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INCREASE IN SHAREHOLDING IN SUBSIDIARY OR ASSOCIATED COMPANY PURSUANT TO RULE 704(17)(d) OF THE LISTING MANUAL

Pursuant to Rule 704(17)(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors of Keppel Corporation Ltd. (the "**Company**") wishes to announce that Keppel Land Limited's subsidiary, Krystal Investments Pte Ltd, has acquired from Southern Waterborne Transport Corporation an additional 16% of the charter capital of each of the following:

(a) Associated companies:

- (i) Keppel Land WATCO I Co. Ltd;
- (ii) Keppel Land WATCO II Co. Ltd;
- (iii) Keppel Land WATCO III Co. Ltd, and

(b) Subsidiaries:

- (i) Keppel Land WATCO IV Co. Ltd; and
- (ii) Keppel Land WATCO V Co. Ltd,

(collectively, the "**WATCO Companies**") (the "**Acquired Stakes**").

Following the acquisition of the Acquired Stakes, the Company's aggregate effective interest in Keppel Land WATCO I Co. Ltd, Keppel Land WATCO II Co. Ltd and Keppel Land WATCO III Co. Ltd has increased from approximately 45.3% to 53.5% of the charter capital of each of the foregoing WATCO Company. In addition, the Company's aggregate interest in Keppel Land WATCO IV Co. Ltd and Keppel Land WATCO V Co. Ltd has increased from approximately 68% to 76.2% of the charter capital of each of the foregoing WATCO Company.

The aggregate consideration for the purchase of the Acquired Stakes is VND845.9 billion (approximately S\$53.5 million) (the "**Purchase Consideration**") and was arrived at on a willing-buyer and willing-seller basis. The Purchase Consideration was satisfied fully in cash and was funded by internal financial resources. The unaudited net tangible asset value of the Acquired Stakes is VND862.0 billion (approximately S\$54.5 million) as at 31 December 2016.

The transaction is not expected to have a material impact on the earnings per share or the net asset per share of the Company for the current financial year.

Save as disclosed in this announcement and through their shareholding interests, if any, in the Company and the WATCO Companies, none of the directors and controlling shareholders of the Company has any interest, direct or indirect, in this acquisition.