

ANNOUNCEMENT

WHEELOCK PROPERTIES (SINGAPORE) LIMITED

(Company Registration Number : 197201797H)

PROPOSED CASH DIVIDEND AND RIGHTS ISSUE

1. INTRODUCTION

1.1 The Board of Directors (the "**Directors**") of Wheelock Properties (Singapore) Limited (the "**Company**") wishes to announce the following exercises (the "**Exercises**") to be undertaken by the Company:-

- (a) a proposed special interim cash dividend ("**Cash Dividend**") of S\$2.0625 less tax of 20% (or S\$1.65 net) per ordinary share of S\$1.00 each in the capital of the Company (the "**Share**") in respect of Shares held by the shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined (the "**Books Closure Date**"); and
- (b) a proposed renounceable non-underwritten rights issue (the "**Rights Issue**") of 797,706,584 new Shares (the "**Rights Shares**") at an issue price of S\$0.825 (the "**Issue Price**") for each Rights Share, on the basis of two (2) Rights Shares for one (1) Share held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

1.2 The Company has appointed DBS Bank Ltd as the Manager for the Rights Issue.

2. RATIONALE FOR THE EXERCISES

2.1 Cash Dividend

The purpose of the Cash Dividend is to reward the Shareholders for their loyalty and support to the Company over the years, with a special dividend payout. And, separately, the Shareholders will be given an opportunity to re-invest their Net Cash Dividend (as defined below) by subscribing for the Rights Shares. The Cash Dividend will also allow the Company to pass on its Section 44 tax credits to Shareholders.

2.2 Rights Issue

The purpose of the Rights Issue is to strengthen the capital base of the Company so that it can continue to take advantage of business opportunities as and when they become available. Together with the Cash Dividend, the Rights Issue will in effect transform a substantial amount of the Company's retained earnings into paid up capital of the Company. Although the Rights Issue will not be underwritten, the Company expects the Rights Issue to be fully subscribed and, accordingly, the total shareholders' equity of the Company will remain largely unchanged by the Exercises.

3. **PROPOSED PRINCIPAL TERMS OF THE CASH DIVIDEND AND THE RIGHTS ISSUE**

Cash Dividend and Election Option

- 3.1 Under the terms of the Cash Dividend, all Shareholders as at the Books Closure Date will receive a cash dividend at S\$2.0625 less tax of 20% (or S\$1.65 net per Share). The Cash Dividend is a special interim dividend payable to the Shareholders for the financial year ending 31 March 2006.
- 3.2 Entitled Shareholders (as defined below) will have an option to elect to apply for all or part of the net amount of the Cash Dividend which a Shareholder is entitled to receive based on the Shares held by such Shareholders as at the Books Closure Date (the "**Net Cash Dividend**"), to subscribe for the Rights Shares. For Entitled Shareholders who elect to use all of their Net Cash Dividend to subscribe for the Rights Shares that are provisionally allotted to them, no cash outlay is required. Further details are set out in 3.9 below. For the avoidance of doubt, Foreign Shareholders (as defined below) will not be offered the Rights Shares but will qualify for the Cash Dividend, based on the number of Shares held by them as at the Books Closure Date.
- 3.3 Shareholders whose names appear in the records of The Central Depository (Pte) Limited ("**CDP**") or the Register of Members of the Company, as the case may be, as at the Books Closure Date, will have the cheques for payment of their entitlements to the Net Cash Dividend and, if applicable, less the amount of Net Cash Dividend applied to subscribe for the relevant Rights Shares, despatched to them by ordinary post at their own risk to their respective addresses as they appear in the records of CDP or in the Register of Members of the Company, as the case may be, and in the case where such Shareholders have designated their bank accounts for direct crediting of their dividends and other distributions, will have the payment directly credited by CDP to their designated bank accounts.
- 3.4 For the avoidance of doubt, Entitled Shareholders (as defined below) who have elected to apply for all their Net Cash Dividend towards the subscription of all the Rights Shares provisionally allotted to them will not receive any payment under 3.3.

The Rights Issue

- 3.5 The Rights Issue is proposed to be made on a renounceable basis to Shareholders whose registered address with the Company or CDP, as the case may be, is in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**"). Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Share, preference will be given to Shareholder for rounding of odd lots, and substantial Shareholders and Directors will rank last in priority.

- 3.6 The Issue Price of S\$0.825 for each Rights Share represents a discount of approximately 79.7% to the last transacted price of S\$4.06 per Share on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 11 November 2005, being the last trading day of the Shares on the SGX-ST prior to the date of this announcement. At present, the Issue Price of each Rights Share will be below the par value of the Shares. However, the Company intends to carry out the Rights Issue after the Companies (Amendment) Act 2005 comes into effect. The Companies (Amendment) Act 2005, which is scheduled to take effect on 30 January 2006, introduces various changes to the Companies Act, Cap. 50 including the elimination of the concept of shares in Singapore-incorporated companies having a par or nominal value. Accordingly, the Company will not be prohibited from issuing the Rights Shares at S\$0.825 each when it undertakes the Rights Issue.
- 3.7 The Rights Shares are payable in full upon acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.
- 3.8 Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors, may in their absolute discretion, deem fit for the benefit of the Company.
- 3.9 Entitled Shareholders may elect to subscribe for the Rights Shares using all or part of their Net Cash Dividend. There is no cash outlay from Shareholders if they elect to use all the Net Cash Dividend to which they are entitled in subscribing for the Rights Shares provisionally allotted to them.

For illustrative purposes only, an Entitled Shareholder who holds 1,000 Shares as at the Books Closure Date will be entitled:-

- (a) to the Cash Dividend of S\$1.65 net in respect of each Share, which amounts to S\$1,650 that is receivable by such Shareholder; and
- (b) to accept his provisional allotment of 2,000 Rights Shares at S\$0.825 each, which amounts to S\$1,650 that is payable by such Shareholder; and

such Shareholder may elect to apply the whole of the S\$1,650 to subscribe for his provisional allotment of Rights Shares, in which event he will receive 2,000 Rights Shares and no cash outlay is required from him.

- 3.10 Based on the issued share capital of the Company as at the date of this announcement of 398,853,292 Shares and assuming that there is no change in the issued share capital of the Company as at the Books Closure Date:-
- (a) the aggregate amount of the Net Cash Dividend is approximately S\$658.1 million; and
 - (b) 797,706,584 Rights Shares will be issued.
- 3.11 For practical reasons and in order to avoid any violation of relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").
- 3.12 If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the Circular to Shareholders (the "**Circular**") and the offer information statement ("**Offer Information Statement**") to be issued by the Company in connection with the Rights Issue.
- 3.13 The terms and conditions of the Rights Issue may be subject to such changes as the Directors may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Circular and the Offer Information Statement to be despatched by the Company in due course.

4. IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, the substantial Shareholder of the Company, Star Attraction Limited, (the "**Substantial Shareholder**"), holding an aggregate of 300,751,582 Shares representing approximately 75.40% of the issued share capital of the Company, has irrevocably undertaken to take up its direct entitlements of 601,503,164 Rights Shares under the Rights Issue. In addition, the Substantial Shareholder has also undertaken to make excess application(s) for and/or procure that excess application(s) will be made for any Rights Shares not subscribed for at the close of the Rights Issue after satisfying all applications and excess applications (if any) for the Rights Shares.

5. NO UNDERWRITING

The Rights Issue will not be underwritten as the Company expects that the Rights Issue will be fully subscribed because the Issue Price of S\$0.825 per Rights Share (representing a discount of approximately 79.7% from the last transacted price of S\$4.06 per Share on the SGX-ST on 11 November 2005, being the last trading day of the Shares on the SGX-ST prior to the date of this announcement), is attractive. Accordingly, in the circumstances, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

6. APPROVALS

The Rights Issue are subject to, *inter alia*, the following:-

- (a) the approval-in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST having been obtained;
- (b) the Rights Issue having been approved by Shareholders at an extraordinary general meeting (the “**EGM**”); and
- (c) the lodgment of the Offer Information Statement with the Monetary Authority of Singapore.

An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Rights Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

The Circular containing, *inter alia*, the notice of the EGM and details of the Rights Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the Monetary Authority of Singapore and despatched to the Entitled Shareholders in due course.

By Order of the Board

Pauline Tham
Company Secretary
14 November 2005
Singapore