Keppel Corporation Limited
(Co Reg No. 196800351N)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
www.kepcorp.com

Tel: (65) 62706666
Fax: (65) 64136452

SALE OF INTEREST IN ASSOCIATED COMPANY SPARKLE BRIGHT HOLDINGS LIMITED

Keppel Corporation Limited (the "**Company**" or "**KCL**") wishes to inform that its associated company, Equity Central Holdings Limited ("**ECH**"), has entered into a Sale and Purchase Agreement on 15 September 2016 to divest its 80% stake ("**Sale Shares**") in Sparkle Bright Holdings Limited ("**Sparkle Bright**") to Star Champ Development Limited (the "**Divestment**"). KCL has a 42.5% interest in ECH held through its wholly-owned subsidiary, Keppel Land Limited ("**KLL**").

Sparkle Bright indirectly owns and operates Life Hub @ Jinqiao, a mixed-use development in Shanghai, China.

KCL's 42.5% share of the consideration for the Divestment is about USD219.7 million (subject to completion and post-completion adjustments) (the "**Consideration**"). Completion of the divestment is expected to take place by end-September 2016.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of Sparkle Bright and its subsidiaries and recent transacted prices of comparable properties in the vicinity. The Consideration will be satisfied fully in cash upon completion of the Divestment. The unaudited net asset value attributable to the Sale Shares was approximately S$344.2 million as at 30 June 2016.

The Divestment is in line with KLL's strategy to continually recycle assets for higher returns.

Following the Divestment, Sparkle Bright and its wholly-owned subsidiaries Sparkle Bright Limited and Shanghai Edmonton Real Estate Company Limited will cease to be associated companies of KCL.

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

PROFORMA FINANCIAL EFFECTS

The Group expects to recognise a gain of approximately S$73 million from the Divestment.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**"):

(a) had the Divestment been completed on 31 December 2015, the net tangible asset per share as at 31 December 2015 would have increased from S$6.07 (before the Divestment) to S$6.12 (after the Divestment); and

(b) had the Divestment been completed on 1 January 2015, the earnings per share for FY2015 would have increased from 84.0 cents (before the Divestment) to 86.1 cents (after the Divestment).