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SALE OF INTEREST IN ASSOCIATED COMPANY CHENGDU CENTURY DEVELOPMENT CO., LTD.

Keppel Corporation Limited (the "**Company**" or "**KCL**") wishes to inform that through its wholly owned subsidiary Keppel Land Limited ("**KLL**"), its two associated companies CityOne Township Development Pte. Ltd. and Quivivet Pte Ltd and their joint venture partner (collectively referred to as "**Sellers**"), have entered into a Sale and Purchase Agreement ("**SPA**") on 15 October 2016 to divest their respective 83%, 10% and 7% stake in Chengdu Century Development Co., Ltd ("**CCDC**") to Sichuan Zhong Tie Wen Rui Property Co. Ltd. (the "**Divestment**"). KCL has an effective interest of 44.05% in CCDC held indirectly through KLL.

CCDC owns and develops The Botanica, a township project located in Jinjiang District, Chengdu.

The consideration for the Divestment is RMB342.08 million (approximately S$69.81 million) (the "**Consideration**") payable in 2 tranches upon execution of the SPA as follows:

(a) approximately RMB292.08 million to be paid to the Sellers upon completion of the Divestment; and

(b) approximately RMB50 million, to an escrow account to be utilised for contingent liabilities arising pre-Divestment, to be released to the Sellers in December 2018;

KCL's 44.05% effective share of the Consideration is about RMB150.69 million (approximately S$30.75 million). Completion of the Divestment is expected to take place by 31 December 2016.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of CCDC and market value for the unsold inventories. The unaudited net asset value of CCDC was approximately RMB 242.36 million as at 30 September 2016.

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

Following the Divestment, CDCC 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.