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SALE OF INTEREST IN ASSOCIATED COMPANY CITYONE DEVELOPMENT (WUXI) CO., LTD

Keppel Corporation Limited (the "**Company**" or "**KCL**") wishes to inform that through its wholly owned subsidiary, Keppel Land Limited ("**KLL**"), its subsidiary Shanghai Merryfield Land Co. Ltd ("**SML**"), its associated company, Cityone Township Development Pte Ltd ("**CTD**"), and their joint venture partner have entered into a sale and purchase agreement ("**SPA**") on 27 December 2016 to divest their respective interests of 30% (SML), 40% (CTD) and 30% (joint venture partner) stake in Cityone Development (Wuxi) Co., Ltd ("**CDCL**") to Tianhonglixin Real Estate Co., Ltd (the "**Divestment**"). KCL has an effective interest of 49.7% in CDCL held indirectly through KLL.

CDCL owns and develops Central Park City, a township project in Taihu New City, Binhu district, Wuxi, China.

The total consideration for the Divestment is approximately RMB1,245 million (approximately S$256 million) (the "**Consideration**"). Completion of the Divestment is expected to take place by 31 March 2017. KCL's 49.7% share of the Consideration is about RMB619 million (approximately S$127 million).

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of CDCL and market value of the unsold inventories and a phase under development. The unaudited net asset value of CDCL was approximately RMB747 million as at 30 November 2016.

The Divestment is in line with KLL's strategy to continually recycle assets for higher returns.

Following the Divestment, CDCL will cease to be an associated company of KCL.

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

The Divestment is not expected to have any material impact on the earnings per share and net tangible asset per share of KCL for the current financial year.

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.