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VOLUNTARY PRE-CONDITIONAL CASH PARTIAL OFFER

by

Morgan Stanley

Morgan Stanley Asia (Singapore) Pte.

(Incorporated in Singapore)
(Company Registration No.: 199206298Z)

for and on behalf of

Kyanite Investment Holdings Pte. Ltd. (the “Offeror”)

(Incorporated in Singapore)
(Company Registration No.: 201931922E)

an indirect wholly-owned subsidiary of

Temasek Holdings (Private) Limited (“Temasek”)

(Incorporated in Singapore)
(Company Registration No.: 197401143C)

to acquire such number of Shares in the capital of

Keppel Corporation Limited

(Incorporated in Singapore)
(Company Registration No.: 196800351N)

other than those already owned, controlled or agreed to be acquired by
the Offeror Concert Party Group,

which would result in the Offeror and Temasek having
an aggregate direct holding in 51.00 per cent. of the total number of Shares in the capital of
Keppel Corporation Limited in issue (excluding Shares held in treasury) as at the Record Date

ANNOUNCEMENT

**Group Financial Performance Results of Keppel Corporation Limited for the Second Quarter and
Half Year ended 30 June 2020**

We refer to (i) the pre-conditional partial offer announcement (the “**Pre-Conditional Partial Offer Announcement**”) by Morgan Stanley Asia (Singapore) Pte. (“**Morgan Stanley**”) on 21 October 2019 for and on behalf of the Offeror in relation to the voluntary pre-conditional cash partial offer (the “**Partial Offer**”) by the Offeror in relation to Keppel Corporation Limited (the “**Company**”, together with its subsidiaries and associated companies, the “**Group**”) and (ii) the Update Announcements¹. Unless otherwise defined herein, all capitalised terms used in this Announcement shall have the same meanings given to them in the said announcements.

As previously announced, the making of the Partial Offer is subject to the satisfaction and/or waiver (at the discretion of the Offeror) of a number of Pre-Conditions². These Pre-Conditions include certain regulatory approvals, as well as there being no material adverse change in the Group’s financial performance and condition (the “**MAC Pre-Condition**”), among others. The MAC Pre-Condition requires, among others, the cumulative net profit after tax but before non-controlling interests (the “**PAT**”) of the Group for the 12 months ended on the balance sheet date of the Latest Subsequent Financials³ to be more than **S\$556.9 million**⁴.

The Company released the Group’s unaudited consolidated financial results for the second quarter (“**2Q2020**”) and the half year ended 30 June 2020 (the “**2Q2020 Results**”) on 30 July 2020. Based on the Group’s PAT for 2Q2020 of negative S\$698.8 million, the Group’s cumulative PAT for the 12 months up to and including 30 June 2020, is **negative S\$164.7 million**. Accordingly, if the MAC Pre-Condition was assessed based on the 2Q2020 Results, the MAC Pre-Condition would not be satisfied.

At this stage, the Offeror has not made a decision whether to invoke the MAC Pre-Condition based on the 2Q2020 Results. In consultation with the Securities Industry Council of Singapore, **the Offeror will disclose, as soon as a decision is made and by no later than 31 August 2020, if it intends to invoke the MAC Pre-Condition based on the 2Q2020 Results. If the MAC Pre-Condition is invoked by the Offeror, the pre-conditional Partial Offer will be withdrawn.**

For the avoidance of doubt, Shareholders should note that the making of the Partial Offer remains subject to the satisfaction and/or waiver (at the discretion of the Offeror) of the other Pre-Conditions, some of which remain outstanding as of the date of this Announcement. Nothing in this Announcement shall be construed as a waiver by the Offeror of any of the other outstanding Pre-Conditions.

Shareholders, or potential shareholders, of the Company should note that there is no certainty any of the outstanding Pre-Conditions will be satisfied and/or waived and no certainty that the Partial Offer will be made. Accordingly, Shareholders should exercise caution and seek appropriate independent advice when dealing in the Shares.

¹ Being the announcements made by Morgan Stanley for and on behalf of the Offeror on 7 March 2020 and 28 April 2020 relating to the update on the Pre-Condition relating to Authorisations.

² A list of the Pre-Conditions to the Partial Offer is set out in Schedule 1 of the Pre-Conditional Partial Offer Announcement and the Update Announcements (collectively, the “**Previous Announcements**”), copies of which are available on the website of the SGX-ST at www.sqx.com. The Pre-Conditions include, among others, Authorisations which are necessary or appropriate in connection with the Partial Offer. The specific Authorisations identified by the Offeror to-date are specified in the Previous Announcements.

³ Being the latest financial statements released by the Company on or prior to the date on which the Offeror announces its firm intention to make the Partial Offer upon the satisfaction and/or waiver of all the Pre-Conditions.

⁴ This represents a decrease of 20 per cent. from the cumulative PAT of the Group for the 12 months ended 30 September 2019 of S\$696 million.

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

Morgan Stanley Asia (Singapore) Pte.

For and on behalf of

Kyanite Investment Holdings Pte. Ltd.

1 August 2020

Singapore

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast”, “targets” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Temasek and Morgan Stanley undertakes any obligation to update publicly or revise any forward-looking statements.

Any inquiries relating to the Partial Offer should be directed during office hours to:

Morgan Stanley Asia (Singapore) Pte.

Tel: (65) 6834 6676