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## SALE OF INTEREST IN SUBSIDIARY KEPPEL TOWNSHIP DEVELOPMENT (SHENYANG) CO. LTD

Keppel Corporation Limited (the “**Company**” or “**KCL**”) wishes to inform that its indirect wholly-owned subsidiary Keppel China Township Development Pte Ltd, held through Keppel Land China Limited (“**KLCL**”), has entered into a sale and purchase agreement (“**SPA**”) on 15 June 2018 to divest its 100% interest in Keppel Township Development (Shenyang) Co. Ltd. (“**KTDS**”) to Shenyang SUNAC Xinxing Enterprise Management Limited (the “**Divestment**”).

KTDS owns and is currently developing a residential township project in Shenbei New District, Shenyang City, China.

The total consideration for the Divestment is approximately RMB 980 million (approximately S\$205 million)<sup>1</sup> (subject to adjustments based on completion accounts) (the “**Consideration**”) payable as follows:-

- (a) A sum of RMB 931 million will be paid upon completion of share transfer; and
- (b) A sum of RMB 49 million, secured by an irrevocable bank guarantee, will be paid within 4 months from the signing of the SPA.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of KTDS and market value of undeveloped land and unsold inventories. The unaudited net asset value of KTDS was approximately RMB 538 million as at 31 May 2018.

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.

Completion of the divestment is expected to take place by June 2018. Following the Divestment, KTDS will cease to be a subsidiary 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.

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<sup>1</sup> Based on exchange rate of RMB 1 to S\$0.209

## **PROFORMA FINANCIAL EFFECTS**

The Company expects to recognise a gain of approximately S\$43 million from the Divestment.

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2017 ("**FY2017**"):

- (a) had the Divestment been completed on 31 December 2017, the net tangible asset per share as at 31 December 2017 would have increased from S\$6.21 (before the Divestment) to S\$6.24 (after the Divestment); and
- (b) had the Divestment been completed on 1 January 2017, the earnings per share for FY2017 would have increased from 11.9 cents (before the Divestment) to 14.5 cents (after the Divestment).