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DECREASE IN SHAREHOLDINGS IN QUOC LOC PHAT JOINT STOCK COMPANY

1. INTRODUCTION

1.1 Keppel Corporation Limited (the "**Company**") wishes to announce, pursuant to Rule 704(18) of the Listing Manual of the Singapore Exchange Securities Trading Limited, that the Company's wholly-owned subsidiary, Keppel Land Limited ("**KLL**"), through KLL's wholly-owned subsidiaries, Keppel Land Thu Thiem Pte. Ltd. ("**KLTT**") and its indirect wholly-owned subsidiary, Orbista Pte. Ltd. ("**Orbista**") had entered into a sale and purchase agreement ("**SPA**") today with Messrs. Pham Quang Hung ("**Pham**") for the divestment of part of its interests in Quoc Loc Phat Joint Stock Company ("**QLP**") in accordance with paragraph 1.3 below (the "**Proposed Divestment**").

1.2 QLP is a company incorporated under the laws of Vietnam and is the officially appointed developer of a property located in Ho Chi Minh City ("**HCMC**"), Vietnam. The Company, through KLL holds indirect interests in QLP through (i) KLTT, which in turn holds a 20% shareholding interest in QLP, and (ii) Orbista, which in turn holds a 25% shareholding interest in QLP. Following the Proposed Divestment, KLL will hold a 15% interest in QLP through Orbista.

1.3 The Proposed Divestment is proposed to be carried out as a purchase by Pham from KLTT and Orbista in respect of the following shares in QLP:

(a) 30,000,000 ordinary shares (representing a 20% shareholding) in QLP by KLTT to Pham; and

(b) 15,000,000 ordinary shares (representing a 10% shareholding) in QLP by Orbista to Pham,

(collectively, the "**QL Shares**").

1.4 KLL regularly reviews its portfolio and the Proposed Divestment is in line with the KLL's strategy to recycle assets to seek higher returns.

1.5 Subsequent to the completion of the Proposed Divestment, the Company intends to divest its remaining indirect interest of 15% shareholding in QLP which is held through the Company's wholly-owned subsidiary, Oil Asia Pte. Ltd. which in turn, holds 100% of the shareholding interest in Orbista ("**Subsequent Divestment**"). Further announcements will be made by the Company in respect of the Subsequent Divestment at a later stage.

2. INFORMATION ON THE PROPOSED DIVESTMENT

Under the terms of the SPA, the purchase consideration of the QL Shares is VND702.0 billion (approximately S$41.2 million[1] ("**Purchase Consideration**"). The Purchase Consideration was arrived at a willing-buyer and willing-seller basis after taking into account, *inter alia*, the net tangible asset value and book value of QLP, each of which is approximately S$87.6 million, the value of the interest held by QLP in the property located at District 2, HCMC ("**Property**") and prevailing market conditions. The Purchase Consideration will be paid in cash into an escrow account to be held in escrow and shall be released to KLTT and Orbista upon completion of the SPA. Completion of the SPA is expected to take place by the end of June 2018 or such other date as may be agreed in writing between the parties.

Following the Proposed Divestment, KLL will hold a 15% interest in QLP through Orbista.

3. PROFORMA FINANCIAL EFFECTS

The Company expects to recognise a gain of approximately S$13 million from the Proposed Divestment.

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2017 ("**FY2017**"):

(a) had the Proposed Divestment been completed on 31 December 2017, the net tangible asset per share as at 31 December 2017 would have increased from S$6.21 (before the Proposed Divestment) to S$6.22 (after the Proposed Divestment); and

(b) had the Proposed Divestment been completed on 1 January 2017, the earnings per share for FY2017 would have increased from 11.9 cents (before the Proposed Divestment) to 12.7 cents (after the Proposed Divestment).

4. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

5. SALE AND PURCHASE AGREEMENT

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.

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[1] For the purpose of this Announcement, all currency exchange rate throughout this Announcement is S$1.00: VND17,036. Such exchange rate has been presented solely for information only and shall not be construed as representations that the relevant amounts have been or could have be converted at the rates indicated or at any other rate.