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## DIVESTMENT OF CHENGDU SHENGSHI JINGWEI REAL ESTATE CO., LTD.

Keppel Corporation Limited (the “**Company**”) wishes to announce that Keppel Land China Limited, through its subsidiary, Hillwest Pte Ltd. (“**Hillwest**”) is divesting 100% of the equity interest (“**Sale Shares**”) in 成都盛世经纬房地产有限公司 (Chengdu Shengshi Jingwei Real Estate Co., Ltd.) (“**Chengdu Shengshi**”) to 四川川商置业有限公司, 成都万兴产城置业有限公司 and 成都万科置业有限公司 (collectively referred to as the “**Buyers**”) (subsidiaries of China Vanke Co., Ltd) (the “**Divestment**”). Chengdu Shengshi owns Serenity Villas, a residential development project in Mumashan, Chengdu, China (“**Site**”).

The Buyers will acquire the Sale Shares from Hillwest and pay an aggregate amount of approximately RMB1,561 million (approximately S\$324<sup>1</sup> million), of which:

- (a) approximately RMB1,405 million (approximately S\$292<sup>1</sup> million) will be paid to Hillwest as consideration for the Sale Shares, which is subject to completion adjustments (“**Consideration**”); and
- (b) approximately RMB156 million (approximately S\$32<sup>1</sup> million) will be paid to a related company of Hillwest as repayment for loans extended to Chengdu Shengshi (“**Loan Repayment**”).

The Consideration and Loan Repayment will be payable in cash in two installments:-

- (i) the first installment comprises approximately RMB1,124 million (approximately S\$234<sup>1</sup> million), being 80% of the Consideration, and RMB156 million (approximately S\$32<sup>1</sup> million), being the Loan Repayment, will be payable within 7 working days from 29 July 2021; and
- (ii) the second installment of approximately RMB281 million (approximately S\$58<sup>1</sup> million), being 20% of the Consideration, will be payable on or before 30 November 2021. This second installment is to be secured by an on-demand banker’s guarantee to be provided by the Buyers to Hillwest together with the first installment payment.

80% of the Sale Shares will be transferred to the Buyers after the first installment payment is made (“**first transfer of Sale Shares**”), and the remaining 20% will be transferred within 5 working days after the completion of first transfer of Sale Shares. Completion of the Divestment is expected to take place by 2H 2021.

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into account, among others, the location of the Site, prevailing market conditions and the adjusted net asset value based on the agreed

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<sup>1</sup> Exchange rate: RMB 1 to S\$ 0.2076

value of the Site attributable to the Sale Shares, which was approximately RMB1,405 million (approximately S\$292 million) as at 30 June 2021.

Following completion of the Divestment, Chengdu Shengshi will no longer be a subsidiary of the Company.

### **PROFORMA FINANCIAL EFFECTS**

The Company expects to recognize a divestment gain of approximately RMB668 million (approximately S\$139<sup>1</sup> million) from the Divestment.

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2020 ("FY2020"):

- (a) had the Divestment been completed on 31 December 2020, the net tangible asset per share as at 31 December 2020 would have increased from S\$5.02 (before the Divestment) to S\$5.09 (after the Divestment); and
- (b) had the Divestment been completed on 1 January 2020, the loss per share for FY2020 would have reduced from 27.8 cents (before the Divestment) to 20.5 cents (after the Divestment).

### **Interests of Directors and Controlling Shareholders**

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.

29 July 2021