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ANNOUNCEMENT

VOLUNTARY UNCONDITIONAL CASH OFFER FOR KEPPEL LAND LIMITED

1. INTRODUCTION

1.1 The Offer

The board of directors of Keppel Corporation Limited (the "**Offeror**" or "**KCL**") wishes to announce that DBS Bank Ltd. ("**DBS**") has today, for and on behalf of the Offeror, made an announcement ("**Offer Announcement**") that the Offeror intends to make a voluntary unconditional cash offer ("**Offer**") for all the issued ordinary shares ("**KLL Shares**") in the capital of Keppel Land Limited ("**KLL**") other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer ("**Offer Shares**").

Further details of the Offer (including its terms and conditions, and the rationale and benefits of the Offer) are contained in the Offer Announcement, which is set out in the **Schedule** to this Announcement and a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com. References to the Offer and its terms and conditions in this Announcement should be read together with, and are subject to, the Offer Announcement.

1.2 Chapter 10 of the Listing Manual

This Announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST ("**Listing Manual**") and should be read in conjunction with the Offer Announcement.

2. THE OFFER

2.1 Terms and Conditions of the Offer

Please refer to paragraph 2 of the Offer Announcement for information on the terms and conditions of the Offer.

2.2 Rationale for the Offer

Please refer to paragraph 10 of the Offer Announcement for the rationale and benefits of the Offer.

3. INFORMATION ON KLL

3.1 KLL and its Principal Activities

Based on publicly available information, KLL is a limited liability company incorporated under the laws of Singapore on 20 January 1890 and is listed on the Main Board of the SGX-ST. KLL and its subsidiaries ("**KLL Group**") is the property arm of the Offeror. The principal activity of KLL is that of a holding, management and investment company. The principal activities of the other members of the KLL Group consist of property investment and development, fund management and property related services.

Based on the latest announced unaudited consolidated financial statements of the KLL Group for the financial year ended 31 December 2014 ("**FY2014**"), KLL has an issued and paid-up capital of S$2,398,336,000 consisting of 1,545,162,668 KLL Shares (excluding treasury shares).

3.2 Values of the Offer Shares

The market value of the assets being acquired (being the Maximum Offer Shares (as defined below)), calculated based on the volume weighted average price ("**VWAP**") of approximately S$3.64 per KLL Share for all the trades done on 20 January 2015 (being the last full day of trading in the KLL Shares on the SGX-ST immediately prior to the date of the Offer Announcement ("**Last Trading Day**")) is approximately S$2,846,137,603.40[1].

For FY2014, the KLL Group earned S$1,497.2 million in revenues and S$953.3 million in net profit before income tax, minority interests and extraordinary items, with S$8,144.9 million in net assets attributable to owners of the company as at the end of the year. The KLL Group is consolidated under and forms part of KCL and its subsidiaries ("**KCL Group**").

4. CONSIDERATION

4.1 Offer Price

As stated in paragraph 2.1.2 of the Offer Announcement, the offer price for each Offer Share ("**Offer Price**") will be as follows:

For each Offer Share: S$4.38 in cash ("**Base Offer Price**")

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[1] Calculated based on the maximum potential issued share capital of KLL (but excluding KLL Shares held by KCL as at the date hereof). For this purpose, the "**maximum potential issued share capital of KLL**" means the total number of KLL Shares which would be in issue if all the outstanding options granted by KLL are validly exercised, all KLL Shares under vested share awards granted by KLL are issued and/or delivered and all outstanding convertible bonds issued by KLL are validly converted.

However, in the event that the Offeror acquires or agrees to acquire (or is deemed or treated under Section 215 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") as having acquired or agreed to acquire) KLL Shares (excluding those KLL Shares held by it, its related corporations[2] or their respective nominees as at the Commencement Date which are acquired or agreed to be acquired by them) during the period from (and including) the Commencement Date up to (and including) the final closing date of the Offer (whether pursuant to valid acceptances of the Offer or otherwise) which are equal to or more than the Compulsory Acquisition Threshold, the Offer Price will be raised to:

S$4.60 in cash for each Offer Share ("**Higher Offer Price**")

For the avoidance of doubt, the Offeror will extend the Higher Offer Price to all shareholders of KLL ("**KLL Shareholders**"), including those KLL Shareholders who, at the date on which the Compulsory Acquisition Threshold is reached, have already accepted the Offer.

In this Announcement:

"**Commencement Date**" means the date of despatch of the offer document to be issued by DBS for and on behalf of the Offeror; and

"**Compulsory Acquisition Threshold**" means 90 per cent. of the total number of issued KLL Shares (excluding treasury shares and other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date).

The Offer Price was arrived at taking into account, *inter alia*, KCL's existing KLL shareholdings, the prevailing and historical market price of KLL Shares and the price premia paid by offerors in other comparable general offers.

4.2 Assumed Maximum Consideration

Assuming that:

(a) the total number of Offer Shares is 781,905,935 KLL Shares[3] ("**Maximum Offer Shares**"); and

(b) there is full acceptance of the Offer in respect of all the Offer Shares,

the maximum aggregate consideration for the acquisition of all the Offer Shares pursuant to the Offer would be S$3,596,767,301 ("**Assumed Maximum Consideration**"), based on the Higher Offer Price.

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[2] Under the Companies Act, a corporation is related to another corporation if the first mentioned corporation is a holding company or a subsidiary of, or a subsidiary of the holding company of, the other corporation.

[3] Calculated based on the maximum potential issued share capital of KLL (but excluding KLL Shares held by KCL as at the date hereof).

4.3 Source of Funding for the Offer

The Offer will be funded by a combination of internal cash resources and borrowings of KCL.

DBS, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full, all acceptances of the Offer by KLL Shareholders on the basis of the Offer Price and all acceptances of the offer to be made to the holders of the outstanding 1.875 per cent. convertible bonds due 29 November 2015 issued by KLL on 29 November 2010 ("**Convertible Bonds Offer**") by bondholders on the basis of the offer price under the Convertible Bonds Offer.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Offer as computed on the bases set out in Rule 1006 of the Listing Manual are set out below[4]:

Rule 1006	Bases	Relative Figures (%)
(b)	Net profits[(1)] attributable to the Offer Shares[(2)] compared with the KCL Group's net profits[(3)]	15.9
(c)	The aggregate amount of consideration[(4)] compared with the market capitalisation[(5)] of KCL	24.5

Notes:

(1) Net profits is defined as profit before income tax, minority interest and extraordinary items.

(2) The net profits of S$458,549,000 attributable to the Maximum Offer Shares is calculated based on the KLL Group's net profits for FY2014 derived from the latest announced unaudited consolidated financial statements of the KLL Group for FY2014.

(3) Based on the latest announced unaudited consolidated financial statements of the KCL Group for FY2014, the KCL Group's net profits is S$2,888,612,000.

(4) The aggregate amount of consideration is based on the Assumed Maximum Consideration.

(5) The market capitalisation of KCL is based upon a total number of 1,811,890,227 ordinary shares in the capital of KCL ("**KCL Shares**") in issue (excluding treasury shares) as at 22 January 2015, at the VWAP of S$8.12 per KCL Share transacted on 20 January 2015 (being the Last Trading Day).

[4] As the Offer is not a disposal and will be an all-cash offer, Rules 1006(a) and (d) of the Listing Manual, respectively, are not applicable.

6. NO REQUIREMENT FOR KCL SHAREHOLDERS' APPROVAL

6.1 Major Transaction

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20%, the Offer constitutes a "major transaction" for KCL for the purposes of Chapter 10 of the Listing Manual.

6.2 No Requirement for Shareholders' Approval

The SGX-ST has advised KCL that the requirement for the Offer to be approved by the shareholders of KCL under Rule 1014(2) of the Listing Manual is not applicable subject to the provision of an opinion from the board of directors of KCL ("**KCL Board**") that there will be no material change in the risk profile of KCL arising from the Offer and the basis of their opinion, which opinion should be disclosed in this Announcement.

6.3 KCL Board Opinion

The KCL Board has carefully considered the implications of the Offer, including the pro forma financial effects of the Offer on the KCL Group, and is of the opinion that there will be no material change in the risk profile of the KCL Group arising from the Offer.

In arriving at its opinion, the KCL Board has taken into account all relevant facts and circumstances, including the following:

(a) KLL is the property arm of the KCL Group. Based on the KCL Group's financial results for FY2014, the KLL Group accounted for a significant portion of revenue (approximately 11.3 per cent.) and net profit after tax and non-controlling interest (approximately 21.8 per cent.) of the KCL Group; and

(b) the property development and property fund management business carried on by the KLL Group constitutes one of the KCL Group's existing core businesses, and KCL already controls and consolidates the KLL Group. Both before and after the Offer, the KCL Group (through the consolidated KLL Group) is exposed to the business carried on by the KLL Group.

7. FINANCIAL EFFECTS OF THE OFFER

7.1 Bases and Assumptions

(a) The pro forma financial effects of the Offer set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Offer on the consolidated net tangible assets ("**NTA**") per KCL Share, the earnings per KCL Share ("**EPS**"), nor represent the actual or future financial position and/or results of the KCL Group immediately after the close of the Offer or upon the completion of the acquisition of all the Offer Shares pursuant to the Offer.

(b) The pro forma financial effects of the Offer set out below have been prepared based on the unaudited consolidated financial statements of the KCL Group and KLL Group for FY2014 and on the following assumptions:

(i) the total number of Offer Shares is the Maximum Offer Shares;

(ii) there is full acceptance of the Offer in respect of all the Offer Shares;

(iii) for the purpose of computing the financial effects on the NTA per KCL Share, that the Offer was completed on, and the KCL Group owned 100% of KLL as at, 31 December 2014, being the end of FY2014; and

(iv) for the purpose of computing the financial effects on the EPS, that the Offer was completed on, and the KCL Group owned 100% of KLL as at, 1 January 2014, being the commencement of FY2014.

7.2 Effect on NTA per KCL Share

The financial effects of the Offer on the consolidated NTA per KCL Share are set out below:

	Before the Offer	**After the Offer**
NTA (S$'000)	10,279,030	10,666,080
NTA per KCL Share (S$)	5.67	5.89

Note: Based on a total of 1,811,836,227 KCL Shares as at 31 December 2014.

7.3 Effect on EPS

The financial effects of the Offer on the EPS are set out below:

	Before the Offer	**After the Offer**
Profit attributable to shareholders (S$'000)	1,884,798	2,149,162
Weighted average number of KCL Shares ('000)	1,815,041	1,815,041
EPS (S$)	1.04	1.18

7.4 Share Capital

As no KCL Shares will be issued in connection with the Offer, the Offer will not have any impact on the issued share capital of KCL.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

8.1 Interests

As at the date hereof:

(a) Mr Loh Chin Hua, the Chief Executive Officer and Executive Director of KCL, is also currently the Chairman of the board of directors of KLL;

(b) Mrs Oon Kum Loon, an Independent Director of KCL, is also currently a Non-Independent Non-Executive Director of KLL; and

(c) Temasek Holdings (Private) Limited, the controlling shareholder of KCL, has a direct interest in 371,408,292 KCL Shares and a deemed interest in 10,656,445 KCL Shares, in addition to its deemed interest in 844,845,115 KLL Shares.[5]

For details of holdings of the directors in KLL Shares, please refer to the Appendix to the Offer Announcement. Save as disclosed in this Announcement and in the Offer Announcement, none of the directors and controlling shareholders of KCL has any interest, direct or indirect, in the Offer.

8.2 No Directors' Service Contracts

No person is proposed to be appointed to the board of KCL as part of the Offer, and no director's service contract is proposed to be entered into by KCL with any person in connection with the Offer.

9. RESPONSIBILITY STATEMENT

The directors of KCL (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly.

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[5] Based on KLL's Annual Report 2013.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the KLL Group), the sole responsibility of the directors of KCL has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By Order of the Board of
Keppel Corporation Limited

Caroline Chang / Kelvin Chua
Company Secretaries
23 January 2015

Any enquiries relating to this Announcement or the Offer should be directed to the following during office hours:

Mr Choe Tse Wei
Managing Director
DBS Bank Ltd.
Tel: 6878 2150

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future and conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements. Neither the Offeror nor DBS guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

Schedule
Offer Announcement

VOLUNTARY UNCONDITIONAL CASH OFFER

by

DBS Bank Ltd.
(Incorporated in Singapore)
(Company Registration No. 196800306E)

for and on behalf of

Keppel Corporation Limited
(Incorporated in Singapore)
(Company Registration No. 196800351N)

for all the issued ordinary shares in the capital of

Keppel Land Limited
(Incorporated in Singapore)
(Company Registration No. 189000001G)

other than those already owned, controlled or agreed to be acquired by
Keppel Corporation Limited

OFFER ANNOUNCEMENT

1. INTRODUCTION

DBS Bank Ltd. ("**DBS**") wishes to announce, for and on behalf of Keppel Corporation Limited (the "**Offeror**" or "**KCL**"), that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") in the capital of Keppel Land Limited (the "**Company**" or "**KLL**") other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer.

2. THE OFFER

2.1 **Terms.** Subject to the terms and conditions set out in the offer document to be issued by DBS for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer on the following basis:

2.1.1 General

The Offeror will make the Offer for all the Shares not already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer (the "**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Singapore Code on Take-overs and Mergers (the "**Code**").

2.1.2 Offer Price

The offer price for each Offer Share (the "**Offer Price**") will be as follows:

For each Offer Share: S$4.38 in cash (the "**Base Offer Price**")

However, in the event that the Offeror acquires or agrees to acquire (or is deemed or treated under Section 215 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") as having acquired or agreed to acquire) Shares (excluding those Shares held by it, its related corporations[1] or their respective nominees as at the Commencement Date which are acquired or agreed to be acquired by them) during the period from (and including) the Commencement Date up to (and including) the final closing date of the Offer (whether pursuant to valid acceptances of the Offer or otherwise) which are equal to or more than the Compulsory Acquisition Threshold, the Offer Price will be as follows:

For each Offer Share: S$4.60 in cash (the "**Higher Offer Price**")

For the avoidance of doubt, the Offeror will extend the Higher Offer Price to all shareholders of the Company ("**Shareholders**"), including those Shareholders who, at the date on which the Compulsory Acquisition Threshold is reached, have already accepted the Offer.

In this Announcement:

"**Commencement Date**" means the date of despatch of the Offer Document; and

"**Compulsory Acquisition Threshold**" means 90 per cent. of the total number of issued Shares (excluding treasury shares and other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date).

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[1] Under the Companies Act, a corporation is related to another corporation if the first mentioned corporation is a holding company or a subsidiary of, or a subsidiary of the holding company of, the other corporation.

2.1.3 No Revision of Offer Price

The Offeror does not intend to revise the Offer Price.

2.1.4 Offer Shares

The Offer will also be extended to:

(i) all issued Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer;

(ii) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options ("**Options**") granted under the Keppel Land Share Option Scheme (the "**Company Scheme**") prior to the final closing date of the Offer;

(iii) all new Shares unconditionally issued or delivered or to be issued or delivered pursuant to the vesting and release of any outstanding awards ("**Awards**") granted under the Keppel Land Performance Share Plan and the Keppel Land Restricted Share Plan prior to the final closing date of the Offer; and

(iv) all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the outstanding 1.875 per cent. convertible bonds due 29 November 2015 issued by the Company on 29 November 2010 ("**Convertible Bonds**") prior to the final closing date of the Offer.

For the purposes of the Offer, the expression "**Offer Shares**" will include all such Shares.

2.1.5 No Encumbrances

The Offer Shares will be acquired (i) fully paid, (ii) free from all claims, charges, pledges, mortgages, encumbrances, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratoriums or other third party rights or interests of any nature whatsoever (each, an "**Encumbrance**") and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions and/or return of capital ("**Distributions**") declared, paid or made by the Company on or after the date of this Announcement.

2.1.6 Adjustment for Distributions

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the date of this Announcement.

In the event any Distribution is or has been declared, paid or made by the Company on or after the date of this Announcement to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer falls, as follows:

(i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or

(ii) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

As stated in the announcement by the Company dated 21 January 2015, the directors of the Company have proposed that a final one-tier tax exempt dividend (the "**FY2014 Dividend**") of S$0.14 per Share be paid for the financial year ended 31 December 2014 ("**FY2014**"). The proposed FY2014 Dividend, if approved at the Annual General Meeting of the Company to be held on 17 April 2015, is expected to be paid on or about 7 May 2015. The Books Closure Date in respect of the FY2014 Dividend is 5.00 p.m. on 23 April 2015.

For purely illustrative purposes only, assuming:

(a) the settlement date in respect of the Offer Shares validly tendered in acceptance of the Offer falls after the Books Closure Date in respect of the FY2014 Dividend; and

(b) the amount of the FY2014 Dividend is S$0.14,

the Offer Price received by an accepting Shareholder shall be S$4.24 and S$4.46 for each Offer Share based on the Base Offer Price and the Higher Offer Price, respectively.

2.2 No Conditions

The Offer will not be subject to any conditions and will be unconditional in all respects.

3. NO DOWNSTREAM OFFER FOR KEPPEL REIT AND KEPPEL PHILIPPINES PROPERTIES

3.1 **Keppel REIT.** As at the date of this Announcement, KLL and its subsidiaries (the "**KLL Group**") hold an aggregate unitholding interest of approximately 45.1 per cent. in Keppel REIT, a real estate investment trust listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). As the Offeror is the controlling shareholder of the Company and already has statutory control of the Company, the Offeror and its concert parties will not be required to make a general offer for Keppel REIT as a result of the Offer.

3.2 **Keppel Philippines Properties.** As at the date of this Announcement, the KLL Group holds an aggregate shareholding interest of approximately 51.0 per cent. in Keppel Philippines Properties, Inc. ("**Keppel Philippines Properties**"), a company listed on the Philippines Stock Exchange. The Offeror has received advice that it will not be required to make a tender offer for Keppel Philippines Properties as a result of the Offer.

4. CONFIRMATION RELATING TO DOWNSTREAM OFFER FOR KEPPEL THAI PROPERTIES

As at the date of this Announcement, the KLL Group holds an aggregate shareholding interest of approximately 45.5 percent in Keppel Thai Properties Public Company Limited ("**Keppel Thai Properties**"), a company listed on The Stock Exchange of Thailand. The Offeror has received advice that it will likely not be required to make a tender offer for Keppel Thai Properties as a result of the Offer and is in the process of seeking confirmation from the Office of the Securities and Exchange Commission of Thailand. If required under the relevant laws and regulations of Thailand, the Offeror will make a tender offer for Keppel Thai Properties.

5. NO OPTIONS OFFER

As at the date of this Announcement, based on the latest information available to the Offeror, there are 1,997,120 outstanding Options to subscribe for an aggregate of 1,997,120 Shares granted under the Company Scheme. Under the rules of the Company Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options, although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final closing date of the Offer.

Instead the Offeror will make an appropriate options proposal (the "**Options Proposal**") to the holders of the Options. The Options Proposal will be made on the basis of the "see-through' price of the Options. In other words, the price to be paid for each Option (the "**Option Price**") will be the amount (if positive) of the Offer Price (as determined in the manner set out in paragraph 2.1.2 above) less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of S$0.001.

6. AWARDS

In relation to the Awards, the Offeror is considering an appropriate proposal (the "**Awards Proposal**") to be made to the holders of the Awards to preserve the alignment of interest between such holders and KCL and its subsidiaries (the "**Keppel Group**"). Further details of the Awards Proposal will be set out in a separate announcement or the Offer Document.

7. CONVERTIBLE BONDS OFFER

7.1 **Convertible Bonds.** As at the date of this Announcement, based on the latest information available to the Offeror, the Company has an outstanding aggregate principal amount of S$499,800,000 Convertible Bonds which are convertible into 74,375,000 new Shares at the prevailing conversion price of S$6.72 per Share. The outstanding Convertible Bonds, if converted at the prevailing conversion price, represent approximately 4.57 per cent. of the maximum potential issued share capital of the Company.[2]

7.2 **Convertible Bonds Offer.** Pursuant to Rule 19 of the Code, an appropriate offer will be made to the holders of the Convertible Bonds ("**Bondholders**") to acquire the Convertible Bonds, other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Convertible Bonds Offer**").

7.3 **Convertible Bonds Offer Price.** The offer price for each principal amount of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer (the "**Convertible Bonds Offer Price**") will, in accordance with Note 1(a) on Rule 19 of the Code, be a fixed "see-through" price (the "**See-Through Price**"), being the Offer Price for one Offer Share multiplied by the number of Shares (rounded down to the nearest whole number) into which the relevant principal amount of Convertible Bonds may be converted, as follows:

(i) the See-Through Price (based on the Base Offer Price) if the Compulsory Acquisition Threshold is not reached; and

(ii) a higher See-Through Price (based on the Higher Offer Price) if the Compulsory Acquisition Threshold is reached.

For the avoidance of doubt, the Offeror will extend the higher See-Through Price to all Bondholders, including those Bondholders who, at the date on which the Compulsory Acquisition Threshold is reached, have already accepted the Convertible Bonds Offer.

The actual Convertible Bonds Offer Price payable to each accepting Bondholder will be determined based on the aggregate principal amount of Convertible Bonds that are tendered by a Bondholder in acceptance of the Convertible Bonds Offer. For purely illustrative purposes only, based on the prevailing conversion price of S$6.72 per Share, the Convertible Bonds Offer Price for

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[2] For the purposes of this Announcement, "**maximum potential issued share capital of the Company**" means the total number of Shares which would be in issue if all the outstanding Options are validly exercised, all the Shares under vested Awards are issued and/or delivered and all outstanding Convertible Bonds are validly converted.

(a) every S$250,000 principal amount of Convertible Bonds based on the Base Offer Price will be S$162,944.76 in cash; or

(b) every S$250,000 principal amount of Convertible Bonds based on the Higher Offer Price will be S$171,129.20 in cash.

7.4 **No Encumbrances.** The Convertible Bonds will be acquired (i) free from all Encumbrances and (ii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including but not limited to the right to receive and retain all interest, payments, rights and other distributions declared, paid or made by the Company on or after the date of this Announcement.

7.5 **Further Details.** Further details of the Convertible Bonds Offer will be set out in the Offer Document.

8. DESCRIPTION OF THE OFFEROR

The Offeror is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The Keppel group of companies includes Keppel Offshore & Marine, Keppel Infrastructure, Keppel Telecommunications & Transportation ("**Keppel T&T**") and the Company, among others. Keppel Offshore & Marine is a leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding. Its Near Market, Near Customer strategy is bolstered by a global network of 20 yards and offices in the Asia-Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions. Keppel Infrastructure drives the Keppel Group's strategy to invest in, own and operate competitive energy and related infrastructure. Keppel Infrastructure taps the expertise and technology of its engineering business to grow its power and gas, environmental and energy efficiency businesses. Keppel T&T is a leading service provider in the Asia-Pacific and Europe with businesses in logistics and data centres. Information on the Company is set out in paragraph 9 below.

For FY2014, the Keppel Group had revenues of S$13,283 million and net profit before income tax, minority interests and extraordinary items ("**NPBT**") of S$2,889 million, with net assets of S$14,728 million as at the end of FY2014.

As at the date of this Announcement, the directors of the Offeror are Dr Lee Boon Yang, Mr Loh Chin Hua, Mr Tony Chew Leong-Chee, Mrs Oon Kum Loon, Mr Tow Heng Tan, Mr Alvin Yeo Khirn Hai, Mr Tan Ek Kia, Mr Danny Teoh Leong Kay and Mr Tan Puay Chiang.

9. DESCRIPTION OF THE COMPANY

The Company is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The Company is the property arm of the Offeror and is one of the largest listed property companies by total assets on the SGX-ST. The Company is geographically diversified in Asia, with Singapore and China as its core markets as well as Vietnam and Indonesia as its growth markets. It focuses on a two-pronged strategy of property development for sale and property fund management.

For FY2014, the KLL Group had revenues of S$1,497 million and NPBT of S$953 million, with net assets of S$8,145 million as at the end of FY2014. The KLL Group is consolidated under and forms part of the Keppel Group.

As at the date of this Announcement, the directors of the Company are Mr Loh Chin Hua, Mr Ang Wee Gee, Mrs Lee Ai Ming, Mr Tan Yam Pin, Mr Heng Chiang Meng, Mr Edward Lee Kwong Foo, Ms Koh-Lim Wen Gin, Mr Yap Chee Meng, Professor Huang Jing, Mrs Oon Kum Loon and Mr Chan Hon Chew.

10. RATIONALE FOR THE OFFER AND THE CONVERTIBLE BONDS OFFER

The Offeror believes that the Offer and the Convertible Bonds Offer are beneficial for the following reasons:

A sound and well-timed investment, in a business integral to the Keppel Group and in markets with positive medium to long term outlooks

The Offer is a sound and well-timed investment. As an integral business of the Keppel Group, KLL is in markets that have positive medium to long term outlooks. KLL's core markets of Singapore and China, and growth markets in Indonesia and Vietnam are expected to benefit from (i) rising urbanisation, the bulk of which is forecasted to take place in Asia in the next 15 years, (ii) a focus on infrastructure development in developing countries to support sustainable growth and (iii) an increase in the number of new consumers in emerging markets that is expected to reach one billion by 2025.

The long term fundamentals for the global property market is also positive. The number of megacities with a population of more than 10 million is expected to increase 50 per cent. to 36 by 2025, while the number of additional people living in cities is forecasted to reach 1.2 billion by 2025.

Unlock value for KCL's shareholders

The Offer is expected to be accretive for KCL's shareholders. Based on the Offer terms, a full privatisation of KLL would raise the FY2014 earnings per share of KCL by 13 per cent. from S$1.04 per share to S$1.18 per share and improve the return on equity of KCL as at 31 December 2014 from approximately 18.8 per cent. to approximately 21.0 per cent. on a pro forma basis.

Grow the Keppel Group as a strong group with diversified and sizeable contributions from all three core businesses

The Keppel Group is committed to a multi-business approach, with three strong pillars in offshore & marine, property and infrastructure. A full privatisation of KLL will diversify revenue streams and provide an opportunity to leverage the Keppel Group's financial and organisational strengths to realise potential synergies across three core businesses.

The Keppel Group will seek to increase collaboration among the different business units. Potential synergies between our business units include (i) joint development of integrated townships such as the Tianjin Eco-City development, (ii) joint development of data centres and (iii) district heating and cooling systems.

Leverage KCL's strengths to achieve the best risk-adjusted returns

By privatising KLL, KCL would see an increase of its shareholders' fund from approximately S$10.38 billion to approximately S$10.77 billion on a pro forma basis and net profits from approximately S$1,885 million to approximately S$2,149 million on a pro forma basis.

KCL's diversified earnings and credit standing would provide easier access to financing from financial institutions, as well as debt and equity markets. The financial strength of KCL can be harnessed to support the KLL Group's property business.

If KLL ceases to be a separate listed entity, the Keppel Group will be better able to streamline its organisational structure, and allocate capital and resources across its core businesses to optimise risk-adjusted returns and enhance shareholder returns.

11. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror currently intends for the Company to continue its existing business activities and has no plans to (i) introduce any major changes to the business of the Company or its subsidiaries (each a "**KLL Group Company**"), (ii) re-deploy the fixed assets of any KLL Group Company, (iii) affect the operations of any KLL Group Company or (iv) discontinue the employment of the existing employees of any KLL Group Company, in each case, other than in the ordinary and usual course of business.

The Offeror may request the board of directors of the Company at any time and from time to time, to consider any options or opportunities in relation to any KLL Group Company which may present themselves and which it may regard to be in the best interests of such KLL Group Company and conduct a review of the KLL Group's business strategy to identify potential areas in which the Company can achieve optimal value and generate higher returns in the long term.

In particular, the Offeror may request the board of directors of the Company to undertake an assessment of (a) the KLL Group's capital structure and needs and (b) the human resource requirements of the KLL Group, taking into account the future plans for the KLL Group but ensuring continuity of its existing operations and the objectives of retaining and attracting competent personnel to further enhance the management and operations of the KLL Group.

12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 **Listing Status and Trading Suspension.** Under Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury Shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Shares (excluding treasury shares) is at all times held by the public (the "**Shareholding Requirement**"). In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued Shares (excluding treasury shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

To the best of the Offeror's knowledge and based on information available to the Offeror as at the date of this Announcement, the free float of the Company is approximately 45 per cent.

In the event the Company does not meet the free float requirements of the Listing Manual, the Offeror does not intend to maintain the present listing status of the Company and accordingly, does not intend to place out any Shares held by the Offeror to members of the public to meet the Shareholding Requirement.

12.2 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror reaches or exceeds the Compulsory Acquisition Threshold, the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Shares as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror, its related corporations or their respective nominees.

13. FINANCIAL ASPECTS OF THE OFFER

13.1 Benchmarking the Offer. The Offer Price represents the following premium over the historical traded prices of the Shares:

	Benchmark Price (S$)	**Premium of the Base Offer Price to Benchmark Price (%)**	**Premium of the Higher Offer Price to Benchmark Price (%)**
Last traded price per Share as quoted on the SGX-ST on 20 January 2015 (being the last full market day preceding the date of this Announcement on which the Shares were traded on the SGX-ST (the "**Last Trading Day**"))	3.65	20	26
The volume weighted average price ("**VWAP**") of the Shares as transacted on the SGX-ST for the one-month period up to and including the Last Trading Day	3.50	25	31
VWAP of the Shares as transacted on the SGX-ST for the three-month period up to and including the Last Trading Day	3.40	29	35
VWAP of the Shares as transacted on the SGX-ST for the six-month period up to and including the Last Trading Day	3.41	28	35
VWAP of the Shares as transacted on the SGX-ST for the one-year period up to and including the Last Trading Day	3.38	30	36

Notes:

(1) The figures set out in the table above are based on data extracted from Bloomberg.

(2) Computed based on the Share prices rounded to the nearest two decimal places.

The Base Offer Price also exceeds the highest closing price of the Shares in the three-year period up to and including the Last Trading Day.

13.2 **Comparison of the Offer Price to Net Asset Value ("NAV").**[3] The Base Offer Price and the Higher Offer Price of S$4.38 and S$4.60, respectively, implies a Price/NAV ratio of 0.88 times and 0.93 times respectively.

14. DISCLOSURE OF HOLDINGS AND DEALINGS

14.1 **Holdings and Dealings in Company Securities.** As at the date of this Announcement, except as set out in the **Appendix** to this Announcement, none of (i) the Offeror and its directors and the wholly owned subsidiaries of the Offeror and (ii) DBS and its wholly owned subsidiaries (each, a "**Relevant Person**"):

14.1.1 owns, controls or has agreed to acquire any Company Securities[4];

14.1.2 has dealt for value in any Company Securities during the period commencing three months prior to the date of this Announcement and ending on the date of this Announcement;

14.1.3 has received any irrevocable undertaking from any person to accept, approve or reject the Offer in respect of any Company Securities;

14.1.4 has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities which might be material to the Offer;

14.1.5 has granted any security interest in respect of any Company Securities in favour of any other person, whether through a charge, pledge or otherwise;

14.1.6 has borrowed any Company Securities from any other person (excluding borrowed Company Securities which have been on-lent or sold); and

14.1.7 has lent any Company Securities to any other person.

14.2 **Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons after the date of this Announcement and the relevant disclosures will be made in the Offer Document.

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[3] In this Announcement, the NAV per Share used is S$4.95 based on Shareholders' fund of S$7,656 million as reported in the unaudited consolidated financial statements of the KLL Group for FY2014 as announced by the Company on 21 January 2015.

[4] In this Announcement, "**Company Securities**" means any (i) Shares, (ii) Options, (iii) Awards, (iv) Convertible Bonds, (v) securities which carry voting rights in the Company or (vi) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company.

15. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full, all acceptances of the Offer by Shareholders on the basis of the Offer Price and all acceptances of the Convertible Bonds Offer by Bondholders on the basis of the Convertible Bonds Offer Price.

16. DESPATCH OF THE OFFER DOCUMENT

Further information on the Offer and the Convertible Bonds Offer will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer and the Convertible Bonds Offer, and enclose the appropriate form(s) of acceptance, will be despatched to Shareholders and Bondholders not earlier than 14 days and not later than 21 days from the date of this Announcement. The Offer and the Convertible Bonds Offer will remain open for acceptances by Shareholders and Bondholders for a period of at least 28 days from the date of posting of the Offer Document.

17. OVERSEAS PERSONS

17.1 **Overseas Persons.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer and Convertible Bonds Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer and the Convertible Bonds Offer, including details of how the Offer and the Convertible Bonds Offer may be accepted.

For the avoidance of doubt, the Offer and the Convertible Bonds Offer will be open to all Shareholders and Bondholders (as the case may be), including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.

The availability of the Offer and the Convertible Bonds Offer to Shareholders and Bondholders (as the case may be) whose addresses are outside Singapore as shown in the register of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (the "**Overseas Persons**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Further details in relation to Overseas Persons will be contained in the Offer Document.

17.2 **Copy of the Offer Document.** Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror and DBS each reserves the right not to send the Offer Document to such overseas jurisdictions. Any affected Overseas Person may nonetheless obtain copies of the Offer Document during normal business hours from the office of the Company's share registrar, KCK CorpServe Pte Ltd at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721. Alternatively, an affected Overseas Person may write to the Company's share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

18. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the KLL Group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by
DBS Bank Ltd.

For and on behalf of
Keppel Corporation Limited

23 January 2015

Any inquiries relating to this Announcement, the Offer or the Convertible Bonds Offer should be directed during office hours to the following:

Mr Choe Tse Wei
Managing Director
DBS Bank Ltd.
Tel: 6878 2150

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future and conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders, Bondholders and investors should not place undue reliance on such forward-looking statements. Neither the Offeror nor DBS guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

APPENDIX

Details of Holdings and Dealings in Company Securities by the Relevant Persons

Part 1 – Holdings in Shares

Name	Direct Interest		Total Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Offeror	843,797,572	54.6	843,797,572	54.6
Offeror Directors				
Loh Chin Hua	150,400	n.m.[2]	150,400	n.m.
Oon Kum Loon	14,000	n.m.	14,000	n.m.
Tow Heng Tan	-	-	95[3]	n.m.
Alvin Yeo Khirn Hai	-	-	10,000[4]	n.m.
Tan Ek Kia	11,400	n.m.	11,400	n.m.
Danny Teoh Leong Kay	100,000	n.m.	100,000	n.m.
Financial Adviser				
DBS	543	n.m.	543	n.m.

Notes:

(1) Calculated based on 1,545,162,668 Shares in issue.
(2) "**n.m.**" means not meaningful.
(3) Mr Tow Heng Tan is deemed to have an interest in the Shares held by his spouse.
(4) Mr Alvin Yeo Khirn Hai is deemed to have an interest in the Shares held by his spouse.

Part 2 – Dealings in Shares

Name	Date	No. of Shares Sold	Transaction Price per Share (S$)
DBS	13 Nov 2014	150,000	3.3117
DBS	14 Nov 2014	300,000	3.2995
DBS	24 Nov 2014	292,000	3.3614
DBS	2 Dec 2014	33,000	3.3500
DBS	17 Dec 2014	23,000	3.2400