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## ACQUISITION OF UNITS IN KEPPEL REIT

Keppel Corporation Limited (the "**Company**") wishes to announce that its subsidiary, Keppel REIT Management Limited ("**KRML**"), has acquired 19,149,650 units in Keppel REIT ("**Management Fee Units**"). These Management Fee Units were issued to KRML as payment by Keppel REIT of its management fee due to KRML (as the manager of Keppel REIT) as follows:

| Description | For the Period | Number of Units |
|---|---|---|
| Base fee component | 1 October 2016 to 31 December 2016 | 10,372,637 |
| Performance fee component[1] | 1 January 2016 to 31 December 2016 | 8,777,013 |
| **Total** | | **19,149,650** |

The Management Fee Units were issued at a price of S$1.0152 per unit which was arrived at based on the volume weighted average price for a unit in Keppel REIT for all trades done on the Singapore Exchange Securities Trading Limited in the ordinary course of trading for the period of ten business days immediately preceding 30 December 2016, being the last business day for the period.

This mode of payment of the management fee in the form of units in Keppel REIT is in accordance with the provisions of the trust deed dated 28 November 2005 (as amended from time to time) constituting Keppel REIT.

With this transaction, the Company's interest in Keppel REIT has increased from approximately 46.203%* (comprising 1,519,082,057 units) to 46.462%** (comprising 1,538,231,707 units).

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

3 February 2017

Note:

* The percentage is calculated based on the total number of issued units in Keppel REIT of 3,287,825,447 units as at 28 October 2016.

** The percentage is calculated based on the total number of issued units in Keppel REIT of 3,310,765,819 units as at 3 February 2017.

[1] The performance fee component of management fee is paid out on an annual basis in accordance with the Trust Deed.