

## UNITED OVERSEAS LAND LTD

### **SALE OF TIONG BAHRU PLAZA RETAIL MALL**

Further to the announcement made by United Overseas Land Limited ("UOL" or "the Company") on 21 December 2001, the Board of Directors of UOL wishes to announce that the Controller of Housing has approved the sale and purchase agreement ("Agreement") and ARMF (TBP) Private Limited ("Purchaser"), a nominee of GRA Singapore Pte Ltd, has signed the Agreement with the Company's wholly-owned subsidiary, UOL Tiong Bahru Plaza Pte Ltd ("Vendor"), for the sale of Tiong Bahru Plaza retail mall at 302 Tiong Bahru Road Singapore 168732 ("Property") for a price of S\$195 million, which is inclusive of an estimated \$3 million for upgrading works ("Purchase Price").

#### Rationale

The sale is in line with the UOL Group's objective of reducing its level of borrowings. Consequently upon completion of the sale, the Group's gearing ratio will be reduced to 0.48 times from the current 0.58 times based on the consolidated management accounts as at 30 November 2001.

#### Material Terms of the Agreement

The Purchase Price shall be paid in stages in accordance with the payment schedule set out in the Agreement, which includes the following:

- (a) S\$9.6 million to be paid within 14 days after the date of the Agreement;
- (b) S\$86.4 million to be paid within 30 days from the date of the Agreement; and
- (c) the balance Purchase Price to be paid within a period ranging from 6 months of payment under (b) above to within 14 days after receipt of subsidiary strata certificate of title.

The Property is sold subject to all existing tenancies and licences. Possession of the Property is scheduled to be delivered on or before 31 March 2002.

#### Financial Effects

The Purchase Price was arrived at on a willing buyer and willing seller basis, after taking into account prevailing market conditions in Singapore.

The sale will result in a pre-tax profit of approximately S\$84 million and consequently will increase the earnings per share of the UOL Group by 14 cents for the financial year ending 31 December 2002. However, based on the last audited financial statement as at 31 December 2000, the sale will result in a marginal reduction in the net tangible assets of the Group by 1 cent per share.

#### Interests of Directors and Substantial Shareholders

None of the Directors and substantial shareholders of UOL have any interest in the sale of the Property. Submitted by Foo Thiam Fong Wellington, Company Secretary on 04/01/2002 to the SGX