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SIGNING OF OPTION AGREEMENT FOR THE PROPOSED SALE OF SHARES IN AETHER LIMITED

Keppel Corporation Limited (the “**Company**” or “**KCL**”) wishes to inform that Aether Pte. Ltd. (“**Vendor**”), an indirect wholly owned subsidiary held through Keppel Land China Limited, has on 25 May 2018 entered into an option agreement (“**Option Agreement**”) with CBD Aether Center Ltd (“**CBD Aether**”), pursuant to which the Vendor has agreed to grant an option to purchase to CBD Aether to acquire up to 16,702,500 shares (“**Option**”), representing 51% of the issued and paid-up share capital of Aether Limited (“**HK Aether**”) at an option price of about US\$94.1 million (approximately S\$125.2 million) (“**Option Money**”), subject to the terms of the Option Agreement.

HK Aether is the holding company of Beijing Aether Property Development Ltd (“**Beijing Aether**”) which owns and is developing a prime commercial site in Chaoyang District, Beijing, China.

The Option Money was arrived at on a willing buyer willing seller basis.

CBD Aether may exercise the Option at any time within 120 days after the date of commencement of the Option.

If the Option is not exercised in accordance with the Option Agreement, the Company shall be entitled to the Option Money solely and absolutely and neither party shall have any claim whatsoever against the other in respect of the proposed Option.

The Company will make a further announcement when the Option is exercised by CBD Aether or if the Option expires unexercised. In the event CBD Aether exercises the Option pursuant to the Option Agreement, the parties will enter into a sale and purchase agreement and thereafter complete the Proposed Divestment within five (5) business days of the Option exercise date.

Pursuant to the Option Agreement, the parties have also agreed that the consideration (the “**Consideration**”) for the proposed sale and purchase of 16,702,500 shares in HK Aether (the “**Proposed Divestment**”) shall be the sum of about US\$297.9 million (approximately S\$396.3 million).

As part of the Option Agreement, CBD Aether will also deposit in escrow cashier’s orders for the aggregate sum of about US\$282.3 million (approximately S\$375.5 million) with an escrow agent.

The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of HK Aether group and market value of the property under development. The unaudited net asset value of HK Aether group was approximately RMB 447 million as at 30 April 2018.

The Proposed Divestment is in line with Keppel Land's strategy to recycle assets to seek higher returns.

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

PROFORMA FINANCIAL EFFECTS

If completed, the Company expects to recognise a gain of approximately S\$114 million from the Proposed Divestment and thereafter Keppel Land China will cease to have an interest in HK Aether and Beijing Aether.

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2017 ("**FY2017**"):

- (a) had the Proposed Divestment been completed on 31 December 2017, the net tangible asset per share as at 31 December 2017 would have increased from S\$6.21 (before the Proposed Divestment) to S\$6.28 (after the Proposed Divestment); and
- (b) had the Proposed Divestment been completed on 1 January 2017, the earnings per share for FY2017 would have increased from 11.9 cents (before the Proposed Divestment) to 18.1 cents (after the Proposed Divestment).