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DIVESTMENT OF INTEREST IN FIRST KING PROPERTIES LIMITED

Keppel Corporation Limited (the "**Company**") wishes to announce that Keppel Land Limited ("**KLL**"), through its indirect wholly-owned subsidiary, West Gem Properties Limited ("**West Gem**"), is divesting its 100% equity interest (the "**Sale Shares**") in First King Properties Limited ("**First King**") to ZGC King William Holdings Limited (the "**Purchaser**"), an entity wholly-owned by a fund managed by London and Oxford Capital Markets Limited (the "**Divestment**").

First King owns a freehold nine-storey office building in the City of London at 75 King William Street (the "**Property**").

The Purchaser will acquire the Sale Shares at a consideration of GBP 73.6 million (approximately S\$131.1 million), comprising:

- (a) approximately GBP 42.3 million (approximately S\$75.3 million) will be paid to West Gem as consideration for the Sale Shares, which is subject to completion adjustments ("**Sale Shares Consideration**"); and
- (b) approximately GBP 31.3 million (approximately S\$55.8 million) for repayment of shareholder loans of an equivalent amount extended to First King by Fleuters Pte Ltd¹ ("**Loan Repayment**").

The Sale Shares Consideration and the Loan Repayment will be fully paid in cash upon completion of the Divestment.

The Sale Shares Consideration was arrived at on a willing buyer willing seller basis taking into account the adjusted net asset value attributable to the Sale Shares of approximately GBP 42.3 million (approximately S\$75.3 million) as at 23 December 2020, based on the agreed value of the Property of GBP 128 million.

KLL acquired the Property for GBP 91 million in 2015. Following completion of the Divestment, which is expected to take place in the first quarter of 2021, the gain on disposal is estimated to be approximately GBP 6.8 million, including fair value adjustment to be recognised in the second half of the financial year ending 2020, and First King will cease to be a subsidiary of the Company. Over the holding period, the total profit to the Company for the investment since acquisition (including rental income and capital gains generated by the Property) is about GBP 37.2 million.

The Divestment is in line with the Company's plan to monetise identified assets and apply the balance sheet space that is released for new growth opportunities under its Vision 2030.

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the Divestment, other than through their shareholding interests, if any, in the Company.

The aforesaid transaction is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year.

24 December 2020

¹ Fleuters Pte Ltd is a wholly-owned subsidiary of KLL and the sole shareholder of West Gem.