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SALE OF INTEREST IN SUBSIDIARY PT SENTRAL TUNJUNGAN PERKASA

Keppel Corporation Limited (the “**Company**” or “**KCL**”) wishes to inform that through its subsidiary Keppel Land Limited, its wholly owned subsidiary Meadowsville Investment Pte Ltd (“**Meadowsville**”), has entered into a sale and purchase agreement (“**SPA**”) on 11 January 2017 to divest all its shareholding interests in PT Sentral Tunjungan Perkasa (“**PT STP**”), amounting to 80% of the entire issued share capital of PT STP (“**Sale Shares**”), to PT Indadi Land (the “**Divestment**”). The balance 20% share capital of PT STP remains held by Meadowsville’s joint venture partner, PT Pusindotrida.

PT STP owns, inter alia, land with a total area of 23,253 sqm located along Jalan Tunjungan, in Surabaya, Indonesia.

The total consideration for the Divestment is approximately IDR 529 billion (approximately S\$57 million) (the “**Consideration**”) payable as follows:

- (a) 28% of the Consideration will be paid to the Seller on signing of the SPA;
- (b) 12% of the Consideration will be paid to the Seller by 13 January 2017; and
- (c) 60% of the Consideration will be paid to the Seller on completion of the Divestment.

Completion of the divestment is expected to take place sometime in February 2017.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited book value and unaudited net tangible assets of S\$23.7 million attributable to the Sale Shares as at 31 December 2016.

The Divestment is in line with KLL’s strategy to recycle assets to seek higher returns.

Following the Divestment, PT STP has ceased to be a subsidiary of the Company.

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

The abovementioned transaction is not expected to have any material impact on the earnings per share and net tangible asset per share of KCL for the current financial year.

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.