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DIVESTMENT OF CHENGDU HILLTOP DEVELOPMENT CO LTD

Keppel Corporation Limited (the "**Company**") wishes to announce that Keppel Land China Limited ("**KLCL**"), through its subsidiary, Hillwest Pte Ltd ("**Hillwest**"), is divesting 100% of the equity interest ("**Sale Shares**") in 成都希腾房地产开发有限公司 (Chengdu Hilltop Development Co Ltd) ("**CHD**") to 成都龙湖地产发展有限公司 (Chengdu Longfor Development Co Ltd) ("**Buyer**") (a subsidiary of Longfor Group Holdings Limited) (the "**Divestment**"). CHD owns Hill Crest Villas on a 24.9 hectare site located in Mumashan, Chengdu, China ("**Site**").

The Divestment is in line with the Company's Vision 2030 and plans to monetise assets which can be channelled towards new growth opportunities.

The Buyer will acquire the Sale Shares from Hillwest in two tranches, and pay an aggregate amount of RMB1,260 million (approximately S$250.4 million), of which:

(a) approximately RMB845.2 million (approximately S$168 million) will be paid to Hillwest as consideration for the Sale Shares, which is subject to completion adjustments ("**Consideration**"); and

(b) approximately RMB414.8 million (approximately S$82.4 million) will be paid to a subsidiary of Hillwest as repayment for loans extended to CHD ("**Loan Repayment**").

The Consideration and Loan Repayment will be payable in cash in two tranches. 50% of the Sale Shares will be transferred to the Buyer after the first tranche payment is made, and the remaining 50% will be transferred on completion of the Divestment after the second tranche payment is made. Completion of the Divestment is expected to take place in the first quarter of 2021.

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into account, among others, the location of the Site, prevailing market conditions and the adjusted net asset value based on the agreed value of the Site attributable to the Sale Shares, which was approximately RMB845.2 million (approximately S$168 million) as at 30 September 2020.

Financial Effects

The gain on disposal is expected to be approximately S$43 million.

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2019 ("**FY2019**"):

(a) had the Divestment been completed on 31 December 2019, the net tangible asset per share as at 31 December 2019 would have increased from S$5.25 (before the Divestment) to S$5.27 (after the Divestment); and

(b) had the Divestment been completed on 1 January 2019, the earnings per share for FY2019 would have increased from 38.9 cents (before the Divestment) to 41.4 cents (after the Divestment).

Interests of Directors and Controlling Shareholders

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the Divestment, other than through their shareholding interests, if any, in the Company.

10 November 2020