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**ACQUISITION OF SHARES RESULTING IN A COMPANY BECOMING AN ASSOCIATED COMPANY**

Keppel Corporation Limited (the "**Company**" or "**KCL**") wishes to inform that its subsidiary, Joysville Investment Pte Ltd ("**JI**"), has subscribed for shares of Vision (III) Pte Ltd ("**Vision (III)**"), representing an eventual 30% interest in Vision (III) (the "**Share Subscription**"). KCL's interest in Vision (III) is held indirectly through its wholly-owned subsidiary, Keppel Land Limited ("**KLL**"). Alpha Asia Macro Trends Fund (AAMTF) III, a fund managed by Alpha Investment Partners Limited ("**Alpha**") will indirectly hold 40% interest in Vision (III), and the remaining 30% will be held by Alpha's co-investor. Alpha is a wholly-owned subsidiary of KCL through Keppel Capital Holdings Pte. Ltd.

Vision (III) has acquired an indirect 100% stake in an office and retail mixed-used development, SOHO Hongkou (虹口 SOHO), in Shanghai, China for approximately USD525 million. The mixed-use development, SOHO Hongkou, offers a total leasable area (GLA) of 70,042 sm, which comprises 65,304 sm and 4,738 sm of office and retail space respectively. Completed in 4Q 2015, it has an occupancy rate of 97% as of March 2017.

The aggregate consideration for the Share Subscription and the shareholders' loan to Vision (III) is USD82.5 million (the "**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis taking into account the unaudited net asset value of Vision (III) and its subsidiaries and recent transacted prices of comparable properties in the vicinity. The Consideration will be funded through internal generated funds. The unaudited net asset value of Vision (III) and its subsidiaries is approximately RMB 1.1 billion as at end-March 2017.

Completion of the Share Subscription is expected to take place by end-July 2017. Following the Share Subscription, Vision (III) and its subsidiaries will be associated companies of KCL.

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

The above mentioned transaction will not have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2017.