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ANNOUNCEMENT BY FLOATEL INTERNATIONAL LTD

Keppel Corporation Limited (the "Company" or "KCL") refers to the announcement by Floatel International Ltd ("Floatel") on 19 February 2020 in respect of its consolidated financial statements for the fourth quarter of the financial year ended 31 December 2019 ("Floatel 4Q Results").

The Floatel 4Q Results was prepared on the assumption of a going concern. However, it was reported in the Floatel 4Q Results that Floatel's financial situation was unsustainable as liquidity was under pressure and there was a material uncertainty as to whether it and its subsidiaries ("Floatel Group") would be able to service their secured financial liabilities and net working capital requirements for the coming 12 months, which casted significant doubt on Floatel's ability to continue as a going concern. The long-term viability of Floatel Group's business depended on it finding a solution to its financial situation and Floatel had initiated discussions with key creditors, which in the view of Floatel's board of directors, there were reasonable expectations of success. In a situation where going concern for Floatel no longer can be assumed, there is a risk for significant write down of its assets.

In its unaudited financial statements for the financial year ended 31 December 2019, KCL equity accounted for its share of loss in Floatel, amounting to approximately S$51 million, which included the impairment losses recognised by Floatel on its vessels. Based on an assessment of the recoverability of the group's total investments in Floatel (comprising equity interest, preference shares and loan), KCL also recognised a fair value loss of approximately S$11 million in respect of its investment in Floatel preference shares. As at the end of the financial year ended 31 December 2019, KCL's carrying value of its investments in Floatel was approximately S$477 million. Based on the information set out in the Floatel 4Q Results and information currently available, the Company has assessed that no further impairment is required.

The Company will continue to monitor developments and make the necessary disclosures as appropriate.