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Keppel divests entire interests in Keppel Logistics (Foshan) and Keppel Logistics (Hong Kong) for about S$39 million

In line with strategy to unlock capital to further pursue growth opportunities

Singapore, 27 September 2019 – Keppel Telecommunications & Transportation Ltd (**Keppel T&T**) has entered into agreements to sell its entire stakes in Keppel Logistics (Foshan) Co., Ltd. (**KLF**) and Keppel Logistics (Hong Kong) Limited (**KLHK**) to Sinoway Shipping Limited (**Sinoway Shipping**), a subsidiary of Sinotrans Limited for a total combined consideration of about S$39 million.

Expected to be completed in 2019, the proposed divestments are in line with Keppel T&T's strategy to unlock value and recycle capital, allowing the company more flexibility to pursue other opportunities.

Mr Thomas Pang, CEO of Keppel T&T, said, "The divestments are part of Keppel T&T's efforts to sharpen its focus and reallocate capital to grow other parts of its businesses. We would like to thank Sinotrans, who has been our long-term partner in owning and operating KLF and KLHK, for their many years of collaboration and support."

Keppel Logistics (Foshan)

Located in Foshan, Guangdong Province, China, KLF provides port business services, dock operations, and warehousing services, and owns among others, Lanshi port (which is pending closure by the local government due to their redevelopment plans) and a 60% interest in Keppel Logistics (Foshan Sanshui Port) Company Limited, which operates Sanshui port.

Pursuant to the terms of an equity transfer agreement, Keppel T&T will sell its 70% interest in KLF to Sinoway Shipping for a total cash consideration of RMB 176.4 million (approximately S$ 34.2 million), subject to post-closing adjustments. Sinoway Shipping will also provide RMB 48.5 million (approximately S$ 9.4 million) to KLF for KLF to repay its shareholders' loan due to Keppel T&T.

The consideration for the divestment of interests in KLF was arrived at on a willing-buyer willing-seller basis, taking into account the book value and net tangible asset value of

Keppel T&T's 70% interest in KLF as at 30 November 2018, which were both approximately RMB 222.1 million (S$ 44.2 million), and the current and projected income and cash flows of Sanshui port.

In addition, the parties have agreed that, post completion, a special working team, comprising representatives from KLF, Keppel T&T and Sinoway Shipping, will be set up to negotiate with the local government on the compensation for Lanshi port closure. After KLF has received such compensation, Sinoway Shipping will work towards liquidating KLF.

Keppel T&T will be entitled to 70% of the proceeds of the liquidated assets of KLF (which include proceeds attributable to Lanshi port, but exclude proceeds attributable to interests in Sanshui port) after adjustments (including but not limited to for taxes and other necessary costs). This will be on top of the aforementioned consideration and loan repayment paid to Keppel T&T.

Keppel Logistics (Hong Kong)

KLHK provides freight forwarding and barging services between Hong Kong, Shenzhen and Foshan.

Pursuant to the terms of the sale and purchase agreement entered into with Keppel T&T, as guarantor, and Sinoway Shipping as purchaser, Keppel T&T's wholly-owned subsidiary, Steamers (HK) Limited (**Steamers**) will sell its 70% interest in KLHK to Sinoway Shipping for a total cash consideration of RMB 25.8 million (approximately S$ 5.0 million), subject to post-closing adjustments.

The consideration for the divestment of interests in KLHK was arrived at on a willing-buyer willing-seller basis, taking into account the current and projected income and cash flows of KLHK, and the book value and net tangible asset value of Steamers' 70% interest in KLHK as at 30 November 2018, which were both approximately RMB 22.8 million (S$4.5 million).

The completion of the divestment of interests in KLF is conditional upon, among others, the filing with the Ministry of Commerce of the People's Republic of China and the registration with the State Administration for Market Regulation, while the completion of the divestment of interests in KLHK is conditional upon, among others, the completion of the divestment of interests in KLF.

Following completion of the divestments, KLF and KLHK will cease to be subsidiaries of Keppel Corporation Limited.

The above transactions are not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year.

Copies of the equity transfer agreement and sale and purchase agreement in relation to the divestment of interests in KLF and KLHK respectively are available for inspection at

the registered office of Keppel Corporation Limited at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, during normal business hours for a period of three months from the date of this announcement.

Evercore Asia (Singapore) Pte Ltd is the financial advisor to Keppel T&T for the divestments.

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This press release is also available on Keppel Corporation's website: www.kepcorp.com

About Keppel Telecommunications & Transportation

Keppel Telecommunications & Transportation (Keppel T&T) is a subsidiary of Keppel Corporation Limited, a leading mainboard listed company in Singapore and provider of solutions for sustainable urbanisation with core businesses in offshore & marine, property, infrastructure and investments.

Headquartered in Singapore with operations in Asia Pacific and Europe, Keppel T&T offers integrated services and solutions in two core businesses: logistics and data centres. The logistics division offers one-stop, integrated logistics solutions to help clients manage their entire supply chain, while the data centre division owns, acquires, develops and manages high-availability data centre facilities.

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