

KEPPEL CORPORATION LIMITED

LAUNCHES

VOLUNTARY UNCONDITIONAL CASH OFFER

FOR

KEPPEL LAND LIMITED

- Two-tier price approach of:
 - Base Offer Price of **S\$4.38*** per share; and
 - Higher Offer Price of **S\$4.60*** per share, to be paid if Kepcorp is entitled to exercise its rights of compulsory acquisition
- Offer prices exceed the highest closing price over the past three years
- Kepcorp does not intend to revise the Offer Price
- Base Offer Price is a fair and compelling offer to Kepland shareholders, amid Kepland's latest financial performance and the current environment
- Higher Offer Price is designed to reward Kepland shareholders if Kepcorp is able to privatise Kepland
- Offer will strengthen Kepcorp group with sizeable contributions from three business pillars – O&M, property and infrastructure
- Expected to be EPS and NTA accretive to Kepcorp

SINGAPORE, 23 January 2015 - Keppel Corporation Limited (Kepcorp) has today launched a voluntary unconditional cash offer for all the remaining shares of its subsidiary, Keppel Land Limited (Kepland). Currently Kepcorp owns 54.6% of Kepland.

Kepcorp is adopting a two-tier offer price approach with the intent to privatise Kepland as follows:

- i) Base Offer Price of **S\$4.38*** for each Kepland share.

This Base Offer Price values Kepland at approximately S\$6.8 billion and represents:

- a) a price which exceeds the highest closing price of Kepland shares over the past three years preceding the offer; and
 - b) a premium of 25%, 29% and 28% over the one-month, three-month and six-month volume weighted average price (VWAP) of Kepland shares respectively, preceding the offer.
- ii) Higher Offer Price of **S\$4.60*** for each Kepland share, to be paid when Kepcorp acquires Kepland shares or receives acceptances that will entitle it to exercise its rights of compulsory acquisition under the Companies Act.

This Higher Offer Price values Kepland at S\$7.1 billion and represents a premium of 31%, 35% and 35% over the one-month, three-month and six-month VWAP of Kepland shares respectively, preceding the offer.

The Higher Offer Price, if applicable, will be paid to all shareholders who have accepted the offer, including those who have accepted the offer at the Base Offer Price.

** acquired with the right to receive any distribution that may be declared, paid or made by Kepland on or after the offer date*

Kepcorp believes its Base Offer Price is a fair and compelling offer to Kepland shareholders, amid Kepland's latest financial performance and the current environment it is operating in. The Higher Offer Price is designed to reward Kepland shareholders if Kepcorp is able to privatise Kepland. Kepcorp does not intend to revise the Offer Price.

The offer will be funded through a combination of internal cash and borrowings of Kepcorp.

In explaining the rationale for the offer, Mr Loh Chin Hua, Chief Executive Officer of Kepcorp, said, "We are staying our course to further grow Kepcorp as a strong conglomerate with sizeable contributions from all our three core businesses, and aligning our interests and synergies to enhance value to our shareholders.

"This is a sound and well-timed investment in a business which has been integral to Kepcorp and is in core markets like Singapore, China, Indonesia and Vietnam where we hold a long term positive view.

"Through this offer, we will unlock value for Kepcorp shareholders who will see a strong and immediate accretion to Earnings Per Share and Return on Equity. It will also allow Kepcorp to further develop and achieve greater scale for the property business leveraging on the Keppel Group's financial and organizational strengths."

If the offer results in Kepcorp owning a 100% of Kepland, it is expected to be accretive for shareholders of Kepcorp. Assuming full acceptance of the offer, the earnings per share and net asset value per share for Kepcorp for FY 2014 will increase by 13% and 4% respectively.

Further details on the offer are set out in the offer announcement dated 23 January 2015, and the offer document to be despatched to shareholders of Kepland in due course.

This press release should be read in conjunction with the full text of the offer announcement dated 23 January 2015 issued by DBS Bank Ltd. on behalf of Kepcorp. Shareholders and holders of options, awards and convertible bonds in Kepland are advised to read all the documents relating to the offer that are filed with the Singapore Exchange when they become available because they will contain important information. Copies of documents may be obtained, when available, from the Singapore Exchange website (www.sqx.com).

The directors of Keppel Corporation Limited (including any who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that facts stated and all opinions expressed in this press release are fair and accurate and that no material facts have been omitted from this press release, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or publicly available sources, the sole responsibility of the directors of Keppel Corporation Limited has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

Forward-looking Statements

All statements other than statements of historical facts included in this press release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future and conditional verbs such as “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect Keppel Corporation Limited’s current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements. None of Keppel Corporation Limited nor the financial adviser guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

For further information, please contact:

Ms. Ivana Chua, Senior Manager, Group Corporate Communications, Keppel Corporation
DID +65 6413 6436
Email address: ivana.chua@kepcorp.com

Choe Tse Wei
Managing Director
DBS Bank Ltd.
DID +65 6878 2150