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SHARE SWAP INVOLVING RIVIERA COVE AND BHP

Keppel Corporation Limited (the "**Company**") wishes to inform that Keppel Land Limited, ("**KLL**"), through the following wholly-owned subsidiaries, had entered into separate transactions with Hung Phu Real Estate Investment Corporation ("**HPRE**"), as follows:

1. Through VN Investment Pte Ltd ("**VNI**"), as purchaser of a 40% stake in the charter capital (the "**Riviera Cove Stake**") of Riviera Cove Joint Venture Limited Liability ("**Riviera Cove**") from HPRE for a cash consideration of VND 131.46 billion (approximately S$8. 31 million) (the "**Riviera Cove Consideration**") (the "**Acquisition**"); and

2. Through Belwynn Pte. Ltd. ("**BPL**") as seller of a 60% stake in the charter capital (the "**Belwynn Stake**") of Belwynn Hung Phu Joint Venture Limited Liability ("**BHP**") to HPRE for a cash consideration of VND 327.72 billion (approximately S$20.71 million) (the "**Belwynn Consideration**") (the "**Divestment**"),

(the Acquisition and the Divestment, collectively the "**Share Swap**").

The Riviera Cove Consideration that was paid by VNI was arrived at on a "willing buyer, willing seller" basis, taking into account the future prospects of the business of Riviera Cove as well as the fair value of the asset of Riviera Cove. As at 9 December 2016, the net asset value of the Riviera Cove Stake was approximately S$7.96 million. Following completion of the Acquisition, Riviera Cove has become a wholly owned subsidiary of KLL and the Company.

The Belwynn Consideration that was paid by HPRE was arrived at on a "willing buyer, willing seller" basis, taking into account the future prospects of the business of BHP as well as the fair value of the asset of BHP. As at 9 December 2016, the net asset value of the Belwynn Stake was approximately S$20.19 million. Following completion of the Divestment, BHP has ceased to be a subsidiary of KLL and the Company.

The Share Swap will enable both KLL and HPRE to each have full ownership in Riviera Cove and BHP respectively. In particular, KLL will be able to increase its interest in Riviera Cove from the current 60% to 100%. The exercise allows both parties to unwind the cross holdings to facilitate better control of the respective projects.

The Share Swap is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2016.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the Share Swap, other than through their shareholding in the Company.