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DBS GROUP HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199901152M)

Proposed Acquisition of 30% Stake in Marina Bay Financial Centre Tower 3

Introduction

DBS Group Holdings Ltd (**DBS**) announces that it has today agreed to acquire a 30% interest in Marina Bay Financial Centre Tower 3 (**MBFC Tower 3**) from Choicewide Group Limited (**Vendor**), a joint venture of the Hutchison Whampoa and Cheung Kong groups, for an aggregate purchase price of approximately S\$1.035 billion (**Purchase Price**) (the **Acquisition**).

MBFC Tower 3 and Marina Bay Financial Centre

MBFC Tower 3 is an award-winning 46-storey international Grade A office building with approximately 1.35 million sq ft of net lettable area. DBS is the anchor tenant at MBFC Tower 3, occupying over 600,000 sq ft on 18 floors. MBFC Tower 3 houses the new DBS headquarters, the bank's customer-facing units, an innovative flagship branch, a state-of-the-art dealing room, and over 4,800 DBS employees. MBFC Tower 3 is a 99-year leasehold property commencing from March 2007 which obtained its Temporary Occupancy Permit (**TOP**) on 21 March 2012.

MBFC Tower 3 is located at Marina Bay Financial Centre (**MBFC**). MBFC is a landmark integrated development centrally located on prime waterfront space in Singapore's new financial district.

Rationale for Acquisition

This transaction represents a unique opportunity for DBS to acquire a sizeable stake in its global headquarters and better manage its occupancy costs in the long term. It also demonstrates DBS's firm commitment to its home base as it further entrenches its leadership position in Singapore and the region.

Structure of Acquisition

MBFC Tower 3 is owned by Central Boulevard Development Pte Ltd (**CBDPL**), a private company which is owned in equal one-third shares by (1) the Vendor, (2) an indirect subsidiary of Hongkong Land International Holdings Limited and (3) a subsidiary of Keppel Land Properties Pte Ltd.

The Acquisition of a 30% interest in MBFC Tower 3 is structured as a purchase from the Vendor of the 30% equity stake it holds in, and its associated shareholder's loan it has advanced to, CBDPL for an aggregate Purchase Price of approximately S\$1.035 billion¹. Both parties also entered into a conditional put option

¹ CBDPL also owns 100% of Marina Bay Suites Pte Ltd (**MBSPL**) which owns Marina Bay Suites. Arrangements are in place to ring-fence the rights, benefits, obligations and risks associated with MBSPL and Marina Bay Suites from DBS.

(~~Put Option~~) agreement for DBS to take up the Vendor's remaining 33% equity stake in CBDPL and its associated loan, for an estimated aggregate price of S\$115 million² (~~Put Option Price~~). If the Put Option is exercised by the Vendor, DBS will own a one-third equity stake in CBDPL and hence in MBFC Tower 3.

DBS will carry out the Acquisition through Heedum Pte Ltd (a wholly-owned subsidiary of DBS Bank Ltd) formed for the purpose. Completion of the Acquisition is expected to be on or before the end of 2012.

Purchase Price and Valuation³

The Purchase Price is subject to adjustment based on the net asset value of CBDPL as at completion of the Acquisition. The Purchase Price has been negotiated on an arm's length basis between DBS and the Vendor, taking into account the independent valuation of MBFC Tower 3.

DBS has commissioned an independent property valuer, Savills Valuation and Professional Services (S) Pte Ltd (~~Savills~~), to value a one-third interest in MBFC Tower 3. In its report dated 1 November 2012 (~~Valuation Report~~), Savills stated that the market value of a one-third undivided interest in MBFC Tower 3, subject to existing and proposed tenancies, was approximately S\$1.137 billion.

The Purchase Price is payable wholly in cash. DBS expects to fund the Purchase Price by way of internal funds.

Materiality Ratios below 5%

The ~~materiality ratios~~ of the Acquisition, even after including the estimated exercise price of the Put Option and the Put Option Price, are below 5% for purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Disclosures

Mr. Danny Teoh Leong Kay, an independent director of DBS, is also a director of Keppel Corporation Limited which has an indirect interest in CBDPL through Keppel Land Properties Pte Ltd. Accordingly, Mr. Danny Teoh Leong Kay has and will abstain from all deliberations and voting on all board resolutions relating to the Acquisition. Save as disclosed in this Announcement, no director of DBS has any interest in the Acquisition.

A copy of the relevant transaction documents for the Acquisition and the Valuation Report is available for inspection during normal business hours at the registered office of DBS at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982 until 10 March 2013.

² Computed based on the exercise price of the Put Option being derived on the same basis as that for the Purchase Price. The Put Option is only exercisable after the issue of Temporary Occupation Permit for the entire commercial and condominium housing development.

³ The audited net asset value and net tangible asset value of CBDPL based on fair market valuation of MBFC Tower 3 on a completed basis is not yet available as the last audited accounts of CBDPL as at 31 December 2011 was prior to TOP.

By Order of the Board of
DBS Group Holdings Ltd

Goh Peng Fong
Group Company Secretary
10 December 2012, Singapore

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Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect DBS' current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and DBS does not undertake any obligation to update publicly or revise any forward-looking statements.