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ACQUISITION OF 22.4% OF THE ECONOMIC INTERESTS IN PRE 1 INVESTMENTS PTE. LTD. AND 23% SHAREHOLDING INTEREST IN KATONG AMC PTE. LTD.

Keppel Corporation Limited (the "**Company**") wishes to announce that DC REIT Holdings Pte. Ltd. ("**DCRH**"), a wholly-owned subsidiary of Keppel Land Limited, had on 15 January 2016 acquired in aggregate, 22.4% of the economic interests (the "**PRE 1 Interests**") in PRE 1 Investments Pte. Ltd. ("**PRE 1**") from BHG Holdings Pte. Ltd., Imagine Properties Pte. Ltd. and Perennial Singapore Investment Holdings Pte. Ltd. (collectively, the "**PRE 1 Vendors**") pursuant to a sale and purchase agreement dated 15 January 2016 (the "**PRE 1 SPA**") entered into with the PRE 1 Vendors, for an aggregate cash consideration of S$51,397,863, subject to certain adjustments as agreed between the parties (the "**PRE 1 Consideration**").

The Company also wishes to announce that DCRH had also on 15 January 2016 acquired 23 ordinary shares (the "**Katong AMC Sale Shares**") in the capital of Katong AMC Pte. Ltd. ("**Katong AMC**"), representing 23% of the issued share capital of Katong AMC, from PRE 2 Investments Pte. Ltd. ("**PRE 2**") pursuant to a sale and purchase agreement dated 15 January 2016 (the "**Katong AMC SPA**") entered into with PRE 2, for a nominal cash consideration of S$1.00 (the "**Katong AMC Consideration**").

PRE 1 holds the property currently known as "112 Katong" located at 112 East Coast Road Singapore 0428802 (the "**Property**") indirectly through Perennial Katong Retail Trust ("**PKRT**"), a special purpose trust established in Singapore constituted by a trust deed dated 6 November 2009 made between DBS Trustee Limited (as trustee) and Perennial (Singapore) Retail Management Pte. Ltd. (now known as Katong AMC) (in its capacity as trust manager) as amended, varied or supplemented from time to time.

Katong AMC is the trust manager of PKRT. Katong AMC has also, through an asset management agreement dated 29 January 2010 made between, *inter alia*, DBS Trustee Limited (as trustee of PKRT) and Katong AMC, agreed to provide certain asset management services for the Property (including supervising and overseeing the management of the Property).

The PRE 1 Consideration was arrived at on a willing buyer willing seller basis, taking into account (i) the estimated net asset value of PRE 1 and PKRT as at 31 December 2015 (subject to certain adjustments) as agreed between the parties to the PRE 1 SPA, and (ii) the principal amount of the outstanding Secured Fixed Rate Junior Bonds issued by PRE 1 currently in issue (the "**Junior Bonds**"), and (iii) the accrued interest in respect of such Junior Bonds for the period from 29 July 2015 to 15 January 2016. The PRE 1 Consideration was funded through the internal working capital of DCRH. Based on the consolidated management accounts of PRE 1 and PKRT as at 31 December 2015, the book value, as well as the net tangible asset value, of the PRE 1 Interests (including 22.4% of the outstanding Junior Bonds) was S$60,300,000.

The Katong AMC Consideration was arrived at on a willing buyer willing seller basis, and was negotiated together with the PRE 1 Consideration in view that the disposal of the Katong AMC Sale Shares by PRE 2 is part of Perennial Real Estate Holdings Limited's exit from the Property (through the sale of its indirect interest in PRE 1 to DCRH). The Katong AMC Consideration was funded through the internal working capital of DCRH. Based on the management accounts of Katong AMC as at 31 December 2015, the book value, as well as the net tangible asset value, of the Katong AMC Sale Shares was S$62,100.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned transactions other than through their shareholding interests in the Company.

The foregoing transactions are not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year.

Copies of the PRE 1 SPA and the Katong AMC SPA may be inspected at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower Singapore 098632 during normal business hours for a period of three (3) months from the date of this announcement.