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Media Release

Keppel records stronger 3Q & 9M performance with improvements from continuing operations

- *Strong infrastructure earnings growth continues in 3Q and 9M 2023 underpinned by robust integrated power business.*

- *Increased activity across fund management and investment platforms:*

  - *Raised ~S$1.0 billion in equity in 9M 2023; made acquisitions of S$600 million in 3Q 2023 bringing total acquisitions to ~S$1.7 billion in 9M 2023.*

  - *Achieved first closing of US$575 million (S$783 million) for flagship core infrastructure fund with target size of US$2.5 billion (S$3.4 billion).*

  - *Good traction in fundraising for flagship sustainable urban renewal (SUR) fund; working towards first closing soon.*

- *Outperformed asset monetisation target – Announced S$865 million in asset monetisation year to date, and S$5.3 billion since October 2020.*

- *Total distributions in 2023 to reach ~S$2.70/share, including dividend in specie of Keppel REIT units worth ~S$0.18/share*[1]*.*

Singapore, 19 October 2023 – Keppel Corporation Limited (Keppel) has released its voluntary business update for 3Q & 9M 2023. In 9M 2023, net profit from continuing operations grew year-on-year (yoy) bolstered by stronger performance from the Infrastructure and Connectivity segments. Net profit for 3Q 2023 was also stronger yoy, with all three horizontal segments – Infrastructure, Real Estate and Connectivity – registering improvements.

The Infrastructure Division continued to record strong earnings growth in 3Q and 9M 2023 underpinned by its robust integrated power business. As at end-September 2023, 100% of Keppel's customers were locked in with fixed or indexed electricity price

[1] Based on the last traded price of Keppel REIT units on the SGX-ST on 26 July 2023 of S$0.915; the final value of the dividend in specie will be based on the price of Keppel REIT units on the completion date on or about 7 November 2023.

plans for the next two years. In 9M 2023, the Infrastructure Division secured more than S$1.3 billion of new Energy-as-a-Service (EaaS) contracts, bringing Keppel's long-term supply & services contract backlog to S$4.1 billion with earnings visibility over 10-15 years.

The Company's revenue from continuing operations was S$5,274 million for 9M 2023, up 5% from S$5,016 million in 9M 2022, with higher contributions from the Infrastructure and Connectivity segments.

In the year to date, Keppel announced the monetisation of some S$865 million of assets, including the S$323 million[1] dividend in specie of Keppel REIT units, which was approved by Keppel Corporation shareholders yesterday. Significantly, Keppel has announced S$5.3 billion in monetisation since the start of the programme in October 2020, outperforming its S$3-S$5 billion asset monetisation target ahead of the end-2023 deadline. The Company is now working towards its next target of achieving a cumulative S$10-S$12 billion in asset monetisation by the end of 2026.

Net gearing increased slightly to 0.89x as at end-September 2023 from 0.86x as at end-June 2023, mainly due to the payment of interim dividends. Keppel continued to strengthen its business resilience amid a high interest rate environment; as at end-September 2023, about 61% of Keppel's borrowings were on fixed rates, with an average interest cost of 3.71%[2] and a weighted tenor of about 3 years.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "Keppel has made strong progress executing our transformation plans and continued to deliver superior value to our investors. We have announced about S$5.3 billion in asset monetisation to date, exceeding our target of S$3-S$5 billion ahead of schedule. Even excluding the gains from the divestment of our offshore and marine business, our continuing operations delivered strong performance, which bodes well for Keppel as we press forward with our asset-light strategy to grow recurring income.

"Amidst the volatile environment, we will continue to pursue our growth trajectory as a global asset manager and operator with deep capabilities in infrastructure, real estate and connectivity. Yesterday, our shareholders approved the Company's name change to "Keppel Ltd.", with effect from 1 January 2024, reinforcing our efforts to shed Keppel's conglomerate structure to become one integrated company."

In the first nine months of 2023, Keppel generated S$178 million[3] in asset management fees. Despite the challenging environment, Keppel's private funds and listed trusts raised about S$1.0 billion in equity in 9M 2023. They also made total

[2] For reference, the 3-year Singapore SORA-OIS rate was 3.52% as at end-September 2023.
[3] Includes 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance.

acquisitions of about S$1.7 billion in 9M 2023, of which about S$600 million were in 3Q 2023. About S$500 million in divestments were completed in 9M 2023.

The Company also reported increased fund activity across all three of its segments over the past few months. In the Infrastructure segment, Keppel's new flagship fund Keppel Core Infrastructure Fund achieved its first close of US$575 million (S$783 million), out of its initial target size of US$2.5 billion (S$3.4 billion). Keppel also strengthened its presence in private credit, acquiring the remaining 50% interest in Pierfront Capital Fund Management Pte. Ltd., which offers bespoke private credit financing solutions in real asset sectors.

In the Real Estate segment, the Keppel Education Asset Fund expanded its footprint into Australia, with the acquisition of two education assets in Sydney for approximately A$198 million (S$175 million). In South Korea, Keppel's private funds acquired Citibank Center Korea and the Bank of Korea's Sogong Annex Facility in Seoul. Meanwhile, fundraising for the flagship Keppel Sustainable Urban Renewal (SUR) Fund saw good traction and the Company is working towards the first closing soon. The Company has also secured initial equity commitments of RMB 1.6 billion (S$300 million) for its China-focused SUR programme, which can potentially have assets under management of about RMB 3.9 billion (S$728 million) when fully leveraged and invested.

In the Connectivity segment, Keppel secured co-investors to acquire a 60% stake in Keppel's share of the Bifrost Cable System, which is expected to be ready for service in 2024.

Looking ahead, Keppel expects fund management and investment momentum to increase, with more than five new funds in the process of fundraising and being planned for launch in the next two years, and a deal flow pipeline of more than S$13.0 billion.

More details on the updates for the business segments for 3Q & 9M 2023 can be found in the addendum to this media release.

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About Keppel Corporation

Keppel Corporation Limited (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity.

Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts, and has a total portfolio with more than S$65 billion of assets under management.

Business Segments

Infrastructure

The Infrastructure Division continued to record strong earnings growth in 3Q and 9M 2023 underpinned by its robust integrated power business. As at end-September 2023, 100% of Keppel's customers were locked in with fixed or indexed electricity price plans for the next two years.

Keppel is actively expanding our energy portfolio with renewables and low carbon solutions. We operate one of Singapore's youngest and most-efficient power generation fleets and is developing the nation's first 600 MW hydrogen-ready and most advanced power plant.

As a leader in low carbon energy solutions, Keppel is set to contribute to ~35% of Singapore's 4 GW low-carbon electricity importation target. As the first licensee in Singapore to commence importation of renewable energy, our Infrastructure Division has imported more than 260 GWh since the commencement of the 100 MW agreement as part of the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project in June 2022. In 9M 2023, the Division further obtained conditional approvals from Energy Market Authority to import another 1 GW of low-carbon electricity from Cambodia and 300 MW of solar power from Indonesia.

In 9M 2023, Keppel secured more than S$1.3 billion of new EaaS contracts across Singapore, Thailand and Vietnam, bringing the Company's long-term supply & services contracts backlog to S$4.1 billion with earnings visibility over 10-15 years. More recently in October 2023, we secured a contract to design, build, own and operate a major solar project in Singapore with generation capacity of 43 MWp and contract period of 25 years.

Real Estate

In line with our pivot towards providing asset-light solutions, Keppel's Real Estate Division is implementing sustainable urban renewal initiatives across eight commercial projects in Singapore, China, Vietnam, South Korea, and India, with a combined asset value of S$7.2 billion[4]. With the 400-bed assisted living facility in Nanjing, China on track to open in 4Q 2023, Keppel's Real Estate Division is leveraging its operating platform capabilities to offer senior living management services to third party investors in Asia.

During the quarter, we announced the monetisation of our 35% stake in the V City project in Chengdu, China for S$94.0 million, and more recently completed the divestment of Sedona Hotel, Yangon for S$75.6 million. In 9M 2023, we also

[4] Sustainable Urban Renewal applied / to be applied to Keppel Bay Tower, Ocean Financial Centre, The Kube, Saigon Centre, INNO88 Tower (fka Samhwan Building), Kohinoor, Keppel South Central and Park Avenue Central. Asset values as of 30 September 2023.

recognised profit from the sale of two land plots for RMB1.02 billion (S$192 million) by our master developer in the Sino-Singapore Tianjin Eco-City.

Looking ahead, Keppel is positioning itself to seize opportunities and create value in China with a refreshed China strategy. Instead of traditional residential property development and sale, we will focus on sustainability-related solutions in sectors benefiting from tailwinds and government support, and where Keppel has strong differentiation and value add.

Connectivity

Keppel's Data Centres and Networks Division is pursuing a robust pipeline of data centre projects across Asia-Pacific and Europe. The first two phases of Huailai Data Centre in Greater Beijing have reached ~100% utilisation by end-September 2023, shortly after achieving ready-for-service status. Meanwhile, cable laying operations for the Bifrost Cable System is progressing well with ~30% completed and the Pacific Ocean segment on track for completion by end-2023. The Bifrost Cable System is expected to be ready for service in 4Q 2024.

M1 reported higher yoy revenue of S$908 million in 9M 2023, with improved contributions from mobile and enterprise services. Having developed over 50 use cases and partnerships across maritime, energy, utilities and smart estate vehicles, M1 continues to advance its lead in 5G solutions. In the consumer space, M1 maintained its position as the second-largest mobile operator in Singapore and is on track to complete the migration of customers to its new cloud native digital platform by end-2023.