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PROPOSED ACQUISITION OF SHARES IN:

- (i) **CHINA THE9 INTERACTIVE (SHANGHAI) LTD.**
- (ii) **THE9 COMPUTER TECHNOLOGY CONSULTING CO., LTD.**
- (iii) **SHANGHAI KAI E INFORMATION TECHNOLOGY CO., LTD.**

Keppel Corporation Limited (the "**Company**") wishes to inform that Keppel Land Limited, through its indirect wholly-owned subsidiary, Kapler Pte Ltd ("**Kapler**"), has entered into a share sale and purchase agreement ("**SPA**") with China The9 Interactive Limited and Shanghai The9 Information Technology Co., Ltd. (collectively referred to as "**Sellers**") to acquire 100% equity interest of (i) China The9 Interactive (Shanghai) Ltd; (ii) The9 Computer Technology Consulting Co., Ltd; and (iii) Shanghai Kai E Information Technology Co., Ltd (collectively referred to as the "**Target Companies**"). The Target Companies collectively own Zhangjiang Micro-electronic Port Block #3 ("**Property**"), a completed 14,518.37 sqm commercial asset in Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, China.

Pursuant to the SPA, Kapler will pay the Sellers an aggregate sum of approximately RMB 493 million¹ (approximately S\$96.4 million), subject to completion adjustments ("**Consideration**") over 4 tranches as follows:-

- (a) a first tranche of RMB 49.3 million will be paid into an escrow account on signing of the SPA;
- (b) a second tranche of RMB 320.45 million will be paid into an escrow account upon commencing the equity transfer process;
- (c) a third tranche of RMB 73.95 million will be paid upon completion of the handover; and
- (d) a fourth tranche of RMB 49.3 million will be paid 2 months after completion of the handover.

The first two tranches of monies deposited in the escrow account will be progressively released to the Sellers on satisfaction of agreed milestones during the equity transfer process.

The Consideration was arrived at on a willing buyer, willing seller basis taking into account, among others, the adjusted net tangible asset value of the Target Companies based on the agreed value of the Property, which is estimated to be approximately RMB 493 million after the Target Companies complete their debt restructuring in October 2019.

¹ Exchange rate: 1.0 SGD = 5.12 RMB

Completion is subject to the satisfaction of conditions precedent (including but not limited to the successful internal restructuring of the Target Companies and obtaining the requisite regulatory approvals), and is expected to take place by the fourth quarter of 2019.

Upon completion, the Target Companies will become wholly-owned subsidiaries of the Company.

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the transaction, other than through their shareholding interests, if any, in the Company.

The aforesaid transaction is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year.