

Media Release

Keppel to divest its logistics businesses in line with the Group's Vision 2030 plans

Singapore, 31 March 2022 – Keppel Telecommunications & Transportation Limited (Keppel T&T) has entered into an agreement for the divestment of its entire stake in Keppel Logistics Pte. Ltd. (Keppel Logistics) to Geodis International SAS (GEODIS) for a consideration of approximately \$80 million¹, valuing Keppel Logistics at enterprise value of \$150 million on a cash free, debt free basis. This transaction includes Keppel Logistics' businesses in Singapore, Malaysia and Australia, as well as UrbanFox.² The consideration was arrived at on a willing buyer and willing seller basis, taking into account the enterprise value, financial position and business prospect of Keppel Logistics.

Mr Thomas Pang, CEO of Keppel T&T said, "The divestment of Keppel Logistics, a non-core business that has been operating at a sub-scale level, is in line with the Keppel Group's Vision 2030 plans to simplify and focus our business as well as enhance our earnings. Following the divestment, Keppel T&T's priority would be to scale up in our focus areas of sustainable data centre solutions and subsea cable systems. The transaction will also unlock capital that can be deployed to fund the Keppel Group's growth initiatives.

"For over 50 years, Keppel Logistics has been providing customised integrated logistics solutions in Singapore. We believe the integration of Keppel Logistics as part of GEODIS would help accelerate Keppel Logistics' growth, allowing it to scale up and provide even better value propositions to both its customers and internal stakeholders."

Marie-Christine Lombard, Chief Executive Officer of GEODIS, commented: "The acquisition of Keppel Logistics will mark a key milestone in GEODIS' Asia-Pacific ambitions. Keppel Logistics is a well-established regional player, with a strong focus on innovation. Through this acquisition which will combine GEODIS' worldwide leadership with Keppel Logistics' robust local footprint, we believe we can create great value for our customers, facilitating their growth particularly in the e-Commerce Asian market".

Approximately \$70 million¹ of the consideration will be payable in cash on completion, and \$10 million will be placed in an escrow account to be released to Keppel T&T upon the fulfilment of certain performance targets in 2022 and 2023. The completion of the proposed divestment is expected to take place in 2Q 2022, conditional upon, among others, the receipt of approval from the applicable regulatory authorities.

Following the divestment of Keppel Logistics, Keppel T&T will continue to seek opportunities to monetise the remaining non-core logistics assets and operations. Separately, Keppel Logistics has also signed a non-binding term sheet to divest its 51% interest in Indo-Trans

¹ Subject to adjustment on completion of the Proposed Divestment based on updated financials.

² The transaction will not include Keppel T&T's logistics operations in China, namely the Jilin Food Zone Logistics Park, the Tianjin Eco-City Distribution Centre, the Keppel Wanjiang International Coldchain Logistics Park, as well as Keppel Logistics' stakes in Keppel Puninar Logistics in Indonesia and Indo-Trans Keppel Logistics in Vietnam.

Keppel Logistics (ITKL) in Vietnam to In Do Trans Logistics Corporation, which is Keppel Logistics' existing joint venture partner in Vietnam.

For FY 2021, the Keppel Logistics entities being divested to GEODIS registered a net loss after tax of \$5.2 million. The proposed divestment of Keppel Logistics to GEODIS is not expected to have any material impact on the net tangible assets or earnings per share of Keppel Corporation, the parent company of Keppel T&T, for the current financial year.

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About Keppel Telecommunications & Transportation

Keppel Telecommunications & Transportation (Keppel T&T) is a leading service provider in the Asia-Pacific region and Europe with businesses in logistics, data centres and subsea cable systems. In Singapore, Keppel T&T's logistics division has more than 50 years of experience in offering customised integrated logistics solutions, and has expanded its urban logistics offerings to include omnichannel logistics and multi-channel commerce capabilities.

Keppel T&T's Data Centre division has a track record of more than a decade in owning, developing and managing high-quality carrier-neutral data centre facilities that support mission-critical computer systems. Keppel T&T is also the sponsor of Keppel DC REIT, the first data centre Real Estate Investment Trust (REIT) listed in Asia and on the SGX-ST. Together with assets owned through Keppel DC REIT, Keppel T&T has a global portfolio of more than 20 data centres located in key data centre hubs across the Asia Pacific and Europe.

Keppel T&T has also expanded into the subsea cable industry. Together with other partners, it will jointly own and develop the Bifrost Cable System, the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea.

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