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**ACQUISITION OF EQUITY INTEREST IN BEIJING CHANG SHENG BUSINESS CONSULTING CO., LTD.**

Keppel Corporation Limited (the "**Company**") wishes to announce that Tosalco Pte. Ltd. ("**Tosalco**"), a wholly-owned subsidiary of Keppel Land Limited ("**Keppel Land**"), has on 31 December 2018 entered into an equity transfer agreement (the "**SPA**") to acquire 100% of the equity interest in the capital of Beijing Chang Sheng Business Consulting Co., Ltd. (the "**Target Company**") from A Li Yun Shan (Beijing) Business Consulting Co., Ltd. (the "**Vendor**"), for an aggregate cash consideration of RMB 555 million (approx. S$111 million), subject to closing adjustments as agreed between the parties (the "**Consideration**"). The Vendor is a wholly-owned subsidiary of Besunyen Holdings Company Limited ("**Besunyen Hong Kong**"), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Pursuant to an Internal Reorganisation (as described below) to be effected by the Vendor and Besunyen Hong Kong, the Target Company will hold, indirectly through Besunyen Property Management Co., Ltd. ("**Besunyen Property**"), a commercial property which is a building with 11 storeys aboveground and a portion of underground parking space situated at Block D, Ling Long Tian Di, No. 160 West 4th Ring North Road, Haidian District, Beijing with a planned gross floor area of 11,628 square meters (the "**Property**").

As at the date of this announcement, the Target Company and Beijing Outsell Health Product Development Co., Ltd. ("**Beijing Outsell**") own 60% and 40% of the equity interests in Besunyen Property, respectively. Beijing Outsell is an indirect wholly-owned subsidiary of Besunyen Hong Kong. Pursuant to the SPA, the Target Company shall acquire the 40% equity interest in Besunyen Property that is held by Beijing Outsell, before 15 January 2019, thus owning 100% of the equity interest in Besunyen Property (the "**Internal Reorganisation**").

The SPA will become effective upon the satisfaction of certain conditions, including, among others:

(i) the completion of the Internal Reorganisation; and

(ii) shareholders' approval of Besunyen Hong Kong being obtained at an extraordinary general meeting to be convened, to approve the sale of indirect equity interest in Besunyen Property by the Vendor, as such transaction would constitute a very substantial disposal by Besunyen Hong Kong, under the rules of the Hong Kong Stock Exchange.

The Consideration shall be payable by Tosalco to the Vendor as follows:

(a) 90% of the Consideration shall be paid to the Vendor within ten (10) business days after the satisfaction of all conditions precedent to the closing of the SPA ("**Closing**"); and

(b) the remaining 10% of the Consideration shall be paid to the Vendor within ten (10) business days upon the first anniversary date of Closing.

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account the net assets of the Target Company and Besunyen Property as at 31 December 2018 assuming the Internal Reorganisation has been completed, and agreed property value of the Property.

The agreed property value is in line with the property valuation report issued by Asia-Pacific Consulting and Appraisal Limited, an independent valuer (the "**Independent Valuer**"), on 10 December 2018 setting out the appraised market value of the Property as at 30 November 2018 of RMB 480 million. The Independent Valuer has been commissioned by Beijing Outsell to establish a fair market value for the Property and the method used by the Independent Valuer was the income approach.

Following Closing, the Target Company and Besunyen Property shall become wholly-owned subsidiaries of the Company. The Company will make a further announcement upon Closing.

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

Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned transactions other than through their shareholding interests in the Company.

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.