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Media Release

Keppel unlocks cash of S$94 million from residential development in Chengdu

Singapore, 2 October 2023 – Keppel Corporation (Keppel), through its Real Estate Division, has signed an agreement to divest its 35% stake in the equity interests (Sale Shares) in Chengdu Taixin Real Estate Development Co., Ltd. (CTRED) to Vanke (Chengdu) Enterprise Co., Ltd. (Vanke). CTRED, a joint venture between Keppel and Vanke, owns V City, a 16.7-ha residential project in Chengdu, China. Vanke will pay a cash consideration of approximately RMB504 million (approximately S$94 million) for the Sale Shares in a single tranche payable no later than 31 October 2023.

The consideration was arrived on a willing-buyer, willing-seller basis, taking into account:

- The net asset value of CTRED confirmed in July 2023 by a third-party audit firm;
- The book value and adjusted net asset value of the Sale Shares of approximately S$99 million as at 30 June 2023; and
- The fact that the V City development has been completed in 2020, and all 5,399 residential units and 356 street-front shops of V City have been fully sold. The remaining inventory comprises carpark lots and a market.

Over the years, Keppel has recognised cumulative profits after tax of approximately S$57 million from the sales of residential units, street-front shops and other amenities at V City, prior to the divestment. The divestment is expected to be completed within 4Q 2023, and is in line with Keppel's asset monetisation plans to unlock value that can be invested to pursue new opportunities.

In line with Keppel's pivot away from lumpy development profits to more recurring income, the Real Estate Division has monetised over S$3 billion of assets in China since 2017, and recognised profits of more than S$1 billion.

The abovementioned transaction is not expected to have any material impact on the earnings per share and net tangible assets per share of Keppel Corporation for the current financial year.

- End -

About Keppel

Keppel Corporation (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity.

Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts, and has a total portfolio with more than $65 billion of assets under management.

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