

## DIVESTMENT OF 70% INTEREST IN DONG NAI WATERFRONT CITY LLC

Keppel Corporation Limited (the "**Company**") wishes to announce that Portsville Pte. Ltd. ("**Portsville**"), a wholly-owned subsidiary of Keppel Land Limited ("**KLL**"), shall be divesting a 70% interest (the "**Sale Stake**") in Dong Nai Waterfront City LLC ("**DNWC**") to Nam Long Investment Corporation ("**NLG**" or the "**Purchaser**") (the "**Proposed Divestment**").

DNWC is a company incorporated under the laws of Vietnam and had been granted the right to develop a township in Dong Nai Province, Vietnam. DNWC, jointly held by KLL and a joint venture partner, is undergoing a demerger and upon the issuance of a Investment Registration Certificate by the relevant Vietnamese authorities ("**Demerger**"), DNWC will become a wholly-owned subsidiary of Portsville with the rights to develop a 170 ha plot of land. DNWC also currently holds a 28 ha plot of land which is excluded from the Proposed Divestment.

The Proposed Divestment is conditional upon certain conditions precedent being fulfilled, including but not limited to, the completion of the Demerger, the issuance of a new Enterprise Registration Certificate and a new Investment Registration Certificate by the relevant Vietnamese authorities.

The total consideration of the Sale Stake is VND2,313 billion (approximately S\$136 million) (the "**Consideration**"), subject to post-closing adjustments, will be paid out in cash to Portsville upon completion of the Proposed Divestment in tranches. The Consideration was arrived at on a willing-buyer and willing-seller basis taking into account the unaudited net asset value of DNWC and prevailing market conditions. The unaudited net asset value attributable to the Sale Stake was approximately S\$57 million as at 31 December 2018.

The Proposed Divestment is in line with KLL's strategy to recycle assets to seek higher returns. The funds generated from the Proposed Divestment will be used to pursue other opportunities in Vietnam.

Following completion of the Proposed Divestment, the interest of the Company and KLL in DNWC will decrease from 100% to 30%. A further update will be made by the Company upon completion.

Based on the unaudited results of the Group for the financial year ended 31 December 2018 ("**FY2018**"):

- (a) had the Proposed Divestment been completed on 31 December 2018, the net tangible asset per share as at 31 December 2018 would have increased from S\$6.15 (before the Proposed Divestment) to S\$6.18 (after the Proposed Divestment); and
- (b) had the Proposed Divestment been completed on 1 January 2018, the earnings per share for FY2018 would have increased from 52.0 cents (before the Proposed Divestment) to 55.0 cents (after the Proposed Divestment).

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