Keppel Corporation

Extraordinary General Meeting: Proposed acquisition of SPH through scheme of arrangement

9 December 2021

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Rare opportunity to acquire synergistic platform aligned to Vision 2030

Financially attractive, enhances returns and earnings profile

1 Pro-forma EPS accretion

Earnings accretive on pro-forma basis[1,2]

2 Pro-forma recurring income contribution[1,3]

+18%
Growth in recurring PATMI [3]

56%
Recurring PATMI [3]

3 Maintain net gearing[4] headroom

<1.0x
Net gearing

Deleveraging in the near term through asset monetisation programme[5]

Increased scale in focus areas

1 Potential Increased AUM[6]

c.S$47b **+c.27%**

2 Growth sectors

Purpose Built Student Accommodation ("PBSA")

Senior Living

3 Established REIT platform

Natural fit with existing businesses and Vision 2030 with many opportunities to harness synergies

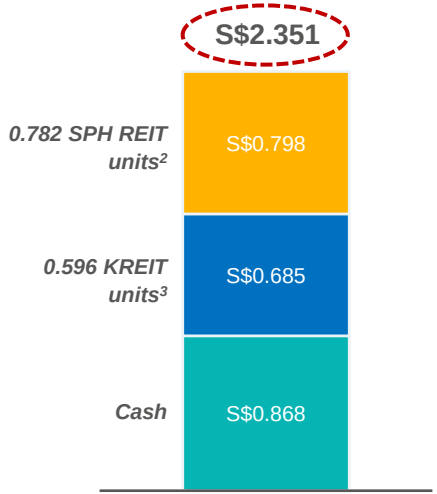
Attractive portfolio aligned with Keppel's asset-light business model and supports recurring income growth

Note: [1] This statement on growth in earnings per share ("EPS") and recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. In computing the financial impact of the Proposed Transaction on pro forma EPS, financial statements for different financial year ends and different financial years were used (being the financial year ended 31 Dec 2020 for the Group and the financial year ended 31 Aug 2021 for the SPH Group). In computing the financial impact of the Proposed Transaction on pro forma recurring income contribution, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group); [2] Based on (a) Keppel's audited consolidated results for the financial year ended 31 Dec 2020, (b) the SPH FY2021 Results (for the financial year ended 31 Aug 2021) and (c) pro-forma financial effects of the DIS on selected financial measures of SPH set out in Appendix B to the Circular, yielding a decrease in loss per share of 3.9 Singapore cents excluding one-off effects due to gains arising from the change in interest in Keppel REIT held by Keppel and excluding restructuring adjustments which include the effect of the assumption of certain liabilities, costs and expenses arising from the Media Business Restructuring; [3] Profit after tax and non-controlling interests ("PATMI"), recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction; [4] Net debt over equity; [5] Keppel has earmarked a pool of assets with total carrying value of c.$17.5b (as at 30 Jun 2020) that can be monetised in its Vision 2030 strategy; [6] Potential Increased AUM includes addition of portfolio valuation of SPH REIT and PBSA, carrying value of Orange Valley, investment property value of Japan aged care assets, investment property value of Seletar Mall, GDV of Woodleigh Mall and Genting Lane Data Centre as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report, as well as addition of 70% portfolio valuation (as at 6 Aug 2020, based on Prime US REIT 1H FY20 financial results presentation) of Prime US REIT as manager interest increased from 30% to 50% post transaction, resulting in a controlling stake in manager

A win-win proposition for Keppel and SPH shareholders

✓ Firm Offer with MAE condition waived

Final Consideration[1]



Attractive premiums

- **+12%[4]** from Initial Consideration[5]
- **+9%** premium to SPH's 9 Nov closing price[6]
- **+57%** premium to SPH unaffected price[7]

Additional upside

✓ Receive **KREIT** units at **10% discount to NAV[8]**

SPH shareholders will receive additional cash consideration of S$0.200/share

Note: [1] Based on KREIT closing price of S$1.150/unit and SPH REIT closing price of S$1.020/unit as of 9 Nov 2021; [2] Consideration of 0.782 SPH REIT units per SPH share; [3] Consideration of 0.596 KREIT units per SPH share; [4] Cash portion of Final Consideration increased by S$0.200 cents per SPH share with no change in the number of KREIT and SPH REIT units being offered. However the cumulative value of KREIT and SPH REIT units has gone up by S$0.052/SPH share due to changes in unit prices of KREIT and SPH REIT. Overall, the 12% increase is a combination of cash portion increase (c.10%) and increased value of KREIT and SPH REIT consideration (c.2%); [5] Based on KREIT closing price of S$1.200/unit and SPH REIT closing price of S$0.915/unit as of 30 Jul 2021; [6] S$2.160/SPH share as of 9 Nov 2021; [7] S$1.500/SPH share as of 30 Mar 2021; [8] As of 30 Sep 2021.

Compelling acquisition for Keppel

Proposed acquisition remains attractive to Keppel even at Final Consideration

- ✓ Increase in cash consideration of S$0.200/share underpinned by strengthening global economic conditions, recent improvement in SPH performance and growing synergies identified
- ✓ Continue to see significant value in SPH portfolio
- ✓ **Keppel will remain disciplined** and increased consideration is final and would not be further increased
- ✓ Offer structure **remains part scrip - part cash**, in line with Keppel's initial plans, but with additional cash
- ✓ Proposed acquisition remains earnings accretive on a pro forma basis[1]
- ✓ Higher cash consideration expected to increase Keppel's pro forma net gearing post-transaction by only **0.03x**[2], with pro forma net gearing expected to **remain <1x**, leaving adequate capacity to pursue other **Vision 2030 growth opportunities** and **reward shareholders**

Note: [1] Based on (a) Keppel's audited consolidated results for the financial year ended 31 Dec 2020, (b) the SPH FY2021 Results (for the financial year ended 31 Aug 2021) and (c) pro-forma financial effects of the DIS on selected financial measures of SPH set out in Appendix B to the Circular, yielding a decrease in loss per share of 3.9 Singapore cents excluding one-off effects due to gains arising from the change in interest in Keppel REIT held by Keppel and excluding restructuring adjustments which include the effect of the assumption of certain liabilities, costs and expenses arising from the Media Business Restructuring; [2] In projecting the pro forma net gearing of the Company post-transaction, the net gearing of the Company as at 30 June 2021 was used, assuming that the Proposed Transaction had been effected on 30 June 2021

Indicative transaction milestones

Date	Milestone
9 Nov 2021	■ Announcement of Keppel Pegasus' Final Consideration
24 Nov 2021	■ Despatch of Chapter 10 Circular by Keppel
To be announced	■ Despatch of Composite Document including Offeror's Letter by SPH
9 Dec 2021	■ Keppel EGM
To be announced	■ SPH scheme meeting and EGM for Keppel Pegasus' final offer
To be announced	■ Effective date of the implementation of the scheme
To be announced	■ Payment of consideration to SPH shareholders