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JOINT VENTURE WITH YINCHENG AND JIANGSU AIDI TO ACQUIRE AND DEVELOP MIXED-USE DEVELOPMENT SITE IN NANJING

Keppel Corporation Limited (the "**Company**") wishes to announce that Keppel Land China Limited is forming a joint venture with Yincheng International Holding Co., Ltd. ("**Yincheng**") and Jiangsu Aidi Property Development Co Ltd (江苏爱地房地产开发有限公司) ("**Jiangsu Aidi**") to acquire and develop a 3.8 hectare commercial and residential mixed-use development site in Xuanwu District, Nanjing, China (the "**Site**"), and has entered into the following agreements through its wholly-owned subsidiary, Shanghai Ming Bu Industrial Co Ltd (上海铭布实业有限公司) ("**SMBI**"):

(1) a share purchase agreement to acquire 25% of the equity interest in Nanjing Zhijun Property Development Co Ltd (南京至君房地产开发有限公司) ("**JVCo**") (the "**Sale Shares**") from Nanjing Yinjiazhen Enterprise Management Co Ltd (南京银嘉浈企业管理有限公司) (a wholly-owned subsidiary of Yincheng) ("**NYEM**") ("**Acquisition**"); and

(2) a joint venture agreement ("**JVA**") with NYEM, Jiangsu Aidi and the JVCo.

The JVCo was awarded the land tender for the Site in July 2019, and the Site is expected to be acquired by the JVCo by end December 2019, after completion of the Acquisition.

The consideration for the Acquisition of RMB250 million (approximately S$49.5 million) was arrived at on a willing-buyer, willing-seller basis, and will be payable in cash at completion of the Acquisition. Pursuant to the JVA, SMBI will be advancing a shareholders' loan to the JVCo amounting to RMB464 million (approximately S$91.9 million) after completion of the Acquisition which will be used by the JVCo for the acquisition and development of the Site. The consideration for the Acquisition and the shareholders' loan were arrived at taking into account, among others, the land value of the Site which is estimated to be approximately RMB2,510 million (approximately S$497 million) as of July 2019. The adjusted net tangible asset value, based on the agreed value of the Site attributable to the Sale Shares, was approximately RMB125 million as at 31 July 2019.

Completion of the Acquisition is subject to the satisfaction of conditions precedent (including but not limited to the obtaining of the requisite regulatory approvals), and is expected to take place by end December 2019. Following completion of the Acquisition, SMBI, NYEM and Jiangsu Aidi will hold 25%, 25% and 50% of the equity interest in the JVCo respectively, and the JVCo will be an associated company of the Company.

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.

The aforesaid transactions are not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year.