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## **SALE OF ENTIRE INTEREST IN KEPPEL LAKEFRONT (NANTONG) PROPERTY DEVELOPMENT CO LTD**

Keppel Corporation Limited (the “**Company**” or “**KCL**”) wishes to inform that Merryfield Investment Pte. Ltd. (“**MI**”), an indirect wholly-owned subsidiary held through Keppel Land China Limited (“**KLCL**”), has entered into a sale and purchase agreement (“**SPA**”) on 16 August 2017 to divest its entire 100% interests in Keppel Lakefront (Nantong) Property Development Co., Ltd (“**KLNPD**”) to Nantong Wanjun Commercial Information Consultancy Co., Ltd. (the “**Divestment**”).

KLNPD owns and develops Waterfront Residences, a residential project in Nantong Economic and Technological Development Area, Nantong, China.

Subject to completion adjustments, the total consideration for the Divestment is approximately RMB1,430 million (approximately S\$292 million) (the “**Consideration**”) to be paid in three tranches and the final payment is due within five working days from the completion of tax filing.

Completion of the Divestment is expected to take place by end-September 2017.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of KLNPD and market value of the unsold inventories and remaining undeveloped land. The unaudited net asset value of KLNPD was approximately RMB1,078 million as at 31 July 2017.

The Divestment is in line with Keppel Land’s strategy to continually recycle assets to seek higher returns and rebalance its portfolio to focus on selected high-growth cities in China.

Following the Divestment, KLNPD will cease to be a subsidiary of KCL.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

A copy of the SPA is available for inspection at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, during normal business hours for a period of three (3) months from the date of this announcement.

## **PROFORMA FINANCIAL EFFECTS**

The Group expects to recognise a gain of approximately S\$75 million from the Divestment.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2016 ("FY2016"):

- (a) had the Divestment been completed on 31 December 2016, the net tangible asset per share as at 31 December 2016 would have increased from S\$6.34 (before the Divestment) to S\$6.39 (after the Divestment); and
- (b) had the Divestment been completed on 1 January 2016, the earnings per share for FY2016 would have increased from 43.2 cents (before the Divestment) to 47.5 cents (after the Divestment).