Keppel Corporation Limited
(Co Reg No. 196800351N)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
www.kepcorp.com

Tel: (65) 62706666
Fax: (65) 64136452

PROPOSED CONSOLIDATION OF INTERESTS IN BUSINESS TRUST MANAGEMENT, REAL ESTATE INVESTMENT TRUST MANAGEMENT AND FUND MANAGEMENT BUSINESSES

Keppel Corporation Limited ("**Keppel Corporation**") wishes to announce its intention to consolidate its interests in business trust management, real estate investment trust ("**REIT**") management and fund management businesses (collectively, "**Asset Management**") under Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), a wholly-owned subsidiary of Keppel Corporation.

Asset Management is an integral part of Keppel Corporation's business performance and the strategy of the Keppel group of companies (the "**Keppel Group**"). Asset Management supports the Keppel Group by (1) providing a capital recycling platform for the sponsors of the Keppel business units (2) providing steady investment returns from the Keppel Group's investments in funds and unitholdings in business trusts and REITs and (3) recurring income from management fees.

Keppel Corporation currently has four subsidiaries (the "**Entities**") in Asset Management: Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust), Keppel DC REIT Management Pte. Ltd. (the Manager of Keppel DC REIT), Keppel REIT Management Limited (the Manager of Keppel REIT), and Alpha Investment Partners Limited (a fund manager). Keppel Corporation intends to consolidate its interests in the Entities under Keppel Capital and report the Entities under a new consolidated reporting segment together with its investments.

The proposed consolidation will also include the centralisation of certain non-regulated support functions in Keppel Capital, namely legal and compliance support services, human resource and general administrative support services, information technology support services and general accounting support services, and the transfer to Keppel Capital of certain existing employees of the Entities who provide the support functions.

Keppel Corporation believes that the centralisation of the support functions in Keppel Capital would (1) improve the operational efficiency of the Entities, (2) enable easier recruitment and the attraction of stronger talent, and (3) improve the performance of the funds/trusts that the Entities manage.

(1) Centralising the support functions in Keppel Capital is intended to allow the combined functions to grow to a more effective scale, helping, in particular, the Entities which currently have smaller operating teams undertaking the support functions. This scale will allow the Entities to improve their operational efficiency through the streamlining of the respective support functions.

(2) Consolidating the Entities under Keppel Capital with a new ownership structure and as a newly defined segment in Keppel Corporation will also create a larger platform. This will allow for

better talent management and recruitment.

(3) Centralising the support functions for the Entities is also intended to allow the management of the Entities to focus more on the key duties of the Entities, such as asset management. Coupled with the ability to attract stronger talent, Keppel Corporation believes that the proposed consolidation would allow the Entities to focus even more on growth and improve their performance, as well as the performance of the funds/trusts that they manage.

Ms Christina Tan will be appointed the CEO-designate of Keppel Capital. Ms Tan is presently the Managing Director of Alpha. Ms Tan possesses over 20 years of experience in investing and fund management spanning the US, Europe and Asia, and has been with Alpha since its inception in 2003. Under her leadership, Alpha has grown its assets under management to over S$12 billion today.

The proposed consolidation is subject to the relevant Keppel Group entities' board approval and (if required) shareholder and/or unitholder approval as well as the Monetary Authority of Singapore's and other regulatory approvals. Subject to obtaining the approvals referred to above, Keppel Corporation aims to complete the proposed consolidation by the second half of 2016.

After the completion of the proposed consolidation, Keppel Corporation may consider increasing the scope of the support functions to include regulated activities relating to investments and asset management. Such increased scope would only be undertaken after obtaining all necessary licences and approvals from the Monetary Authority of Singapore.