books Closure Date	the date and time on which Transfer Books and the Register of Members of Keppel Land are closed for the purpose of determining the entitlement of Shareholders to the Distribution <i>In Specie</i>
Bugis Junction Towers	the 100% interest in the whole of Strata Lot U1433K TS 13 together with the building comprised in Subsidiary Strata Certificate of Title Volume 487 Folio 183 and known as 230 Victoria Street, Singapore 188024
CDP	the Central Depository (Pte) Limited
CIS Code	the Code of Collective Investment Schemes issued by the MAS pursuant to the Securities and Futures Act, Chapter 286 of Singapore as modified from time to time
Committed Occupancy	occupancy rate based on all current leases in respect of the Properties as at 30 September 2005 or leases, with commencement dates after 30 September 2005, which have been entered into or renewed by tenants pursuant to signed commitments to lease
Completion	completion of the acquisition of the Properties in accordance with the Put and Call Option Agreements

CPF	Central Provident Fund
Deposited Property	all of the assets for the time being of K-REIT Asia or deemed to be held upon the trust constituted under the Trust Deed
Directors	the directors of the Company as at the date of this Circular
Distribution <i>In Specie</i>	the proposed distribution <i>in specie</i> in lieu of a cash dividend of approximately 60% of the Units in issue to the Shareholders on the basis of one (1) Unit for every five (5) Keppel Land Shares in proportion to their shareholdings in Keppel Land as at the Books Closure Date
EGM	the extraordinary general meeting shareholders of Keppel Land proposed to be convened on 11 April 2006 (and any adjournment thereof) in relation to the Distribution <i>In Specie</i>
Entitled Shareholders	Shareholders (other than Overseas Shareholders) who are registered as holders of Keppel Land Shares in the Register of Members of the Company or in the Depository Register maintained by CDP as the case may be) as at the Books Closure Date
EPS	earnings per share
Forecast Period	1 January 2006 to 31 December 2006
FY	financial year ended or ending 31 December
Gross Rent	consists of base rental income (after rent rebates, rent-free periods, and adjustments, where applicable, but excluding turnover rent) and tenant service charge, if any, which is a contribution paid by tenants towards the Property Expenses of each Property
Independent Valuers	the independent professional valuers, Colliers International (commissioned by the Manager) and DTZ (commissioned by the Trustee)
Interested Party	any “interested person” (as defined in the Listing Manual) and/or, as the case may be, an “interested party” (as defined in the Property Funds Guidelines)
Interested Party Agreements	the interested party agreements set out in paragraphs 3.2 and 3.3 on pages 27 to 31 of this Circular
Introduction	the introduction of K-REIT Asia to the Official List of the SGX-ST
Introductory Document	Introductory document dated 20 March 2006 issued in conjunction with the listing of K-REIT Asia on the SGX-ST by way of an introduction
IRAS	Inland Revenue Authority of Singapore

Keppel Land Options	options granted by Keppel Land to directors and employees of Keppel Land and its subsidiaries to subscribe for new Keppel Land Shares pursuant to the Keppel Land Share Option Scheme, as may be amended from time to time
Keppel Land Shares or Shares	ordinary shares in the capital of Keppel Land
Keppel Towers and GE Tower	the 100% interest in the whole of Lot 99227M TS 23, Lot 99226C TS 23, Lot 99223N TS 23, Lot 99222K TS 23, Lot 99219K TS 23, Lot 99218A TS 23, Lot 99180A TS 23, Lot 99179N TS 23, Lot 99178K TS 23, Lot 99176T TS 23, Lot 99175P TS 23, Lot 990K TS 23 and Lot 691A TS 23 comprising CT Vol. 373 Fol. 29 to 36, CT Vol. 422 Fol. 66 and CT Vol. 270 Fol. 127, together with the buildings known as “Keppel Towers and GE Tower” at 10 Hoe Chiang Road Singapore 089315 and 240 Tanjong Pagar Road Singapore 088540, respectively
Listing Date	the date of admission of K-REIT Asia to the Official List of the SGX-ST, being the date of commencement of trading of the Units
Latest Practicable Date	15 March 2006, being the latest practicable date prior to the printing of this Circular
Listing Manual	the Listing Manual of the SGX-ST
Management Fee	the management fee payable to the Manager comprising the Base Fee and the Performance Fee
Manager	K-REIT Asia Management Limited
MAS	the Monetary Authority of Singapore
MRT	the mass rapid transit passenger service system in Singapore
Net Lettable Area or NLA	the floor area in a building that is to be leased, excluding common areas such as common corridors, lift shafts, fire escape staircases and toilets, being the area in respect of which rent is payable
Net Property Income	in relation to real estate and real estate-related assets, whether directly held by the Trustee or a special purpose vehicle, and in relation to any Accounting Period or part thereof, means the Property Income less Property Expenses (but excluding: (i) re-valuation gains or losses attributable to any Real Estate and Real Estate-Related Assets; and (ii) non-operating income or expenses) for that Accounting Period or part thereof
NTA	net tangible assets
Overseas Shareholders	Shareholders whose registered addresses as at Books Closure Date, as recorded in the Register of Members of the Company or in the Depository Register maintained by the CDP (as the case may be) for the service of notice and documents, are outside Singapore

Performance Fee	in relation to the Manager, means a quarterly charge not exceeding 3.0% of the Net Property Income in respect of each calendar quarter as determined in accordance with the Trust Deed
Properties	the four buildings, Prudential Tower Property, Keppel Towers and GE Tower, and Bugis Junction Towers on three properties and “Property” means any one of them
Property Expenses	all costs and expenses incurred by K-REIT Asia in the operation, maintenance, management and marketing of its properties as defined in accordance with the provisions of the Trust Deed
Property Funds Guidelines	the guidelines for real estate investment trusts issued by the MAS as Appendix 2 to the CIS Code, attached as Appendix VIII in the Introductory Document, as the same may be modified from time to time
Property Management Agreement	the property management agreement entered into by the Trustee, the Manager and the Property Manager pursuant to which the Property Manager will be appointed to operate, maintain, manage and market the Properties and such other properties as may be acquired by the Trustee from time to time as trustee of K-REIT Asia
Property Manager	K-REIT Asia Property Management Pte Ltd
Proposed Listing	the proposed listing of K-REIT Asia on the SGX-ST by way of an Introduction
Prudential Tower	the building known as “Prudential Tower” located at 30 Cecil Street, Singapore 049712
Prudential Tower Property	the approximately 44% interest held in the Prudential Tower building comprised in the whole of Strata Lots U403C TS 1, U405W TS 1, U404M TS 1, U414N TS 1, U406V TS 1, U415X TS 1, U407P TS 1, U416L TS 1, U408T TS 1, U417C TS 1, U409A TS 1, U418M TS 1, U410P TS 1, U419W TS 1, U420C TS 1, U412A TS 1, U421M TS 1, U413K TS 1, U423V TS 1 and U422W TS 1, comprising SSCT Vol. 589 Fol. 161 to 168 and Fol. 170 to 181.
Put and Call Option Agreements	the separate put and call option agreements dated 28 November 2005 entered into between the Trustee and entities of the Keppel Land Group, in particular BCH, MRL and KLTD, in connection with the acquisition of the Properties by K-REIT Asia, and “Put and Call Option Agreement” means any one of them and their respective variations

Qualifying Unitholders	<ul style="list-style-type: none"> (a) individuals (regardless of residence or nationality); (b) Singapore incorporated companies that are tax resident in Singapore; (c) Singapore branches of foreign companies that have obtained the IRAS approval for distributions to be made to them by K-REIT Asia without deduction of tax; or (d) bodies of persons, other than companies or partnerships, registered or constituted in Singapore (for example, registered charities, town councils, statutory boards, registered co-operative societies and registered trade unions)
Register of Members	the register of members and transfer books of the Company kept in accordance with Section 190 of the Act including the Depository Register
S\$ or Singapore dollars and cents	Singapore dollars and cents, the lawful currency of the Republic of Singapore
Sale	the proposed disposal of the Properties pursuant to the exercise of the put or call option granted under the Put and Call Option Agreements
Scrip-based Shareholders	Shareholders whose Keppel Land Shares are not deposited with CDP and whose registered addresses as at Books Closure Date, as recorded in the Register of Members of the Company for the service of notice and documents, are in Singapore
Securities Account	securities account or sub-account maintained by a Depositor with CDP
SGX-ST	Singapore Exchange Securities Trading Limited
Shareholders	persons who are registered as holders of Keppel Land Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose securities Accounts are credited with Keppel Land Shares
Tax Ruling	the tax ruling dated 10 November 2005 issued by the IRAS on the taxation of K-REIT Asia and its Unitholders, including any modification, amendment and revision that may be made to it up to the date of this Document
Taxable Income	net rental income from the letting of the Properties and other such properties in Singapore as may be owned by K-REIT Asia and incidental property related service income as adjusted for Singapore income tax purposes but would not include gains or losses from the disposal of the Properties and other such properties in Singapore, if any

Trust Deed	the Trust Deed dated 28 November 2005 entered into between the Trustee and the Manager constituting K-REIT Asia including any supplementals
Trustee	RBC Dexia Trust Services Singapore Limited
Unit	an undivided interest in the Deposited Property held by K-REIT Asia as provided in the Trust Deed
Unitholder(s)	the registered holder for the time being of a Unit including persons so registered as joint holder, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

Measurements

%	per centum or per cent. or percentage
sq m	square metres

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

Except where specifically defined, the terms “we”, “us” and “our” in this Circular refer to the Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Circular shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

INDICATIVE TIMETABLE

The following are the indicative dates and times for the Distribution *In Specie*:

Last date and time for lodgement of Proxy Forms for the EGM	:	7 April 2006 at 4.00 p.m.
Date and time of EGM	:	11 April 2006 at 4.00 p.m.
Books Closure Date for the Distribution <i>In Specie</i>	:	18 April 2006 at 5.00 p.m.
Expected date for crediting Units into the Securities Accounts of Shareholders (being Depositors)	:	27 April 2006
Expected date for commencement of trading of Units on the SGX-ST	:	28 April 2006

Notes:

- (1) The timetable above is only indicative and the actual dates of the above events may be subject to change. For the "expected" events listed above, please refer to future announcement(s) by the Company and/or SGX-ST for the exact dates of these events.
- (2) Proxy Forms should be duly completed and deposited at the registered office of the Company at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024, not less than 48 hours before the time appointed for the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting in person at the EGM in place of his proxy.

KEPPEL LAND LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 189000001G)

CHAIRMAN'S LETTER TO SHAREHOLDERS

Directors:

Lim Chee Onn (Chairman)
Kevin Wong Kingcheung (Managing Director)
Khor Poh Hwa
Lim Ho Kee
Tsui Kai Chong
Lee Ai Ming
Tan Yam Pin
Niam Chiang Meng
Heng Chiang Meng
Choo Chiau Beng
Teo Soon Hoe

Registered Office:

230 Victoria Street #15-05
Bugis Junction Towers
Singapore 188024

20 March 2006

To: The Shareholders of Keppel Land Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Background

On 28 November 2005, the Company announced its intention to sponsor the establishment of a new real estate investment trust to be known as K-REIT Asia. This step is in line with the strategic objective of the Company to unlock value for Shareholders. In that announcement, the Company disclosed that it will dispose of the Properties such that shortly after its establishment, K-REIT Asia would hold the Properties. As part settlement of consideration for this disposal, K-REIT Asia will issue up to 240,508,000 Units to Keppel Land. The Company also announced a proposal, subject to the approval of Shareholders, for approximately 60% of these Units to be distributed to Shareholders in proportion to their shareholdings in the Company by way of a distribution *in specie* in lieu of a cash dividend. For every five (5) Keppel Land Shares, Shareholders will receive one (1) Unit, free of encumbrances and together with all rights attaching thereto on and from the date of the Distribution *In Specie* is effected. It is the Company's intention that the Units be listed on the Main Board of the SGX-ST by way of an introduction.

1.2 Extraordinary General Meeting

The Directors are convening the EGM to seek Shareholders' approval for the Distribution *In Specie* of Units in K-REIT Asia to Shareholders and the Interested Party Agreements in relation to K-REIT Asia, as set out under the sections "The Manager and Corporate Governance — Interested Party Transactions In Connection with the Setting Up of K-REIT Asia" and "The Manager and Corporate Governance — Other Interested Party Transactions" of the Introductory Document.

1.3 Purpose of Circular

The purpose of this Circular is to provide Shareholders with information relating to, the rationale for, the pro forma financial effects of, as well as to seek Shareholders' approval for the proposed Distribution *In Specie* and the Interested Party Agreements in relation to K-REIT Asia at the Company's EGM to be held on 11 April 2006.

Shareholders should note that the passing of the resolution seeking Shareholders' approval for the Distribution *In Specie* and the passing of the resolution seeking Shareholders' approval for the Interested Party Agreements in relation to K-REIT Asia are dependent and conditional on each other.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular does not constitute, and is not intended to be, an offer, or a notice, circular or advertisement calling or drawing attention to an offer to the public or subscribe for or purchase any units in K-REIT Asia.

2. PROPOSED DISTRIBUTION *IN SPECIE* OF UNITS IN K-REIT ASIA TO SHAREHOLDERS

2.1 Background to the Distribution *In Specie*

K-REIT Asia is established with the objective of generating stable returns to its Unitholders by owning and investing in a portfolio of quality real estate and real estate-related assets which are income-producing and are predominantly used for commercial purposes.

K-REIT Asia was constituted pursuant to the Trust Deed dated 28 November 2005 entered into between K-REIT Asia Management Limited (as manager of K-REIT Asia) and RBC Dexia Trust Services Singapore Limited (as trustee to K-REIT Asia).

K-REIT Asia will initially invest in and own the following Properties, all of which are currently owned by wholly-owned subsidiaries of Keppel Land:

- **Prudential Tower Property;**
- **Keppel Towers and GE Tower*;** and
- **Bugis Junction Towers.**

* Keppel Towers and GE Tower are comprised on the same land lots. They also share common carparking, and some machinery and equipment facilities.

In connection with the above, Keppel Land, through its wholly-owned subsidiaries (collectively the "**Vendors**", and each, the "**Vendor**"), entered into the Put and Call Option Agreements on 28 November 2005 with the Trustee for the Sale of the Properties to K-REIT Asia at the aggregate consideration of S\$630.7 million. The purchase consideration will be satisfied in part by cash of approximately S\$190.6 million and the balance of approximately S\$440.1 million by Units. The purchase consideration will also be subject to adjustment based on the net working capital to be transferred with the Properties as at completion of the Sale.

In conjunction with the establishment of K-REIT Asia and subject to the approval of Shareholders, the Company will distribute approximately 60% of the Units to be held by the Company to Shareholders in proportion to their shareholdings in the Company by way of a Distribution *In Specie*.

An application has been made for K-REIT Asia to be listed on the Main Board of SGX-ST by way of the Introduction, enabling the Units to be traded publicly after completion of the Distribution *In Specie*, and SGX-ST has on 14 March 2006 granted approval in-principle for the listing of K-REIT Asia on the SGX-ST.

The completion of the Distribution *In Specie*, and the commencement of trading of the Units on the SGX-ST, are expected to take place by the second quarter of 2006.

To demonstrate its commitment to K-REIT Asia after its listing on the SGX-ST, the Company, as sponsor to K-REIT Asia, will retain approximately 40% of the issued Units.

In addition, the Company has given an undertaking not to sell, transfer or otherwise dispose of any part of the Units that the Company will hold immediately after the Introduction, for a period of 12 months commencing from the Listing Date. KCL, as majority shareholder of Keppel Land, has given a similar undertaking not to sell, realise, transfer or otherwise dispose of any part of the Units that KCL will hold immediately after the Introduction, for a period of 12 months commencing from the Listing Date.

The restriction described in the preceding paragraph will not apply to the transfer of Units by the Company to and between such wholly-owned subsidiaries of the Company, and by KCL to and between such wholly-owned subsidiaries of KCL provided that the Company and/or, as the case may be, KCL shall not (and shall procure that the wholly-owned subsidiary to which any such Units have been sold, offered, transferred or disposed to after the Listing Date shall not) sell, transfer or otherwise dispose of such Units for a period of 12 months commencing from the Listing Date, other than to any of such other wholly-owned subsidiaries to which any Unit has been so transferred. In the event that any such wholly-owned subsidiary ceases to be wholly-owned by the Company and/or KCL, as the case may be, the Company and/or KCL, respectively, shall procure that such Units be transferred to another of its wholly-owned subsidiaries.

In addition, each of the Company and KCL undertakes that it will not sell, offer, transfer or otherwise dispose of, directly or indirectly, any shares in the share capital of the aforesaid wholly-owned subsidiaries, or any securities convertible into, or exchangeable for, shares in the share capital of such subsidiaries for a period of 12 months commencing from the Listing Date or until such subsidiary ceases to hold any of the Units, whichever is the earlier.

2.2 Steps to the Distribution *In Specie*

The Distribution *In Specie* will involve the following key steps:

- (1) The respective Properties will be transferred by BCH, MRL and KLTD to the Trustee for a total consideration of \$630.7 million, determined based on the average valuation of the Independent Valuers, Colliers International (commissioned by the Company) and DTZ (commissioned by the Trustee), as at 24 November 2005. Both valuations are determined on an open market value on a willing-buyer and willing-seller basis.
- (2) The purchase consideration will be satisfied by K-REIT Asia in part by cash of approximately S\$190.6 million and the balance of approximately S\$440.1 million in Units. The cash portion will be funded through borrowings.
- (3) Following the transfer of the Properties, the Trustee will hold the Properties directly for the benefit of K-REIT Asia.

- (4) Subject to Shareholders' approval, Keppel Land will distribute *in specie* 60% of the issued Units to Entitled Shareholders. Shareholders will receive Units in proportion to their shareholdings in Keppel Land on the basis of **one (1) Unit for every five (5) Keppel Land Shares** held on the Books Closure Date.
- (5) The Distribution *In Specie* will be made at the pro forma net book value (being the net asset value) of K-REIT Asia of approximately S\$440.1 million as at 30 September 2005, which translates into an implied value of approximately S\$1.83 per Unit (before taking into account expenses relating to the establishment of K-REIT Asia and the issue of the Units). Accordingly, the distribution value per Share is approximately 36.6 cents (on the basis of one Unit for five Keppel Land Shares) and this distribution value will be split between Section 44A franked dividends and 1-tier tax exempt dividend in the following proportion:
- Net dividend (Section 44A franked dividends) of approximately 29.5 cents per Share (gross dividend of approximately 36.9 cents per Share less 20% tax); and
 - 1-tier tax exempt dividends of approximately 7.1 cents per Share.
- (6) Further, where the dividend *in specie* distributed is a franked dividend paid under the dividend imputation system, the franked dividend is a taxable dividend and the Shareholders are entitled to claim a credit for the tax paid by Keppel Land. Where the dividend *in specie* distributed is an exempt (1-tier) dividend paid under the one-tier corporate tax system, such dividend is tax exempt and will not be subject to further tax in Singapore.
- (7) K-REIT Asia will be listed on the SGX-ST by way of an introduction, and trading of the Units will commence on or about 28 April 2006. Entitled Shareholders of Keppel Land will then hold listed investments in both Keppel Land and K-REIT Asia.

As at the Latest Practicable Date, Keppel Land has an issued and paid-up share capital of S\$1,178,520,676, comprising 716,394,581 shares. As at the Latest Practicable Date, there were 5,599,500 outstanding Keppel Land Options granted to Directors and employees of the Keppel Land Group under the share option scheme approved and adopted by the Company.

For every five (5) Keppel Land Shares that the Shareholder holds at Books Closure Date, the Shareholder will be entitled to receive one (1) Unit. The Units will be distributed to Shareholders free of encumbrances and together with all rights attached to them on and from the date of the Distribution *In Specie*.

Assuming that all outstanding Share Options as at the Latest Practicable Date are exercised prior to the Books Closure Date, up to 144.4 million Units, representing approximately 60% of the total number of Units, will be distributed to Shareholders.

For the avoidance of doubt, the issued and paid-up share capital of the Company will remain the same after the Distribution *In Specie*, and accordingly there will be no change in the number of ordinary shares in the capital of the Company held by the Shareholders immediately after the Distribution *In Specie*.

2.3 Rationale for the Establishment of K-REIT Asia and for the Distribution *In Specie*

Keppel Land is currently focused on two core businesses of property development for sale and property fund management to achieve higher returns. Keppel Land aims to be a leading developer in Asia and a premier manager of property funds.

The establishment of K-REIT Asia is an important milestone which will unlock value for Shareholders in the following ways:

- **Redevelopment of Capital for Development Projects.** Keppel Land will have available a cash sum of approximately S\$190.6 million for property development projects which are expected to generate higher returns. The Company expects that quality projects in the following areas will utilise this additional capital:
 - (a) good quality township developments across Asia; and
 - (b) premier commercial and residential developments for sale in Singapore and the rest of Asia.
- **An Enlarged Platform to Generate Fee-Based Income.** K-REIT Asia will generate additional streams of fee-based income for the Company by expanding its property fund management platform. Keppel Land's existing property fund management platform, which comprises the Alpha Core Plus Real Estate Fund and the Asia No. 1 Property Fund, will be substantially expanded with the establishment of K-REIT Asia.
- **Return of Equity to Shareholders.** Keppel Land will return up to S\$264.3 million to Shareholders by way of a Distribution *In Specie*, in the form of up to 144.4 million Units (comprising approximately 60% of the Units).

2.4 Benefits To Shareholders

The establishment of K-REIT Asia has direct benefits for Shareholders as follows:

- **Higher Payouts from the Properties under K-REIT Asia.** K-REIT Asia's distribution policy is to distribute at least 90% of its Taxable Income in any given year. K-REIT Asia will distribute 100% of its Taxable Income for FY2006 and at least 95% of its Taxable Income for FY2007. Shareholders, as direct owners of approximately 60% of the Units, will therefore receive higher distributions than they currently do from the Properties under Keppel Land Group ownership.
- **The Benefit of Tax Transparency for Shareholders.** Shareholders will enjoy the benefits of having the Properties held in a real estate investment trust vehicle which provides for tax transparency for Qualifying Unitholders. Under this arrangement, Taxable Income of K-REIT Asia will not be taxed at the trust level but at the rate applicable to each Qualifying Unitholder. To the extent Shareholders have an effective tax rate below the Singapore corporate rate (currently at 20%), this will represent an increase in after tax income for Shareholders. Individual Unitholders who are beneficially entitled to the distributions, regardless of their residence or nationality, will be exempted from Singapore income tax if they receive such distributions as their investment income and not through partnerships.
- **Transfer of the Benefit of Section 44A Tax Credits.** The Distribution *In Specie* is both an efficient and effective way to transfer the benefit of the Company's entire remaining balance of Section 44A tax credits of about S\$53.2 million to Shareholders. If unutilised by this or other means, these Section 44A tax credits will expire after 31 December 2007 and the benefit the Company can deliver to Shareholders will be lost.

- **More Choice and Improved Liquidity.** Separate listing of Keppel Land and K-REIT Asia will give greater transparency on valuations of the different components of Keppel Land Group's business. The creation of a second listed instrument will also give more choice and more flexibility for Shareholders on how they invest in the Keppel Land Group.

2.5 Information on K-REIT Asia

2.5.1 The Introductory Document

You should also have received, together with this Circular, the Introductory Document which sets out detailed information on K-REIT Asia, including its properties and business, profit forecast, risk factors and distribution policy. **Please read the Introductory Document carefully.** The following is a summary of selected information on K-REIT Asia, and should be read in conjunction with the Introductory Document.

2.5.2 Objectives

K-REIT Asia is established with the objective of generating stable returns to its Unitholders by owning and investing in a portfolio of quality real estate and real estate-related assets which are income-producing and are predominantly used for commercial purposes.

2.5.3 Property Portfolio

Following its establishment, K-REIT Asia will establish its initial portfolio of quality real estate and real estate-related assets with an investment in the following four buildings on three properties:

- **Prudential Tower Property**, comprising approximately 44% interest in a 30-storey Grade A office building situated at Raffles Place. The building is located at the junction of Church Street and Cecil Street. The property is within a 5-minute walk from the Raffles Place MRT station. The Company owns about 44% of the strata area of the building, which comprises a Net Lettable Area of approximately 10,037 sq m as at 30 September 2005. The quality of the Prudential Tower building was recognised when it won the office/industrial category of the FIABCI Prix d'Excellence Awards in 2003.
- **Keppel Towers** is a 27-storey office building and **GE Tower** is a 13-storey office building. The buildings are located along Hoe Chiang Road and Tanjong Pagar Road and are within a 5-minute walk from the Tanjong Pagar MRT station. Keppel Towers and GE Tower are comprised in the same land lots. They share common carparking and some machinery and equipment facilities. As at 30 September 2005, Keppel Towers has a Net Lettable Area of approximately 32,917 sq m and GE Tower has a Net Lettable Area of 7,378 sq m.
- **Bugis Junction Towers.** This is a 15-storey office tower located along Victoria Street, facing Rochor Road. It is directly linked to the Bugis MRT Station via the basement and is part of an integrated development known as Bugis Junction, which also comprises Bugis Junction retail mall and the five-star InterContinental Singapore hotel. The building has a Net Lettable Area of approximately 22,990 sq m as at 30 September 2005. Bugis Junction has won several awards for portraying an innovative and modern interpretation of urban development and was also one of the finalists for the prestigious FIABCI Prix d'Excellence in 2001.

The completion of the sale and purchase of all three Properties will take place on the same date and time. All completions are inter-conditional.

Prudential Tower Property #01-01, #10-01/08 to #19-01/08 (excluding #16-05/08)	
Description	<p>The units are located in Prudential Tower Property, a 30-storey Grade-A office building situated at Raffles Place. Prudential Tower is located at the junction of Church Street and Cecil Street and is within a 5-minute walk from the Raffles Place MRT station. There are 181 carpark lots located on the second to ninth storeys. These carpark lots are common property owned by the management corporation of Prudential Tower.</p> <p>K-REIT Asia will own 44%⁽¹⁾ ⁽²⁾ of the strata area of the building⁽³⁾ ⁽⁴⁾.</p> <p>Prudential Tower has won the prestigious office/industrial category of the FIABCI Prix d'Excellence 2003 Awards.</p>
Title	Leasehold estate of 99 years expiring 14 January 2095
Year of Issue of Temporary Occupation Permit	1998
Committed Occupancy	86.9%
Strata Floor Area	10,250 sq m
Net Lettable Area	10,037 sq m
Major Tenants	The McGraw-Hill Companies, Inc. The Executive Centre KBC Bank N.V. (Singapore Branch)
Average Appraised Value (as at 24 November 2005)	S\$117.7 million

Notes:

- (1) K-REIT Asia will be the sole owner of the 44.4% strata area and is entitled to all income derived from or accruing to such strata lots. K-REIT Asia is also required to pay maintenance charges to the management corporation of Prudential Tower as provided by law.
- (2) Pursuant to the sale and purchase agreement entered into between KLTD and Prudential Assurance Company (Singapore) Limited ("Prudential"), any transferee of the Prudential Tower Property from KLTD has to undertake to Prudential, *inter alia*, that as long as the transferee remains a registered proprietor of the Prudential Tower Property, then in respect of any proposed resolution to approve (i) a change of name of Prudential Tower, (ii) a change in the building name signage and/or the Prudential corporate logo signages installed on the exterior of Prudential Tower pursuant to arrangements made between KLTD and Prudential or (iii) the installation of any other corporate signage or advertisement or flags on the exterior of the Prudential Tower, to be passed at a general meeting of the management corporation which is held during the period KLTD holds the lease of the land on which Prudential Tower is erected, the transferee will exercise its vote in relation to the Prudential Tower Property, to vote with Prudential on such issues. The Trustee will enter into a deed of undertaking with Prudential covenanting and undertaking the above by Completion.
- (3) The remaining owners of the balance 55.6% strata area of Prudential Tower, none of which are related to Keppel Land or the Manager, are as set out below:
 - Prudential Assurance Company Singapore (Pte) Ltd = 33.8% (units #20-01 to #25-01, and #30-01)
 - Innisvale Investments Pte Ltd = 4.9% (unit #26-01)
 - Maraha Pte Ltd = 4.9% (unit #27-01)
 - Lima Bintang Holdings Pte Ltd = 4.8% (unit #28-01)
 - Mirabeau Gardens Pte Ltd = 4.8% (unit #29-01)
 - Evershine Property Pte Ltd = 2.4% (units #16-05/08)
- (4) Prudential Tower is managed by a management corporation, which in turn has appointed Keppel Land International Ltd ("KLIL") as the managing agent. KLIL is a wholly-owned subsidiary of Keppel Land. KLIL is not related to any of the remaining owners of the balance 55.6% strata area of Prudential Tower as detailed in Note (3) above.

Keppel Towers and GE Tower	
Description	Keppel Towers is a 27-storey office building and GE Tower is a 13-storey office building. The buildings are located along Hoe Chiang Road and Tanjong Pagar Road respectively, and are within a 5-minute walk from the Tanjong Pagar MRT station. There are 288 carpark lots located on the second to third storey of the buildings.
Title	Estate in fee simple
Year of Issue of Temporary Occupation Permit	1991 (Keppel Towers) 1993 (GE Tower)
Committed Occupancy	85.3%
Gross Floor Area	52,946 sq m
Net Lettable Area	40,295 sq m
Major Tenants	GE Pacific Pte Ltd Novartis (Singapore) Pte Ltd Singapore Business Federation
Average Appraised Value (as at 24 November 2005)	S\$353.5 million

Bugis Junction Towers	
Description	<p>Bugis Junction Towers is a 15-storey office tower located along Victoria Street, facing Rochor Road. It is directly linked to the Bugis MRT station via the basement and is part of an integrated development known as Bugis Junction, which also comprises Bugis Junction retail mall and the five-star InterContinental Singapore hotel. There are 648 carpark lots located at basements one and two serving the integrated development.</p> <p>Bugis Junction has won several awards for portraying an innovative and modern interpretation of urban development. Some of these awards are the Singapore Institute of Architects' Award for Urban Design Category in 1998, Certificate of Merit from the International Council of Shopping Centres for Innovative Design and Construction of a New Project 1996 and Honourable Mention Award for Mixed Developments Category at Singapore Institute of Architects Architectural Design Awards 1995. It was also one of the finalists for the prestigious FIABCI Prix d'Excellence 2001 competition.</p>
Title	Leasehold estate of 99 years expiring 9 September 2089
Year of Issue of Temporary Occupation Permit	1995
Committed Occupancy	96.2%
Strata Floor Area	27,724 sq m
Net Lettable Area	22,990 sq m
Major Tenants	International Enterprise Singapore J.V. Fitness Pte Ltd Prudential Assurance Company Singapore (Pte) Ltd
Average Appraised Value (as at 24 November 2005)	S\$159.5 million

2.5.4 Key Investment Attractions

We believe that the Properties will offer the following key investment attractions to the Unitholders:

- **Quality Assets.** Prudential Tower, a prime 30-storey Grade-A office building at Raffles Place, won the prestigious FIABCI Prix d'Excellence Award (office/industrial category) in 2003. Bugis Junction Towers, a 15-storey office tower above the Bugis MRT Station, is part of the award-winning Bugis Junction integrated development, which also comprises Bugis Junction retail mall and the five-star InterContinental Singapore hotel. Keppel Towers and GE Tower, located near the Tanjong Pagar MRT Station, are one of the few large office developments with good specifications in that area.
- **Quality Tenants.** The Properties have attracted quality tenants such as International Enterprise Singapore, Prudential Assurance Company Singapore (Pte) Ltd, J.V. Fitness Pte Ltd, InterContinental Hotels Group (Asia Pacific) Pte Ltd, GE Pacific Pte Ltd, Novartis (Singapore) Pte Ltd, The McGraw-Hill Companies, Inc. and KBC Bank N.V. (Singapore Branch) which provide a good, diverse tenant base.
- **Good Occupancy.** The weighted average (by NLA) Committed Occupancy for the Properties is around 89%, with potential to capitalise on the rising office occupancy levels and market rental rates.
- **Experienced and Professional Management.** The Manager and the Property Manager are wholly-owned subsidiaries of Keppel Land, who is recognised for developing and managing good quality office assets such as the award-winning Prudential Tower and Capital Square. The Manager is staffed by experienced professionals with an average experience of about 15 years in the real estate industry, with a track record of successfully investing in and managing quality real estate and real estate-related assets in Singapore and in Asia. Key staff members of the Manager have in-depth real estate investment, asset management, and research experience.
- **Long Land Leases.** Keppel Towers and GE Tower are located on freehold land while Bugis Junction Towers and Prudential Tower Property are held on 99-year tenure leases, expiring on 9 September 2089 and 14 January 2095, respectively.

2.5.5 Valuation

The aggregate purchase consideration for the Properties is S\$630.7 million, determined based on the average of the valuation of two Independent Valuers, DTZ commissioned by the Trustee and Colliers International commissioned by the Company as at 24 November 2005. All valuations are determined on an open market value on a willing-buyer and willing-seller basis. The Appraised Value of each of the Properties is set out in the following table:

Property	Appraised Value (by Colliers International) (S\$ million)	Appraised Value (by DTZ) (S\$ million)	Average Appraised Value (S\$ million)	Percentage of Aggregate Average Appraised Value (%)
Prudential Tower Property	119.0	116.4	117.7	18.7%
Keppel Towers and GE Tower	359.0	348.0	353.5	56.0%
Bugis Junction Towers	159.0	160.0	159.5	25.3%
Total	637.0	624.4	630.7	100%

2.5.6 Selected Financial Information on a Pro Forma Basis

The following is an extract from the Introductory Document. Statements in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out in the Introductory Document and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any person, nor that these results will be achieved or are likely to be achieved. Readers of this Circular and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this Circular. **Readers of this Circular and all prospective investors in the Units should read the Introductory Document as a whole.**

Number of Units to be issued as at the date of the Distribution <i>In Specie</i>	240,508,000
Aggregate appraised value of the Properties as at 24 November 2005, based on the average of the valuations of the two independent valuations done by Colliers International (commissioned by the Company) and DTZ (commissioned by the Trustee) as at 24 November 2005	S\$630,700,000
Total Unitholders' funds as at the date of the Distribution <i>In Specie</i>	S\$438,590,000
Net asset value per Unit as at the date of the Distribution <i>In Specie</i>	S\$1.82*

* implied value of a Unit after taking into account expenses relating to the establishment of K-REIT Asia and the issue of the Units.

2.5.7 Forecast Profit and Loss Information

The table below sets out an excerpt of K-REIT Asia's forecast profit and loss for the period from 1 January 2006 to 31 December 2006:–

	Forecast Period (S\$'000)
Property Income	31,583
Net Property Income	22,062
Net Profit Before Tax	9,506
Net effect of non-tax deductible/chargeable items ⁽¹⁾	3,664
Taxable Income available for distribution to Unitholders	13,170
Distribution to Unitholders based on payout of 100% of Taxable Income	13,170
Number of Units in issue ⁽²⁾ ('000)	242,605
Distribution per Unit ⁽³⁾ (cents)	5.43

Notes:

- (1) These include Manager's management fees paid in the form of Units, amortisation of upfront borrowing expenses and other expenses which are not tax deductible for tax purposes.
- (2) The number of Units in issue includes the number of Units issued in payment of the Manager's management fee for the Forecast Period (notwithstanding that certain of these Units will be issued in FY2007) using a value per Unit equivalent to the pro forma net asset value as at 30 September 2005 (see "Assumptions (IV) — Manager's Management Fee" in the section "Profit Forecast" of the Introductory Document).
- (3) The Distribution per Unit has been computed for the Forecast Period. However, since the Units will only be issued pursuant to Completion, the actual Distribution per Unit will differ as Unitholders will only be entitled to Distribution per Unit arising from operations from the date of Distribution *In Specie* to 31 December 2006.

The summary forecast profit and loss information set out above is not based on historical facts and may be forward-looking. Such information is based on assumptions and is subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast.

Details on the assumptions used by the Manager in preparation of the summary forecast profit and loss information can be found in the section “Profit Forecast” of the Introductory Document.

The forecast distribution of 5.43 cents per Unit is in respect of the period from 1 January 2006 to 31 December 2006. The actual amount distributed will be adjusted based upon the actual performance of K-REIT Asia in that period, as well as the number of days from the effective date of the Distribution *In Specie* to 31 December 2006.

2.5.8 Listing on the Main Board of the SGX-ST.

Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST for all the Units in K-REIT Asia. Such permission will be granted when K-REIT Asia has been admitted to the Official List of the SGX-ST. K-REIT Asia has received a letter of eligibility dated 14 March 2006 from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Introduction, K-REIT Asia, the Manager or the Units.

2.5.9 Illustrative Market Prices

As the Units will be distributed to Shareholders by way of the Distribution *In Specie*, there will be no subscription price and no price discovery in respect of the likely market price of a Unit prior to the commencement of trading of the Units on the SGX-ST on the Listing Date. In this regard, the Introduction is unlike a conventional initial public offering of securities. The price at which the Units will trade when trading commences on the SGX-ST will be determined by the market, which is likely to take into account K-REIT Asia's forecast distribution income and the yields offered by comparable alternative investments.

The Introductory Document incorporates a table on page 31 which provides an illustrative market price range of a Unit and its corresponding distribution yield. **The illustrative market prices stated in that table are calculated based upon the forecast yields for the Forecast Period. In no circumstances should the inclusion of such an illustrative market price range be regarded as a representation, warranty or prediction with respect to the market price of the Units upon or following their listing on the SGX-ST.**

2.5.10 Powers of the Manager and Trustee

The Manager has general power of management over the assets of K-REIT Asia. The Manager's main responsibility is to manage K-REIT Asia's assets and liabilities for the benefit of Unitholders. The Manager also sets the strategic direction of K-REIT Asia and makes recommendations to the Trustee on the acquisition, divestment or enhancement of assets of K-REIT Asia in accordance with its stated investment strategy.

The Trustee is RBC Dexia Trust Services Singapore Limited. The Trustee's powers and duties include:

- (a) acting as trustee of K-REIT Asia and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of K-REIT Asia with a related party of the Manager or K-REIT Asia are

conducted on normal commercial terms, are not prejudicial to the interests of K-REIT Asia and the Unitholders, and in accordance with all applicable requirements of the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question;

- (b) holding the assets of K-REIT Asia on trust for the benefit of the Unitholders; and
- (c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of K-REIT Asia.

Further details on the Manager's and Trustee's powers and duties can be found in the sections "The Manager and Corporate Governance" and "The Formation and Structure of K-REIT Asia", respectively, of the Introductory Document.

2.6 No Payment Required

Shareholders should note that they will not be required to pay for any Units received pursuant to the Distribution *In Specie*.

2.7 Conditions

The completion of the Distribution *In Specie* is conditional upon, inter alia:–

- (a) the passing of ordinary resolutions of the Company by Shareholders to approve the *Distribution In Specie* and the Interested Party Agreements at an EGM of the Company to be convened; and
- (b) such other regulatory or other approvals as may be required or advisable and the same remaining in force.

Subject to the above conditions being satisfied, it is expected that the Securities Accounts of Shareholders who are Depositors will be credited with Units on or about 27 April 2006. Shareholders who are not Depositors will be credited with Units on or about 27 April 2006 by the entry of their names on the Register of Unitholders to be maintained by the Trustee. Please refer to "Shareholders' Entitlement to the Units" on pages 24 to 26 of this Circular for further details.

2.8 Shareholders' Entitlement to the Units

2.8.1 Notice of Books Closure Date

Notice is hereby given that the Books Closure Date for the Distribution *In Specie* is 18 April 2006 at 5.00 p.m.

2.8.2 Entitlement

Pursuant to the Distribution *In Specie*, Shareholders will receive one (1) Unit for every five (5) Keppel Land Shares held as at the Books Closure Date, with any fraction of a Unit arising from the Distribution *In Specie* to be disregarded. For example, for every 1,000 Keppel Land Shares held by the Shareholders as at the Books Closure Date, each Shareholder will receive 200 Units.

2.8.3 Shareholders (being Depositors) whose Keppel Land Shares are deposited with CDP

In the case of Shareholders (being Depositors), entitlements to the Units will be determined on the basis of the number of Keppel Land Shares standing to the credit of their respective Securities Accounts as at 5.00 p.m. on the Books Closure Date.

Shareholders (being Depositors) are requested to take the necessary action to ensure that the Keppel Land Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Books Closure Date.

Following the Books Closure Date, CDP will credit their Securities Accounts with the relevant number of Units and will send each such Depositor a notification letter confirming the number of Units that has been credited to its Securities Account.

2.8.4 Scrip-based Shareholders whose Keppel Land Shares are not deposited with CDP

In the case of Scrip-based Shareholders, entitlements to the Units will be determined on the basis of their holdings of Keppel Land Shares appearing in the Register of Members of Keppel Land as at the Books Closure Date.

Scrip-based Shareholders who have not already done so, are requested to take the necessary action to ensure that the Keppel Land Shares owned by them are registered in their names or in the names of their nominees by the Books Closure Date.

Scrip-based Shareholders should note that they will not be able to trade in such Units on the SGX-ST unless they open Securities Accounts with CDP for such Units to be held by CDP and recorded as such in the Register of Unitholders maintained by the Unit Registrar and Unit Transfer Office. Scrip-based Shareholders are therefore encouraged to open Securities Accounts with the CDP.

Scrip-based Shareholders who wish to trade their Units on the SGX-ST on or immediately after the Listing should deposit with CDP their physical share certificates of Keppel Land together with the duly executed instruments of transfer in favour of CDP no later than 5.00 p.m. on the date which is 12 Market Days prior to the Books Closure Date, so as to enable CDP to credit their Securities Accounts with Keppel Land Shares and thereafter, for CDP to credit their Securities Accounts with the Units.

In the case of Scrip-based Shareholders who have not opened their Securities Account with CDP, the Unit Registrar and Unit Transfer Office will send each of such scrip-based Shareholder a notification letter confirming the number of Units he is entitled to and his entitlements shall be recorded in the Register of Unitholders. The entries in the Register of Unitholders shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each such Scrip-based Shareholder, and which shall be kept by the Unit Registrar and Unit Transfer Office on behalf of the Scrip-based Shareholder pending further instructions from them.

2.8.5 CPF Funded Shareholders

In the case of Shareholders who have purchased Keppel Land Shares using their CPF funds, entitlements to the Units will be determined on the basis of the number of Keppel Land Shares standing to the credit of their respective CPF Investment Accounts ("CPFIA") as at the Books Closure Date. Following the Books Closure Date, CDP will credit the CPF securities sub-accounts of the CPF approved nominees of such Shareholders with the relevant number of Units and these CPF approved nominees will update their records accordingly.

2.8.6 Overseas Shareholders

The distribution of this Circular may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Where the Directors are of the view that the distribution of the Units to any Overseas Shareholders may infringe any relevant foreign law or necessitate compliance with conditions or requirements which they regard as onerous by reasons of costs, delay or otherwise, the Units which such Overseas Shareholders would have been entitled to pursuant to the Distribution *In Specie* will not be transferred to such Overseas Shareholders.

2.8.7 Sale of Units on behalf of Overseas Shareholders who may not be entitled to receive Units

In the case of Overseas Shareholders who may not be entitled to receive Units pursuant to paragraph 2.8.6 above, their Units will be transferred to nominee(s) appointed by Keppel Land, who shall sell the Units at prices prevalent at time of sale, and thereafter, distribute the aggregate amount of the net proceeds, after deducting all dealing and other expenses in connection therewith, in accordance with their respective entitlements to the Units as at the Books Closure Date in full satisfaction of their rights to the Units to which they would otherwise have become entitled under the Distribution *In Specie*.

Such sales will, however, only be effected if the Company, in its absolute discretion, determines, after taking into account expenses to be incurred in relation thereto.

Where the net proceeds to which any particular Overseas Shareholder is entitled shall be less than S\$10.00, such net proceeds shall be retained for the benefit of Keppel Land, and no Overseas Shareholder shall have any claim whatsoever against CDP or Keppel Land in connection therewith.

2.9 **Odd-Lot Trading**

The Units will be traded in board lots of 1,000 units. However, a temporary odd-lot counter will be set up for one calendar month from the date for commencement of trading of Units on the SGX-ST (“**Concession Period**”) to allow trading in board lots of 100 Units. Units are expected to commence trading on or about 28 April 2006.

To provide Unitholders a more economical avenue to trade and/or round up their odd lots of Units, the Company has arranged for DBS Vickers Securities (Singapore) Pte Ltd to offer concessionary brokerage rates for the trading in the Units during the Concession Period. The minimum brokerage fee payable by those who trade on the temporary odd-lot counter during the Concession Period through DBS Vickers Securities (Singapore) Pte Ltd will be S\$20.00 per contract (the “Concessionary Rate”), instead of the usual S\$40.00. The Concessionary Rate shall only apply to trades in odd-lots of the Units where each trade does not exceed 999 Units. After the Concession Period, Unitholders can trade in odd lots of the Units in the SGX-ST’s Unit Share Market which allows trading of odd lots with a minimum of one Unit.

For trades in board lots of 1,000 Units, the usual brokerage fee applies.

2.10 **Confirmation and Undertakings by Keppel Land**

Shareholders should note that by voting in favour of the Distribution *In Specie*, they are deemed to have specifically approved the following:

- (i) the confirmation by the Company, as described in the section “The Manager and Corporate Governance — Conflicts Resolution” of the Introductory Document, that, together with its wholly-owned subsidiaries, it will not invest (other than in situations of co-investment with third parties) in any completed commercial office property which is income-producing for the sole purpose of long term investment holding and which is

suitable for investment by a real estate investment trust by reference to the stated investment strategy of K-REIT Asia as notified by the Manager to the Company from time to time so long as the Manager acts as manager of K-REIT Asia or the Company and/or any one or more of its subsidiaries have interest of at least 50% in the Manager;

- (ii) the undertaking by Keppel Land to K-REIT Asia as described in the section “The Manager and Corporate Governance — Conflicts Resolution” of the Introductory Document to the effect that (a) if any completed investment property used or predominantly used for commercial purposes and which is income-producing (a “Targeted Property”) is identified by Keppel Land as being suitable for acquisition by K-REIT Asia (other than in situations of co-investment with third parties), Keppel Land shall, upon certain conditions being met, promptly give to K-REIT Asia all information relating to the Targeted Property that is in its possession, and that (b) a new undertaking shall be given to K-REIT Asia on the same terms as set out above whenever it comes to hold a majority interest of at least 50% in the Manager, after having ceased to have such a majority interest;
- (iii) the undertaking by the Company to K-REIT Asia as described in the section “Ownership of the Units — Moratorium Agreements” of the Introductory Document, that Keppel Land Group will not sell, transfer or otherwise dispose of the Units held by Keppel Land as at the Listing Date, or any part thereof, for a period of 12 months commencing from the Listing Date and that the Company will not sell, offer, transfer or otherwise dispose of, directly or indirectly, any shares in the share capital of the wholly-owned subsidiaries (to which such Units have been transferred to), or any securities convertible into, or exchangeable for, shares in the share capital of such subsidiaries for a period of 12 months commencing from the Listing Date or until such subsidiary ceases to hold any Units, whichever is the earlier.

3. INTERESTED PARTY AGREEMENTS IN RELATION TO K-REIT ASIA

3.1 Rationale for Seeking Approval

The Interested Party Agreements are entered into between the Trustee (on behalf of K-REIT Asia) on the one hand and the Keppel Land Group and Kephinance Investment Pte Ltd (a wholly-owned subsidiary of KCL) on the other. Good governance requires that such transactions be approved by non-interested Unitholders. The resolution to approve the Interested Party Agreements will be voted upon by the Shareholders of the Company other than the KCL Group, which will be the non-interested Unitholders of K-REIT Asia at the point of listing upon completion of the Introduction.

3.2 Interested Party Agreements In Connection With the Setting Up of K-REIT Asia

The Trustee, on behalf of K-REIT Asia, has entered into a number of agreements with the Manager and certain Interested Parties of the Manager in connection with the setting up of K-REIT Asia (further details can be found in the section “The Manager and Corporate Governance — Interested Party Transactions In Connection with the Setting Up of K-REIT Asia” of the Introductory Document). These Interested Party Agreements are as follows:

- (a) The Trustee has entered into the Trust Deed with the Manager.

The Manager is entitled to the following management fees:

- (i) a Base Fee of 0.5% per annum of the value of the Deposited Property, payable quarterly in arrears; and
- (ii) an annual Performance Fee of 3.0% per annum of K-REIT Asia’s Net Property Income before the Manager’s Management Fee and non-operating income and expenses, also payable quarterly in arrears.

To further enhance the stability of K-REIT Asia's distributions, the Manager has agreed to receive 100 per cent of its Management Fee in respect of the period from the date of the Distribution *In Specie* to 31 December 2007 in the form of Units and thereafter in the form of cash and/or Units (as the Manager may elect).

When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of its Management fees attributable to such period at an issue price equal to the market price. For this purpose, "market price" means the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days preceding the last day of the relevant period in which the Manager's management fees accrues or, if the Manager believes that the foregoing calculation does not provide a fair reflection of the market price of a Unit, means an amount as determined by the Manager (after consultation with a stockbroker approved by the Trustee), and as approved by the Trustee, as being the fair market price.

Units issued to the Manager in payment of the Manager's Management Fee are equally entitled to distribution as with all other Units. Subject to the Manager not dealing in the Units during certain specified periods (see section "Corporate Governance of the Manager" of the Introductory Document), the Manager may, at its option, sell any such Units issued and is entitled to keep any of the gains made on such sale for its own account.

Any increase in the rate or any change in the structure of the Manager's Management Fee must be approved by an extraordinary resolution of Unitholders passed at a Unitholders' meeting duly convened under the provisions of the Trust Deed.

The Manager is also entitled to:

- an acquisition fee of 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price of the Authorised Investment acquired (whether directly or indirectly and pro-rated, if applicable, to the proportion of K-REIT Asia's interest in the Authorised Investment acquired). However, no acquisition fee is payable for the acquisition of the Properties; and
- a divestment fee of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price of the Authorised Investment divested (whether directly or indirectly and pro-rated, if applicable, to the proportion of K-REIT Asia's interest in the Authorised Investment divested).

In respect of any acquisition and sale or divestment of Authorised Investments from/to interested parties (as defined in the Property Funds Guidelines), such acquisition fee and divestment fee shall be in the form of Units. The number of Units to be issued to the Manager shall be calculated based on the prevailing market price and shall not be sold by the Manager within one year from the date of issuance.

Any increase in the maximum permitted level of the acquisition fee or divestment fee must be approved by an extraordinary resolution of Unitholders passed at a Unitholder's meeting duly convened under the provisions of the Trust Deed.

Further terms of the Trust Deed are generally described in "The Formation and Structure of K-REIT Asia" of the Introductory Document.

- (b) The Trustee has entered into the Put and Call Option Agreements with wholly-owned subsidiaries of the Company for the acquisition of each of Prudential Towers Property, Keppel Towers and GE Tower, and Bugis Junction Towers.

The principal terms of the Put and Call Option Agreements are summarised below:

- (i) Under each of the Put and Call Option Agreements, the Trustee was granted a call option, and the respective vendor under the Put and Call Option Agreements (KLTD, MRL or BCH, as the case may be, the "Vendor") was granted a put option which, if exercised by the respective parties in accordance with the respective Put and Call Option Agreements, shall constitute a contract for the sale and purchase of the respective Property between the Vendor and the Trustee, on the date of service of the duly signed and dated call option notice or put option notice, as the case may be, as provided in the Put and Call Option Agreements;
- (ii) The option exercise period under each Put and Call Option Agreement is 7 days, commencing after the date on which all the relevant conditions precedent under the Put and Call Option Agreements are fulfilled or such earlier date as the parties may mutually agree to in writing;
- (iii) Upon service of either the duly signed and dated call option notice, or the put option notice, the Vendor or the Trustee, respectively, shall be deemed to have entered into a sale and purchase agreement for the Property, the terms of such sale or purchase of the Property under the purchase agreement will be on the purchase conditions as set out in the respective Put and Call Option Agreements; and
- (iv) The date of the purchase agreement shall be the same date that the put or call option is exercised (which shall be the same date as the date of delivery by the party who exercised the put or call option of the duly signed and dated put or call option notice) and the parties are deemed to have entered into the purchase agreement in accordance with the respective Put and Call Option Agreements.

The principal purchase conditions for the sale and purchase of the Properties as set out in the Put and Call Option Agreements are summarised below:

- (i) The consideration for the sale and purchase of the Properties is payable by the issue of Units and cash, such consideration to be paid as directed by the Vendor or the Vendor's solicitors which shall constitute a full discharge of the payment obligations by the Trustee to the Vendors.
 - (a) The consideration for the purchase of the Prudential Tower Property is S\$117.7 million payable by the issue of units in K-REIT Asia. The Trustee shall pay the purchase price by way of 64,316,940 Units to KLTD on completion of the acquisition of the Prudential Tower Property;
 - (b) The consideration for the purchase of Keppel Towers and GE Tower is S\$353.5 million. The Trustee shall pay the purchase price by way of 89,032,590 Units and S\$190,570,360 in cash to MRL on completion of the acquisition of Keppel Towers and GE Tower; and
 - (c) The consideration for the purchase of Bugis Junction Towers is S\$159.5 million payable by the issue of units in K-REIT Asia. The Trustee shall pay the purchase price by way of 87,158,470 Units to BCH on completion of the acquisition of Bugis Junction Towers.
- (ii) The Properties are sold on an "as is where is" basis.
- (iii) The Properties are sold subject to and with the benefit of all existing tenancies and licence agreements as from the date of Completion.

The parties agree that completion of the sale and purchase of each of the Properties shall take place on the same date and time as the completion of the sale of the other two Properties to the Trustee.

- (c) The Trustee and the Manager have entered into a property management agreement with K-REIT Asia Property Management Pte Ltd, the property manager of K-REIT Asia, for the operation, maintenance, management and marketing of the Properties and such other properties as may be acquired by the Trustee from time to time as trustee of K-REIT Asia.

Under the Property Management Agreement, for property management services rendered by the Property Manager, the Trustee will pay the Property Manager for each property a property management fee of 3.0% per annum of the Property Income of that property under the Property Manager, payable by monthly instalments in arrears.

Under the Property Management Agreement, the Property Manager is entitled to receive leasing commission at the rates set out as follows:

- (a) one month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of two years or more;
- (b) one-half month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of less than two years but at least a year and a proportionate part thereof; and
- (c) one-quarter month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a renewal of tenancy or licence of a year or more and a proportionate part thereof for securing a renewal of a tenancy or licence of less than a year.

If the tenancy, licence, renewal of tenancy or licence is secured by a third party agent appointed by the Trustee, upon the recommendation of the Manager, the Property Manager will not be entitled to a commission for such tenancy, licence, renewal of tenancy or licence if such third party agent's commission equals to or exceeds the relevant commission payable to the Property Manager, in which case, such third party agent's commission shall be fully paid by the Trustee. If such third party agent's commission is less than the commission payable to the Property Manager, the Property Manager shall be entitled to receive from the Trustee its commission, and in turn the Property Manager will be liable for payment of such third party agent's commission.

Save as disclosed in this Circular, the Trustee has and will not enter into any other material transactions with the Manager or any Interested Party of the Manager in connection with the setting up of K-REIT Asia.

3.3 Other Interested Party Agreements

- (a) Bridging Loan from Kephinance Investment Pte Ltd

The Trustee has entered into a bridging loan agreement (the "Bridging Loan Agreement") dated 17 March 2006 with Kephinance Investment Pte Ltd, a wholly-owned subsidiary of KCL, pursuant to which Kephinance Investment Pte Ltd has agreed to provide an unsecured bridging loan facility of up to nine months for an amount of up to S\$200 million (the "Bridging Loan"). The purpose of this Bridging Loan is to fund the purchase of the Properties and to provide initial working capital if so required. K-REIT Asia will put in place facilities comprising a 5-year term loan facility and a revolving credit facility for an aggregate amount of up to S\$200 million. The Bridging Loan will be made available in one lump sum to K-REIT Asia on the completion date of acquisition of the Properties by K-REIT Asia if such facilities are not put in place yet. Kephinance Investment Pte Ltd is entitled to charge interest on the principal amount under the Bridging Loan at a rate per annum equal to a margin of 0.4% per annum over SGD Swap Offer Rate (as defined in the Bridging Loan Agreement). The Bridging Loan shall be repaid in full once the

commercial mortgage-backed securities notes issued by Blossom Assets Ltd (as further described in the Introductory Document) is put in place.

(b) Leases of #06-01, #06-06/10, 14th and 15th Floor of Bugis Junction Towers

The office premises at #06-01, #06-06/10, whole of the 14th and 15th floors of Bugis Junction Towers, with a floor area of approximately 4,591 square metres, are leased to Keppel Land International Limited, a wholly-owned subsidiary of Keppel Land for a term of fourteen years as follows:

- (i) a first lease term of seven years less one day from 16 September 1995 to 14 September 2002;
- (ii) a second lease term of four years from 16 September 2002 to 15 September 2006; and
- (iii) a third lease term of three years less one day commencing immediately upon the expiry of the second lease term in (ii) above.

The rent chargeable for the third lease term shall be the prevailing market rent of the premises (excluding tenant's contribution) subject to a 15% discount which is the same as the second lease term. The discount was granted by the shareholders of Bugis City Holdings Pte Ltd in 1994 in recognition of Keppel Land International Limited being the only major tenant committed to a long fourteen years lease before the completion of the Bugis Junction Towers building.

Keppel Land International Limited shall have the option to terminate the third lease term in the event the amount of rent payable under the third lease term exceeds twice the amount payable under the second term by giving four months written notice.

3.4 Shareholders' Approval of the Interested Party Agreements in relation to K-REIT Asia

The fees and charges payable by K-REIT Asia under each of the Trust Deed, the Put and Call Option Agreements, the Property Management Agreement, the lease agreement for 6th, 14th and 15th floor of Bugis Junction Towers, and the Bridging Loan Agreement and the terms of the Interested Party Agreements are subject to the approval of Shareholders at the EGM.

If these Interested Party Agreements are approved by Shareholders, they will not be subject to Rules 905 and 906 of the Listing Manual insofar as, in respect of each such agreement, there are no subsequent change to the rates and/or basis of the fees charged thereunder which will adversely affect K-REIT Asia. In the event that a renewal of any such Interested Party Agreements is required, the renewal will be subject to Rules 905 and 906 of the Listing Manual.

Shareholders should note that the passing of the resolution seeking Shareholders' approval for the Distribution *In Specie* and the passing of the resolution seeking Shareholders' approval for the Interested Party Agreements in relation to K-REIT Asia are dependent and conditional on each other.

4. FINANCIAL EFFECTS OF THE PROPOSED DISTRIBUTION *IN SPECIE*

4.1 Basis of Calculation

The pro forma financial effects of the Distribution *In Specie* on selected financial measures and ratios of Keppel Land are set out below and have been computed using the latest unaudited consolidated figures of Keppel Land Group as announced on 25 January 2006 on the basis that the Distribution *In Specie* are accounted for in the Keppel Land Group's accounts at net book value:

- (a) for the purposes of the balance sheet, on **31 December 2005**, being the date to which the latest full-year unaudited accounts of the Keppel Land Group were made up; and
- (b) for the purposes of the profit and loss accounts, on **1 January 2005**, being the start of the latest unaudited financial year.

The Distribution *In Specie* will be made at the pro forma net book value (being the net asset value) of K-REIT Asia of approximately S\$440.1 million as at 30 September 2005, which translates into an implied value of approximately S\$1.83 per Unit (before taking into account expenses relating to the establishment of K-REIT Asia and the issue of the Units). Accordingly, the distribution value per Share is approximately 36.6 cents (on the basis of one (1) Unit for five (5) Keppel Land Shares) and this distribution value will be split between Section 44A franked dividends and 1-tier tax exempt dividend in the following proportion:

- Net dividend (Section 44A franked dividends) of approximately 29.5 cents per Share (gross dividend of approximately 36.9 cents per Share less 20% tax); and
- 1-tier tax exempt dividends of approximately 7.1 cents per Share.

As these financial effects, which are based on the Company's latest unaudited consolidated financial results for FY2005, are presented for illustration purposes only, they will not reflect the future financial position of Keppel Land Group following the Distribution *In Specie* in 2006.

4.2 Share Capital

There will be no impact on the share capital of the Company as a result of the proposed Distribution *In Specie*.

4.3 Return on Equity

	Unaudited FY2005	Pro forma after Distribution <i>In Specie</i>
Earnings (\$'000)	155,709	155,211
Average Shareholders' funds (\$'000)	1,642,869	1,510,858
Return on equity (%)	9.5	10.3

4.4 Earnings per Share

	Unaudited FY2005	Pro forma after Distribution <i>In Specie</i>
Earnings (\$'000)	155,709	155,211
Weighted average of issued and paid-up shares in year 2005 ('000)	713,456	713,456
Earnings per Share (cents)	21.8	21.8

4.5 Net Tangible Asset per Share

	Unaudited FY2005	Pro forma after Distribution <i>In Specie</i>
NTA (\$'000)	1,678,932	1,414,909
Number of issued and paid-up shares ('000)	715,153	715,153
NTA per Share (\$)	2.35	1.98

4.6 Net Gearing

	Unaudited FY2005	Pro forma after Distribution <i>In Specie</i>
Net borrowings (\$'000)	2,234,519	2,051,249
Capital employed (\$'000)	1,959,509	1,695,486
Net gearing (%)	114	121

5. TAXATION

5.1 Section 44A Franked Dividend

Prior to 1 January 2003, Singapore operated on a tax imputation system of corporate taxation. The imputation system continues to apply to a limited extent between 1 January 2003 and 31 December 2007, pursuant to the transitional rules for the new one-tier corporate tax system. As Keppel Land has unutilised Section 44A dividend franking credits as at 31 December 2002, Keppel Land remains on the imputation system for the purpose of paying franked dividends. Under the imputation system, the tax paid by Keppel Land at the corporate tax rate is deemed to be paid on behalf of its Shareholders when the income is distributed as dividends.

The Distribution *In Specie*, which is in the form of Units, will be treated in part as a franked dividend paid by Keppel Land to its Shareholders. For this purpose, the amount of net franked dividend paid to Entitled Shareholders has been determined to be approximately 29.5 cents (net) per share (gross franked dividend at approximately 36.9 cents per Share). Entitled Shareholders receiving the distribution will be taxed on the gross amount of the franked dividend which is computed by grossing up the net franked dividend at the corporate tax rate of 20% (subject to there being no change in the corporate tax rate for the Year of Assessment 2007). Entitled Shareholders will receive a tax credit of approximately 7.4 cents per Share for the corporate tax paid on the franked dividend. The tax credit will be available to Entitled Shareholders for set-off against their Singapore income tax liabilities.

5.2 1-Tier Tax Exempt Dividend

Keppel Land will move into the new one-tier corporate tax system immediately after the payment of the franked dividends. For this purpose, Entitled Shareholders will receive in part, dividend paid in the form of 1-tier tax exempt dividends which has been determined to be approximately 7.1 cents per Share. This dividend is exempt from tax in the hands of the Entitled Shareholders.

5.3 Tax Implications on Shareholders

Shareholders should note that the foregoing statements are of a general nature only and are not to be regarded as tax advice or a complete or comprehensive analysis of all tax implications for any Shareholder in Singapore or in other jurisdiction, or on any of the tax implication(s) arising from the distribution for the ownership and subsequent disposal of Keppel Land Shares or Units in K-REIT Asia. The foregoing statements do not purport to deal with the tax consequences applicable to all categories of Shareholders and are based on Singapore tax laws in effect and on administrative and judicial interpretations of these tax laws as of the Latest Practicable Date, all of which are subject to change and any such changes may take effect retrospectively. If any Shareholder is in doubt as to his personal tax position in Singapore or in other jurisdictions, or any of the tax implications arising from the distribution, he should consult his own professional advisers. It is emphasised that neither Keppel Land, the Directors, nor any of the other parties involved in the distribution accepts responsibility for any tax effect or liabilities resulting from the distribution.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors and Substantial Shareholders of the Company has any interest, direct or indirect, in the proposed Distribution *In Specie*, save in respect of their shareholdings (if any) in the Company.

7. STATEMENT BY THE AUDIT COMMITTEE OF THE MANAGER

The resolution to approve the Interested Party Agreements will be voted upon by Shareholders other than KCL, such Shareholders being the non-interested Unitholders in relation to the Interested Party Agreements.

The audit committee of the Manager comprises Dr Chin Wei-Li, Audrey Marie, Mr Lim Poh Chuan and Mr Kevin Wong Kingcheung. Mr Kevin Wong Kingcheung, being a director of both the Manager and the Company shall abstain from making any recommendation on the Interested Party Agreements. The remaining members of the audit committee of the Manager, Dr Chin Wei-Li, Audrey Marie and Mr Lim Poh Chuan, having reviewed the terms of the Interested Party Agreements as set out in this Circular and the Introductory Document, are of the view that the Interested Party Agreements are on normal commercial terms and are not prejudicial to the interests of K-REIT Asia and the Unitholders.

8. DIRECTORS' RECOMMENDATION

8.1 Distribution *In Specie*

The Directors, having considered the terms and the rationale for the proposed Distribution *In Specie*, are of the opinion that the Distribution *In Specie* is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **vote in favour** of the ordinary resolution relating to the Distribution *In Specie* as set out in the Notice of EGM on pages 39 and 40 of this Circular.

8.2 Interested Party Agreements

As K-REIT Asia is entering into the Interested Party Agreements with various members of the Keppel Land Group and the KCL Group, the Directors shall abstain from making any recommendation to Shareholders in relation to the ordinary resolution for the purpose of approving the Interested Party Agreements as set out in the Notice of EGM on pages 39 and 40 of this Circular.

9. VOTING BY KEPPEL CORPORATION LIMITED

As at the Latest Practicable Date, KCL is a majority shareholder of the Company.

(a) Resolution relating to the Distribution *In Specie*

KCL has given an irrevocable undertaking to the Company to vote, or procure the voting of, all the Keppel Land Shares in which it has a beneficial interest, as reflected in the Depository Register and/or the Register of Members of the Company 48 hours before the EGM, in favour of the ordinary resolution as set out in the Notice of the EGM with respect to the Distribution *In Specie*.

(b) Resolution relating to the Interested Party Agreements

KCL shall abstain from voting on the ordinary resolution with respect to the Interested Party Agreements and should not accept nominations as proxies or otherwise for voting at the EGM in respect of the said ordinary resolution.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice (the "Notice") of which is set out on pages 39 and 40 of this Circular, will be held at InterContinental Singapore, Ballrooms 1 and 2 (Level 2), 80 Middle Road, Singapore 188966 on 11 April 2006 at 4.00 p.m. for the purposes of considering and, if thought fit, passing with or without any modification, the resolutions set out in the Notice.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Keppel Land Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

You will find enclosed with this Circular the Notice and a Proxy Form.

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf 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 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024, not later than 48 hours before the time fixed for the EGM. Completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy.

CPFIA Investors may wish to check with their CPF Agent Banks on the procedure and deadline for the submission of their written instructions to their CPF Agent Banks to vote on their behalf.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and that there are no material facts the omission of which would make any statement in this Circular misleading in any material respect.

Where information has been extracted or reproduced from published or otherwise publicly available sources, 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.

13. DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD'S RESPONSIBILITY STATEMENT

Deloitte & Touche Corporate Finance Pte Ltd acknowledges that, to the best of its knowledge and belief, the Circular constitutes full and true disclosure of all the material facts relating to the Distribution *In Specie* and the Interested Party Agreements and it is not aware of any other facts, the omission of which would make any statements herein misleading.

14. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the Appendix to this Circular.

Yours faithfully
For and on behalf of
the Board of Directors of
Keppel Land Limited

Lim Chee Onn

ADDITIONAL INFORMATION

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company had an issued and paid-up share capital of S\$1,178,520,676 comprising 716,394,581 Keppel Land Shares.

2. DISCLOSURE OF INTERESTS

2.1 Directors

The interests of the Directors in the Keppel Land Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Name of Director	— Direct Interest —		— Indirect Interest —		Number of Keppel Land Shares comprised in outstanding Keppel Land Options granted by the Company
	No. of Issued Keppel Land Shares	%	No. of Issued Keppel Land Shares	%	
Lim Chee Onn	—	—	—	—	—
Kevin Wong Kingcheung	889,400	0.12	—	—	650,000
Khor Poh Hwa	—	—	—	—	—
Lim Ho Kee	150,000	0.02	—	—	—
Tsui Kai Chong	—	—	—	—	—
Lee Ai Ming	—	—	—	—	—
Tan Yam Pin	—	—	—	—	—
Niam Chiang Meng	—	—	—	—	—
Heng Chiang Meng	—	—	—	—	—
Choo Chiau Beng	—	—	—	—	—
Teo Soon Hoe	—	—	—	—	—

Save as disclosed above, none of the Directors has any interest, direct or indirect in the proposed Distribution *In Specie* (other than by reason only of their having an interest in Keppel Land Shares).

2.2 Substantial Shareholders

The interests of the Substantial Shareholders in the Keppel Land Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Name of Substantial Shareholder	— Direct Interest —		— Indirect Interest —		— Total Interest —	
	No. of Issued Keppel Land Shares	%	No. of Issued Keppel Land Shares	%	No. of Issued Keppel Land Shares	%
Temasek Holdings (Private) Limited	—	—	383,266,733 ⁽¹⁾	53.50	383,266,733	53.50
KCL	379,697,733	53.00	—	—	379,697,733	53.00

Note:

(1) Indirect interests arise from Temasek Holdings (Private) Limited's shareholdings in KCL.

KCL is also a substantial shareholder of the Manager, by reason of its shareholding in Keppel Land. Temasek Holdings Ltd is also a substantial shareholder of the Manager by reason of its shareholding in KCL and Keppel Land.

Save as disclosed above, none of the Substantial Shareholders has any interest, direct or indirect in the proposed Distribution *In Specie* and the Interested Party Agreements (other than by reason only of their having an interest in Keppel Land Shares).

3. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any material litigation, claims or proceedings which, in the opinion of the Directors, might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

4. CONSENTS

Deloitte & Touche Corporate Finance Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and DTZ Debenham Tie Leung (SEA) Pte Ltd have given and have not withdrawn their written consents to the issue of this Circular with the inclusion herein of their names and all references to their names in the form and context in which they appear.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024, during normal office hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the unaudited results of the Company for FY2005;
- (c) the letters of consent from Deloitte & Touche Corporate Finance Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and DTZ Debenham Tie Leung (SEA) Pte Ltd referred to in paragraph 4 above;
- (d) the valuation reports of Colliers International Consultancy & Valuation (Singapore) Pte Ltd and DTZ Debenham Tie Leung (SEA) Pte Ltd dated 24 November 2005 in respect of the Properties; and
- (e) the Interested Party Agreements.

KEPPEL LAND LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 189000001G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Keppel Land Limited (the "Company") will be held at InterContinental Singapore, Ballrooms 1 and 2 (Level 2), 80 Middle Road, Singapore 188966 on 11 April 2006 at 4.00 p.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following Resolutions:

ORDINARY RESOLUTION 1 — DISTRIBUTION *IN SPECIE*

RESOLVED THAT:

- (a) subject to the approval of Ordinary Resolution 2 by shareholders of the Company, the Company do distribute up to S\$264.3 million, comprising up to 144.4 million units in K-REIT Asia (the "Units") by way of a dividend *in specie* in lieu of a cash dividend (the "Distribution *In Specie*") to shareholders of the Company (the "Shareholders") on the basis of one (1) Unit for every five (5) shares in the Company (the "Shares"), free from encumbrances and together with all rights attaching thereto, held as at 5 p.m. on the books closure date to be announced (the "Books Closure Date") Provided always:
- (i) that where the Directors of the Company are of the view that the distribution of Units to any Shareholder whose registered address as recorded in the Register of Members of the Company or in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") on the Books Closure Date is outside Singapore (the "Overseas Shareholders") may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Directors of the Company in their absolute discretion regard as onerous or impracticable by reason of costs, delay or otherwise, such Units shall not be distributed to such Overseas Shareholders, but shall be distributed to such person(s) as the Directors of the Company may appoint for the purposes of sale (on such terms and conditions as the Directors of the Company deem fit), and that the aggregate amount of the proceeds (if any) thereof, after deducting all dealing and other expenses in connection therewith, be distributed proportionately to and among all such Overseas Shareholders according to their respective entitlements to the Units as at the Books Closure Date in full satisfaction of their rights to the Shares, provided that where the amount of such proceeds to be paid to any particular relevant Overseas Shareholder is less than S\$10.00, such amount shall be retained for the benefit of the Company or otherwise dealt with in such manner and on such terms and conditions as the Directors of the Company deem fit and no Overseas Shareholder shall have any claim whatsoever (including in respect of any such sale or the timing thereof) against the Company, and/or CDP in connection therewith; and
- (ii) that in the case of Shareholders whose Shares are not deposited with CDP and whose registered addresses as at Books Closure Date, as recorded in the Register of Members of the Company for the service of notice and documents, are in Singapore ("Scrip-based Shareholders") and who have not opened their Securities Account with CDP, the Unit Registrar and Unit Transfer Office, Lim Associates (Pte) Ltd, will send each of such Scrip-based Shareholder a notification letter confirming the number of Units they are entitled to and their entitlements shall be recorded in the Register of Unitholders, which entries shall be conclusive evidence of the number of Units held by each Scrip-based Shareholder, and Lim Associates (Pte) Ltd shall hold the Units on behalf of these Scrip-based Shareholders pending further instructions from them; and
- (b) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such acts and things, decide all questions and exercise all discretions (including approving, modifying and executing all documents) as they may consider necessary or expedient in connection with the Distribution *In Specie* and/or to give effect to the Distribution.

ORDINARY RESOLUTION 2 — INTERESTED PARTY AGREEMENTS

RESOLVED THAT:

- (a) subject to the approval of Ordinary Resolution 1 by shareholders of the Company, approval be and is hereby given for the following interested party agreements (the “Interested Party Agreements”):
- (i) the trust deed entered into between RBC Dexia Trust Services Singapore Limited and K-REIT Asia Management Limited, the trustee (the “Trustee”) and manager (the “Manager”) of K-REIT Asia, respectively;
 - (ii) the put and call option agreements entered into between the Trustee and each of Keppel Land (Tower D) Pte Ltd, Mansfield Realty Limited and BCH Office Investment Pte Ltd for the acquisition of the approximately 44% interest held in Prudential Tower building (“Prudential Tower”), the 100% interest in Keppel Towers and GE Tower (“Keppel Tower and GE Tower”) and the 100% interest in Bugis Junction Towers (“Bugis Junction Towers”), respectively;
 - (iii) the property management agreement entered into by the Trustee and the Manager with K-REIT Asia Property Management Pte Ltd, as property manager of K-REIT Asia, for the operation, maintenance, management and marketing of Prudential Tower Property, Keppel Towers and GE Tower and Bugis Junction Towers;
 - (iv) the bridging loan agreement entered into between the Trustee and Kephinance Investment Pte Ltd, a wholly-owned subsidiary of Keppel Corporation Limited pursuant to which Kephinance Investment Pte Ltd has agreed to provide a bridging loan facility in an aggregate principal amount of up to S\$200 million to K-REIT Asia; and
 - (v) the leasing of office premises at #06-01, #06-06/10, 14th and 15th Floor of Bugis Junction Towers to Keppel Land International Limited, a wholly-owned subsidiary of the Company for a term of fourteen years as follows:
 - (aa) a first lease term of seven years less one day from 16 September 1995 to 14 September 2002;
 - (bb) a second lease term of four years from 16 September 2002 to 15 September 2006; and
 - (cc) a third lease term of three years less one day commencing immediately upon the expiry of the second lease term in (bb) above;

the rent chargeable for the third lease term shall be the prevailing market rent of the premises (excluding tenant’s contribution) subject to a 15% discount which is the same as the second lease term;

which Interested Party Agreements shall not be subject to Rules 905 and 906 of the Listing Manual insofar as, in respect of each such agreement, there are no subsequent changes to the rates and/or basis of the fees charged thereunder which will adversely affect K-REIT Asia, and in the event that a renewal of such agreements is required, the renewal will be subject to Rules 905 and 906 of the Listing Manual.

By Order Of The Board

Choo Chin Teck
Company Secretary
20 March 2006

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024, not less than 48 hours before the time set for the Meeting.

NOTICE OF BOOKS CLOSURE

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed on 18 April 2006 at 5.00 p.m. for the purposes of determining the entitlements of shareholders of the Company to the distribution of units in K-REIT Asia (the "Units") by way of a dividend *in specie* in lieu of a cash dividend (the "Distribution *In Specie*").

In the case of Scrip-based Shareholders, duly completed registrable transfers and physical share certificates in respect of the Shares in the Company received by the Company Registrar, Kon Choon Kooi Pte Ltd, 47 Hill Street #04-06, Chinese Chamber of Commerce & Industry Building, Singapore 179365 up to the close of business at 5.00 p.m. on 18 April 2006 will be registered to determine shareholders' entitlements to the Distribution *In Specie*.

Scrip-based Shareholders should note that they will not be able to trade in such Units on the SGX-ST unless they open Securities Accounts with The Central Depository (Pte) Limited ("CDP") for such Units to be held by CDP and recorded as such in the Register of Unitholders maintained by the Unit Registrar and Unit Transfer Office.

Scrip-based Shareholders who wish to trade their Units on the SGX-ST on or immediately after the Listing should deposit with CDP their physical share certificates of Keppel Land together with the duly executed instruments of transfer in favour of CDP no later than 5.00 p.m. on the date which is 12 Market Days prior to the Books Closure Date, so as to enable CDP to credit their Securities Accounts with Keppel Land Shares and thereafter, for CDP to credit their Securities Accounts with the Units.

Shareholders whose Securities Accounts with the CDP are credited with Shares in the Company as at 5.00 p.m. on 18 April 2006 will be entitled to the Distribution *In Specie*.

Unless otherwise defined herein, all capitalised terms used in this Notice shall have the same meanings ascribed to them in the Circular.

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KEPPEL LAND LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 189000001G)

IMPORTANT:

1. For investors who have used their CPF monies to buy Keppel Land Limited's shares, this circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM EXTRAORDINARY GENERAL MEETING

*I/We _____ (Name)

of _____ (Address)

being a member/members of Keppel Land Ltd (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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Or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on 11 April 2006, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion, as he/they will on any other matter arising at the meeting.[#]

	To be used on a show of hands		To be used in the event of a poll	
	For*	Against*	Number of Votes For**	Number of Votes Against**
Ordinary Resolutions				
Resolution 1: Distribution <i>In Specie</i>				
Resolution 2: Interested Party Agreements				

If you wish to appoint Mr Lim Chee Onn, Mr Choo Chiau Beng and /or Mr Teo Soon Hoe (being Directors of Keppel Corporation Limited and the Company) as your proxy/proxies for the Meeting, you should give specific instruction in your Proxy Form as to the manner in which your vote is to be cast in respect of Resolution 2.

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2006

Signature(s) or Common Seal of Member(s)

Shares held in:	No. of Shares
(i) Depository Register	
(ii) Register of Members	
Total:	

Important:

Please read the notes overleaf before completing this Proxy Form



NOTES TO PROXY FORM:

1. Please insert the total number of ordinary shares you hold. If you have ordinary shares entered against your name in the Depository Register (as defined in section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register as well as ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of such ordinary shares. If you do not insert any number, this Proxy Form shall be deemed to relate to all the ordinary shares held by you.
2. A member of the Company entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. This Proxy Form must be deposited at the registered office of the Company at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024, not less than 48 hours before the time set for the Extraordinary General Meeting.
5. This Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. A corporation which is a member must execute this Proxy Form either under its seal or under the hand of a director or an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Company shall be entitled to reject this Proxy Form 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 this Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject this Proxy Form if the member, being the appointor, is not shown to have such shares entered against his name in the Depository Register as at 48 hours before the time set for the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. There are no rights of appraisal or similar rights of dissenters.
9. Proxies may be revoked at any time prior to the Extraordinary General Meeting. Proxies are deemed to be revoked if a Shareholder attends and votes at the Extraordinary General Meeting.

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