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JOINT VENTURE WITH SINO OCEAN GROUP TO DEVELOP THE EASTERN AREA OF TIANJIN, CHINA

Keppel Corporation Limited (the “**Company**”) wishes to announce that Keppel Land Limited has, through its wholly-owned subsidiaries, Changzhou Fushi Real Estate Development Co., Ltd. (“**Changzhou Fushi**”) and Tianjin Fushi Real Estate Development Co., Ltd (“**Tianjin Fushi**”), entered into a cooperation framework agreement (“**Framework Agreement**”) with Tianjin Pulida Real Estate Construction and Development Company Limited (“**Tianjin Pulida**”) and Qingdao Yuanjia Real Estate Company Limited (both subsidiaries of Sino-Ocean Group Holding Limited, which is listed on the Hong Kong Stock Exchange), to jointly develop 8 plots of land with a total size of about 28.7 ha located in the eastern part of Tianjin in Tianjin Binhai New Area, China (“**North Island Site**”).

Pursuant to the Framework Agreement, Tianjin Pulida agreed to pay Changzhou Fushi a total consideration of approximately RMB 348 million (approximately S\$71.6 million) (“**Consideration**”) in cash in 3 installments for a 51% equity stake in Tianjin Fushi (“**Relevant Stake**”), which owns the 8 plots of land. The final installment is due by December 2021.

Further, Tianjin Pulida will also extend loans to Tianjin Fushi equivalent to approximately RMB 109.8 million (approximately S\$22.6 million) in aggregate (“**Loan Amount**”) which will be used to repay existing loans from Changzhou Fushi and its affiliates.

The Consideration and Loan Amount were arrived at on a willing buyer, willing seller basis taking into account, among others, the adjusted net asset value based on the agreed value of the North Island Site attributable to the Relevant Stake, which was approximately RMB 348 million (approximately S\$71.6 million) as at 31 March 2021.

The transfer of the Relevant Stake to Tianjin Pulida (the “**Transfer of Stake**”) is conditional upon, among others, full payment of the Consideration and the Loan Amount as aforementioned, completion of the registration procedure for the change in equity in the Tianjin Fushi and Tianjin Fushi having received a new business licence, which transfer is expected to take effect by December this year.

Following completion of the Transfer of Stake, Changzhou Fushi will reduce its total equity stake in Tianjin Fushi from 100% to 49% and Tianjin Fushi will be an associated company of the Company.

PROFORMA FINANCIAL EFFECTS

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2020 ("FY2020"):

- (a) had the Transfer of Stake been completed on 31 December 2020, the net tangible asset per share as at 31 December 2020 would have increased from S\$5.02 (before the Transfer of Stake) to S\$5.07 (after the Transfer of Stake); and
- (b) had the Transfer of Stake been completed on 1 January 2020, the loss per share for FY2020 would have reduced from 27.8 cents (before the Transfer of Stake) to 22.2 cents (after the Transfer of Stake).

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

30 April 2021