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SALE OF 38,000,000 UNITS IN KEPPEL DC REIT

Keppel Corporation Limited (the “**Company**”) wishes to announce that Keppel Telecommunications & Transportation Ltd, through its indirect wholly-owned subsidiary, Keppel DC Investment Holdings Pte. Ltd., (“**Keppel T&T**”) has on 27 April 2020 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Credit Suisse (Singapore) Limited (the “**Placement Agent**”) for the sale of 38,000,000 units in Keppel DC REIT (“**Sale Units**”), representing approximately 2.33% of the total issued units in Keppel DC REIT (the “**Units**”), for a consideration of S\$2.42 per Sale Unit (the “**Sale**”).

Pursuant to the terms of the Sale and Purchase Agreement, Keppel T&T has agreed to sell, and the Placement Agent has agreed to procure the purchase of, or failing which, to purchase, all the Sale Units. In line with the Group’s capital recycling strategy, the Sale allows Keppel T&T to realise profits that can be redeployed to capture new opportunities. Keppel T&T continues to be the single largest unitholder of Keppel DC REIT with a unitholding of 20.58%.

The aggregate cash consideration of S\$91,960,000 for the Sale Units (prior to deducting the underwriting and selling commission and other estimated fees and expenses incurred in connection with the Sale) was arrived at on a willing buyer, willing seller basis taking into account the last transacted price per Unit of S\$2.52 on Singapore Exchange Securities Trading Limited as at 27 April 2020 and the volume weighted average price per Unit of S\$2.4979 for the full market day on 27 April 2020. The book value and net tangible asset value per Sale Unit were both S\$1.14 as at 31 December 2019.

Completion of the Sale is expected to take place on 30 April 2020. Upon completion, the Company’s indirect interest in Keppel DC REIT will decrease from approximately 23.26% (comprising 379,816,681 Units) to approximately 20.93% (comprising 341,816,681 Units).

PROFORMA FINANCIAL EFFECT

Based on the price of S\$2.42 per Sale Unit, the gain on disposal is expected to be approximately S\$46 million.

Based on the latest audited financial statements for the Company for the financial year ended 31 December 2019 (“**FY2019**”):

- (a) had the Sale been completed on 31 December 2019, the net tangible asset per share as at 31 December 2019 would have increased from S\$5.25 (before the Sale) to S\$5.27 (after the Sale);
and
- (b) had the Sale been completed on 1 January 2019, the earnings per share for FY2019 would have increased from 38.9 cents (before the Sale) to 41.3 cents (after the Sale).

28 April 2020