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SALE OF INTEREST IN SUBSIDIARY KEPPEL CHINA MARINA HOLDINGS PTE LTD

Keppel Corporation Limited (the "**Company**" or "**KCL**" and together with its subsidiaries, the "**Group**") wishes to inform that Keppel Land China Limited ("**KLCL**"), a wholly-owned subsidiary of Keppel Land Limited ("**KLL**"), has entered into a sale and purchase agreement ("**SPA**") on 25 October 2017 to divest its 100% stake in Keppel China Marina Holdings Pte Ltd ("**KCMH**") to Delight Prime Limited (the "**Divestment**").

KCMH indirectly owns a 80% effective interest in Sunsea Yacht Club (Zhongshan) Co. Ltd. ("**SYCZ**") a joint venture company which owns and develops Keppel Cove, an integrated residential cum marina lifestyle development on Modao Island in Zhongshan city, China.

The total consideration for the Divestment is approximately RMB2,900 million (approximately S$597.4 million)[1] (subject to completion adjustments) (the "**Consideration**") to be paid in three tranches and the final payment is due upon completion of the Divestment which is expected to take place by end-2017.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of KCMH group and market value of the unsold inventories and remaining undeveloped land. The unaudited net asset value of KCMH group was approximately negative S$28.4 million as at 30 September 2017.

The Divestment is in line with Keppel Land's strategy to recycle assets to seek higher returns and rebalance its portfolio to focus on selected high-growth cities in China.

Following the Divestment, KCMH and its subsidiaries Sunseacan Investment (HK) Company Ltd and SYCZ will cease to be subsidiaries of the Company.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

A copy of the SPA is available for inspection at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, during normal business hours for a period of three (3) months from the date of this announcement.

[1] Based on exchange rate of RMB 1 to S$0.206

PROFORMA FINANCIAL EFFECTS

The Group expects to recognise a gain of approximately S$290 million from the Divestment.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**"):

(a) had the Divestment been completed on 31 December 2016, the net tangible asset per share as at 31 December 2016 would have increased from S$6.34 (before the Divestment) to S$6.50 (after the Divestment); and

(b) had the Divestment been completed on 1 January 2016, the earnings per share for FY2016 would have increased from 43.2 cents (before the Divestment) to 59.2 cents (after the Divestment).