Address by Mr Loh Chin Hua, CEO of Keppel Corporation

SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2020

1. Good evening. Welcome to the webcast on Keppel Corporation's full year 2020 results and performance.

A Tumultuous Year, a Transformational Year

2. 2020 was a tumultuous year, with the COVID-19 pandemic causing immense suffering and severely impacting the global economy. Keppel was also not spared from its impact, especially our Offshore & Marine (O&M) business, which has been badly affected by the fall in global demand for oil.

3. However, 2020 was also a year of transformation and new beginnings for Keppel, as we unveiled Vision 2030, our long-term strategy to guide the Group's growth and transformation as one integrated business, providing solutions for sustainable urbanisation.

4. Last September, we announced further steps in our Vision 2030 roadmap. As part of our asset-light business model, we identified a group of assets valued at S$17.5 billion (based on the Group's balance sheet as at 30 June 2020) that could be monetised over time, and announced our plan to monetise S$3-5 billion of these assets over the next three years. Since the beginning of October, we have announced divestments of more than S$1.2 billion, well on our way to the three-year target. We will continue our asset monetisation programme in the year ahead, as we recycle capital to fund growth opportunities.

5. We have established a Transformation Office to drive the Group's execution of Vision 2030, with a comprehensive agenda covering six workstreams - growth initiatives, asset monetisation and portfolio optimisation, cost and cash management, sustainability, technology and innovation, and people and organisation.

6. We also launched a 100-day plan, from end-September 2020 to early January 2021, to expedite the execution of Vision 2030. Over this period, we announced more than a dozen different initiatives, including asset monetisation as well as growth initiatives, such as securing new offshore and onshore renewables projects, growing our urban development business, and launching new funds aligned to Keppel's areas of business. The pursuit of Vision 2030 is not a one-off sprint, but a multi-year, long distance run. Following the conclusion of the 100-day plan, we will pursue second, third and fourth waves of initiatives, as we keep up the momentum to realise Vision 2030.

7. Last September, we also announced the strategic review of Keppel Offshore & Marine (Keppel O&M), and earlier on, our logistics business. Let me provide an update on the two reviews.

Strategic Review of Offshore & Marine Business

8. Amidst growing international concerns about climate change, the global energy transition is accelerating, with the share of renewables, gas and new energy solutions growing in the energy mix. Demand for solar PV and offshore wind is expected to grow significantly in the years ahead, while natural gas, as a transition fuel, is projected to overtake oil to become the world's largest energy source. The COVID-19 pandemic has further accelerated the energy

transition by sharply reducing global oil demand, thus triggering a sharp deterioration in the industry in the past year.

9. In line with the changing environment, we have announced today our plans to transform Keppel O&M organically to be more competitive, relevant and aligned to Keppel's Vision 2030, even as we continue to explore inorganic options.

10. In a nutshell, the organic transformation of Keppel O&M comprises two main parts.

11. First, we will transform the company into a nimble, asset-light and people-light Operating Company (Op Co), which will focus on seizing opportunities in the energy transition, such as floating infrastructure and infrastructure-like projects including renewables, gas solutions, new energy solutions and production assets. It will also collaborate with other Keppel business units to provide other urbanisation solutions such as offshore and nearshore infrastructure, and floating data centre parks, harnessing the synergies of the Group.

12. As part of the transformation, Keppel O&M will exit the offshore rig building business, and also progressively exit low value-adding repairs and other activities with low bottom line contribution. It will transit to a developer and integrator role higher up the value chain, focusing on design, engineering and procurement, with fabrication work subcontracted to third parties. Keppel O&M's yard operations will be streamlined and we will rightsize the organisation, while investing to build new capabilities. We will also explore how Keppel O&M's offshore rig technology can be repurposed for other uses.

13. Second, we will address the S$2.9 billion of legacy completed and uncompleted rigs on our balance sheet by ring-fencing them and putting them under a Rig Co and a Development Co (Dev Co) respectively. Completed rigs in the Rig Co will be put to work or monetised if there are suitable opportunities. A team will be appointed to support the Rig Co's chartering and marketing activities. When the oil market improves, utilisation and day rates increase and the rigs generate steady cashflow, we will sell the rigs or explore bringing in third party investors. When the Rig Co is cashflow generating, it can also be monetised or spun off.

14. The Dev Co will focus on completing the uncompleted rigs, while prudently managing cashflow. We will focus on completing rigs that have firm contracts with customers. Completed rigs will either be delivered to customers, or transferred to the Rig Co and put to work or sold. Both the Rig Co and Dev Co are transient structures. They are projected to need about S$500 million in net funding from the Group, mainly to complete the rigs. This funding will be provided over time, and repaid as the rigs are put to work or monetised.

15. When we succeed in executing these plans, we will see a transformed and more competitive Keppel O&M, well-placed to support the global energy transition. It will be much slimmer than the Keppel O&M of today, with a significantly reduced headcount, focusing on higher value-adding work as a developer and integrator. It will also be much more asset-light, and a strong contributor to the Group's ROE target of 15%.

16. As part of the strategic review, we are also exploring inorganic options, but there is no assurance that any transaction will materialise. We believe our organic restructuring of Keppel O&M will not only enhance its competitiveness, but also its attractiveness, if we were to undertake any inorganic action. We will provide further updates to the market in due course if there are any material developments.

Strategic Review of Logistics Business

17. E-commerce has been growing rapidly in recent years, and was given a further boost by the COVID-19 pandemic. Our logistics business has benefited from the increased demand for e-commerce and urban logistics over the past year, with last mile deliveries, gross merchandise value, and channel management orders growing significantly. Notwithstanding the growing business, we have decided to sharpen our focus and divest our third-party logistics business in Southeast Asia and Australia as well as our channel management business to a third party, who may be able to provide a better eco-system to scale up the business. Rothschild & Co has been appointed as Keppel T&T's financial adviser and has started engaging potential buyers. We have received good interest from the market, with many potential buyers signing NDAs. The first bids are expected in February 2021, following which we will shortlist the buyers for deeper engagement. We are keeping options open, and may decide to divest our logistics business completely or continue holding a minority stake.

Financial Performance

18. Moving on to the Group's financial performance: Against an unprecedentedly challenging backdrop, Keppel sustained a net loss of S$506 million for FY 2020. This was due to impairments of S$952 million, mainly in the O&M business, the bulk of which was recorded in 2Q 2020. However, apart from Keppel O&M, all key business units within the Group remained profitable. Excluding impairments, FY 2020's net profit would have been S$446 million, underpinned by the resilient performance of Keppel's business units, many of which provide essential services and continued operating during the pandemic.

19. Our free cash inflow stood at S$497 million in 2020, compared to a free cash outflow of S$653 million in 2019, due mainly to lower working capital requirements and higher divestment proceeds, underpinned by our asset monetisation programme.

20. Net gearing was slightly lower at 0.91x as at end-2020, compared to 0.96x as at end-September 2020, due to divestment proceeds received during the quarter, as well as a higher equity base. If the various asset monetisation initiatives which we have announced, such as the divestment of Keppel Bay Tower, had been completed by 31 December 2020, our net gearing as at end-2020 would have fallen to 0.81x on a pro forma basis.

21. In appreciation of our shareholders for their confidence and support for Keppel in this difficult environment, the Board of Directors will be proposing a final dividend of 7.0 cents per share. Together with the interim cash dividend of 3.0 cents per share, we will be paying out a total cash dividend of 10.0 cents per share to shareholders for the whole of 2020.

Multiple Income Streams

22. In Keppel's Vision 2030, we highlighted our focus on improving the quality of our earnings through growing our recurring income, while shifting away from lumpy project-based earnings. For 2020, recurring income amounted to S$220 million, compared to S$260 million in 2019.

23. Next, I will discuss the Group's performance according to our four new focus segments of Energy & Environment, Urban Development, Connectivity and Asset Management. We will present contributions from the Group's stakes in the REITs, Keppel Infrastructure Trust and private funds under Asset Management, rather than under the respective business units as

was done previously, so as to provide greater clarity on the earnings from Asset Management, as well as the core operations of our three other segments.

Energy & Environment

24. Energy & Environment made a net loss of S$1.181 billion for FY 2020, on the back of losses in the O&M business.

25. Keppel O&M's net loss for FY 2020 was S$1.194 billion. This was mainly due to the significant impairments recorded in 2Q 2020, reduced top line from COVID-19 related disruptions which severely impacted yard activities in Singapore for much of the year, and the higher share of losses from associates.

26. Keppel O&M's pivot to renewables and cleaner fossil fuels has borne fruit. Despite the challenging environment, it secured new order wins of about S$1.0 billion in 2020, with offshore renewables and LNG solutions making up 65% of new orders.

27. Keppel O&M's net orderbook stood at S$3.3 billion as at end-2020, over 80% of which comprises renewables and gas solutions. Work has resumed at all our yards, including the Singapore yards, where a workforce of about 19,500 has returned to work as at end-2020, with safe management measures in place. We are now working to catch up on projects which had been delayed due to COVID-19.

28. Keppel Infrastructure continued to grow as a steady contributor to the Group, with its contribution improving from S$129 million for FY 2019 to S$144 million for FY 2020. It continued to deliver strong results, underpinned by improved performance in the Energy Infrastructure and Environmental Infrastructure businesses. During the year, Keppel Infrastructure secured S$2.1 billion worth of WTE and district cooling contracts across Singapore, India and Thailand.

29. The newly established Keppel Renewable Energy has also announced its first solar farm project in Australia. We will continue to explore opportunities in renewable energy assets, in line with Keppel's focus on making sustainability our business.

Urban Development

30. Urban Development recorded a net profit of S$438 million for FY 2020, lower year-on-year mainly due to the lower contribution from Keppel Land. Keppel Land's contribution was S$406 million for FY 2020, 10% lower than the S$452 million for FY 2019, mainly due to the absence of tax write-backs.

31. During the year, Keppel Land announced asset divestments of about S$1.3 billion, and acquired a stake in a co-living solutions provider as well as new projects in China and India.

32. Home sales were lower year-on-year at 3,340 units. The bulk of the reduction was in China, due to economic headwinds in the country as well as fewer new projects launched.

33. In Vietnam, home sales were affected by slower approval for the launch of new projects. However, demand for quality homes remains strong. The first batch of 519 units at Celesta Rise in Ho Chi Minh City was launched in November 2020, and almost all the units were sold within a month.

34. On a positive note, home sales in Singapore improved significantly. Most of the sales were at The Garden Residences, which was 93% sold as at end-2020.

35. These figures do not include the approximately 8,200 units sold en-bloc, from the announced divestments of our stakes in four residential projects across China and Vietnam.

36. Our total residential landbank stands at about 54,000 homes with the majority in China and Vietnam, and a growing portfolio in India.

37. In China, the Sino-Singapore Tianjin Eco-City continues to grow steadily, with our master developer SSTEC contributing profit of S$67 million to the Group, from the sale of two residential land plots and the handover of completed homes.

Connectivity

38. Connectivity recorded a net profit of S$13 million for FY 2020, compared to S$136 million in FY 2019, mainly due to the absence of the fair value gain recognised in 2019 from the remeasurement of the previously held interest in M1 at acquisition date.

39. Digitalisation trends accentuated by work from home arrangements continue to drive demand for data centres, a growth engine for the Group. Our data centre business reported a net loss of S$12 million for FY 2020, following the segmentalisation of S$74 million in contributions from our stakes in Keppel DC REIT and Alpha Data Centre Fund under Asset Management. This includes the gains from the partial sale of Keppel DC REIT units last year.

40. During the year, Keppel Data Centres added two new data centre development projects in Singapore and China to its portfolio. With the launch of the new Keppel Data Centre Fund 2, we will further expand our data centre footprint, without relying just on our balance sheet, while we continue to grow our fee income from operating and maintaining the data centres.

41. M1's contribution was S$65 million, lower year-on-year due to the impact of the pandemic on roaming and prepaid revenue. However, EBITDA remained relatively resilient at S$264 million - a modest decline of 6.9% year-on-year. In 2020, M1 increased its market share to have the second largest postpaid base in Singapore, based on both number of customers and revenue[1]. M1's transformation is also progressing well. It recently unveiled its refreshed brand identity and will shortly launch its new digital connectivity platform, which will significantly improve customer experience. M1 is also continuing to collaborate with industry leaders to conduct trials of 5G use cases, as it rolls out its 5G standalone network this year.

Asset Management

42. For FY 2020, Asset Management's net profit was S$280 million, up 31% from a year ago. This was mainly due to the gains from the reclassification of Keppel Infrastructure Trust, as well as improved performance by Keppel Capital, whose net profit grew 6% year-on-year to S$85 million.

43. Asset management is both a vertical for the Group, and also a horizontal which promotes collaboration across businesses, while serving as a platform for capital recycling and tapping

[1] Based on data available as at 9M 2020

third party investments for growth. FY 2020 saw Keppel Capital playing all of these roles in line with Vision 2030.

44. Notably, Keppel Capital's asset management fees grew, underpinned by contributions from new fund initiatives. Despite the travel and other restrictions imposed by the pandemic, Keppel Capital-managed funds raised total equity of about S$4.5 billion from institutional investors during the year, reflecting the strong demand from investors for assets with long-term sustainable cashflow. Keppel Capital has also launched and achieved first close for several funds spanning different asset classes. As at end-December 2020, Keppel Capital's AUM has grown by 12% to S$37 billion, compared to S$33 billion a year ago.

Conclusion

45. To conclude, progress in the roll-out of the COVID-19 vaccine gives hope that the end of the pandemic may be in sight. However, we are not out of the woods yet. The pandemic continues to spread in many countries, and we have seen the tightening of curbs in different cities in response to new waves of infection. We must therefore remain vigilant and carefully observe safe management measures.

46. However, COVID-19 has also accelerated many macrotrends which were already in motion, such as increasing digitalisation, e-commerce and the energy transition, which we had identified as part of Vision 2030. They will create new opportunities for businesses ready and able to seize them. But with the world changing at an increasing pace, we must also speed up the execution of our vision.

47. While the global outlook remains uncertain, I am cautiously optimistic about the year ahead. Keppel has a clear strategy and the necessary funding to weather the tough environment and pursue growth initiatives. Guided by our Vision 2030, we will continue to grow our business as a provider of solutions for sustainable urbanisation for the benefit of all stakeholders.

48. Before I end, I would like to express my deep appreciation to two colleagues on the panel who will be stepping down next month, as part of the Group's leadership renewal. Dr Ong Tiong Guan, CEO of Keppel Infrastructure, will be retiring, but will remain on the board of Keppel Infrastructure. Mr Tan Swee Yiow will step down as CEO of Keppel Land, but will take on a new role as Senior Managing Director of Urban Development at Keppel Corporation. He will remain on the boards of Keppel Land and Keppel REIT Management. Thank you, TG and Swee Yiow, for your contributions to the Group. I look forward to working with Swee Yiow in his new capacity.

49. Our CFO, Hon Chew, will now take you through the Group's financial performance. Thank you.

ADDRESS BY MR CHAN HON CHEW,
CHIEF FINANCIAL OFFICER, KEPPEL CORPORATION LIMITED

SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

2H 2020 Financial Performance (Slide 20)

1. Thank you, Chin Hua, and a very good evening to all. I shall now take you through the Group's financial performance.

2. In the 2H 2020, the Group recorded a net profit of $31 million, which was 91% lower than the corresponding period in 2019.

3. Correspondingly, the earnings per share decreased by 91% to 1.7 cents.

4. Revenue decreased by 20% to $3.4 billion compared to the same period in 2019. Lower revenues from Energy & Environment and Connectivity were partly offset by higher revenues from Urban Development and Asset Management.

5. Operating profit was 60% lower at $157 million largely due to weaker performance from the offshore & marine business and additional impairments recognised in 2H 2020.

6. Profit before tax at $102 million decreased by a higher percentage of 78%, mainly due to share of associated companies' fair value losses on investment properties, lower investment income and higher net interest expense.

7. After tax and non-controlling interests, net profit was $31 million, translating to earnings per share of 1.7 cents.

2H 2020 Revenue by Segment (Slide 21)

8. In the next slide, we take a closer look at the Group's revenues by segment.

9. In the second half of 2020, the Group's revenue at $3.4 billion was 20% lower than the same period in the preceding year.

10. Revenue from Energy & Environment decreased by 32% to $1.9 billion mainly due to significantly lower revenue in the offshore & marine business as a result of slower progress from certain on-going projects due to COVID-19 related disruptions, suspension of revenue recognition on Awilco contracts, and deferment of some projects. Lower electricity sales and the completion of Keppel Marina East Desalination Plant project in 2Q 2020 contributed further to the decline in the top-line. These were partly offset by higher progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project.

11. Urban Development's revenue increased by 8% compared to 2019, mainly due to higher contribution from property trading projects led by a higher number of units handed over for Waterfront Residences in Wuxi, Seasons Residences in Wuxi, Sheshan Riviera in Shanghai and Seasons Residences in Shanghai, which were partly offset by fewer units handed over for Riviera Point in Ho Chi Minh City, Park Avenue Heights in Wuxi, 8 Park Avenue in Shanghai, as well as lower contribution from the Reflections & Corals at Keppel Bay in Singapore.

12. Connectivity saw a 5% drop in revenue mainly due to lower roaming service revenue as a result of COVID-19 and lower handset and equipment sales in M1, as well as lower contribution from the logistics business following the divestment of certain China logistics assets in November 2019.

13. Revenue from Asset Management increased 3% largely due to higher asset management fees, partly offset by lower acquisition fees.

2H 2020 Pre-tax Profit by Segment (Slide 22)

14. Moving on to the Group's pre-tax profit.

15. The Group recorded $102 million of pre-tax profit for the second half of 2020, 78% below the same period in 2019.

16. Energy & Environment's pre-tax loss was $309 million as compared to $54 million in 2019. The offshore & marine business was impacted by slower progress on projects due principally to significant downtime as a result of COVID-19 and higher net interest expense, which were partly mitigated by lower overheads, lower share of losses from associated companies and government relief measures for the COVID-19 pandemic. The weak performance in the offshore & marine business was partly offset by higher contributions from the energy infrastructure and environmental infrastructure businesses, as well as absence of share of loss from KrisEnergy as compared to the same period in 2019.

17. Despite higher revenues, Urban Development's pre-tax profit decreased by $11 million to $373 million, mainly arising from share of associated companies' fair value losses from investment properties, as compared to share of fair value gains on investment properties in the same period in 2019, as well as lower contribution from the Sino-Singapore Tianjin Eco-City mainly due to fewer land plot sales. These were partly offset by higher contributions from property trading projects in China, and gains from the disposal of interests in the Taicang and Chengdu projects in China.

18. Connectivity's pre-tax profit of $16 million was $19 million lower than the same period in 2019 mainly due to lower revenue as a result of COVID-19 travel restrictions and higher digital transformation costs in M1. These were partly offset by gain from the disposal of interest in Business Online Public Company Limited and lower net interest expense.

19. Asset Management's pre-tax profit of $34 million was $89 million lower than the same period in 2019 led by lower contributions from Keppel REIT due mainly to fair value losses on investment properties and Alpha Data Centre Fund, lower investment income, as well as absence of dilution gain arising from Keppel DC REIT's private placement exercise in 2019. These were partly offset by dividend income from KIT.

20. Corporate and Others consists mainly of corporate costs, research & development costs, treasury operations, investment holdings and provision of management and other support services. Pre-tax loss of $12 million was $11 million lower mainly due to absence of bad debt written off compared to 2019, partly offset by fair value loss on investments and lower investment income.

2H 2020 Net Profit by Segment (Slide 23)

21. After tax and non-controlling interests, the Group's net profit was $31 million, as compared to net profit of $351 million for the same period in 2019.

22. Profits from Urban Development, Asset Management and Connectivity were partly offset by losses at Energy & Environment.

FY 2020 Financial Performance (Slide 24)

23. I shall now take you through the performance for FY 2020.

24. The Group recorded net loss of $506 million for FY 2020, as compared to net profit of $707 million in 2019.

25. Consequently, annualised ROE was at negative 4.6%, as compared to positive 6.3% recorded in 2019.

26. Free cash inflow of $497 million was an improvement over the free cash outflow of $653 million in 2019. This was mainly due to lower working capital requirements from Energy & Environment and Urban Development and higher proceeds from divestments of interests in Jiangyin, Taicang and Chengdu projects in China, as well as receipt of deferred proceeds from 2019's sale of interest in Dong Nai Waterfront City project.

27. Net gearing increased from 0.85x at the end of 2019 to 0.91x at the end of 2020. This was mainly due to investments, working capital requirements and payments of the final dividend for FY 2019 and interim dividend for FY 2020, as well as the impact from lower equity due to the significant impairments recorded in the current year. However, this is an improvement compared against June 2020 net gearing of 1.0x, largely due to divestment proceeds received during the second half, as well as a higher equity base arising from higher hedging and foreign currency translation reserves.

28. The Group earned a total revenue of $6.6 billion in 2020, a decrease of 13% year-on-year. Lower revenues from Energy & Environment, Asset Management and Urban Development were partly offset by higher revenue from Connectivity.

29. Impacted by impairments of $799 million, operating profit was much lower at $8 million, as compared to $877 million in 2019. Share of losses from associated companies and higher net interest expense drove the Group into a pre-tax loss position of $255 million, as compared to pre-tax profit of $954 million in the prior year. Excluding impairments, pre-tax profit of the Group was $775 million, which was $302 million or 28% lower than in 2019.

30. After tax and non-controlling interests, net loss was $506 million, translating to loss per share of 27.8 cents.

FY 2020 Revenue by Segment (Slide 25)

31. In the next slide, we take a closer look at the Group's revenues by segment.

32. Group revenue declined 13% year-on-year to $6.6 billion.

33. Revenue from Energy & Environment decreased by 21% to $3.9 billion mainly attributable to lower revenue in the offshore & marine business due to slower progress from certain on-going projects as a result of COVID-19, suspension of revenue recognition on Awilco contracts, fewer new contracts secured in 2020 and deferment of some projects, which were partly offset by revenue from new projects. The lower electricity sales and slower full year progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project, as well as the completion of the Keppel Marina East Desalination Plant project in 2Q 2020, further contributed to the decline at the top-line.

34. Urban Development saw a 5% decline in revenue as a result of lower revenue generated from property investment, fewer units handed over at Waterfront Residences in Wuxi, Riviera Point in Ho Chi Minh City, Serenity Villas in Chengdu and Corals at Keppel Bay in Singapore, as well as absence of units handed over at Park Avenue Heights in Wuxi and The Springdale in Shanghai compared against last year. These were partly offset by the higher contribution from the property trading projects led by higher number of units handed over for Tianjin Eco-City residential projects, and Seasons Residences in Wuxi, Sheshan Riviera in Shanghai and Seasons Residences in Shanghai.

35. Revenue from Connectivity increased by $92 million to $1.2 billion largely due to full year contribution from M1, which was consolidated from March 2019, partly offset by lower contribution from the logistics business following the divestment of certain China logistics assets in November 2019.

36. Asset Management saw a 7% decline in revenue mainly due to lower acquisition and divestment fees, partly offset by higher management fees.

FY 2020 Pre-tax Profit by Segment (Slide 26)

37. Moving on to the Group's pre-tax profit.

38. The Group recorded pre-tax loss of $255 million for 2020, as compared to $954 million pre-tax profit in 2019. Excluding impairments, pre-tax profit of the Group was $775 million which was $302 million or 28% lower than 2019.

39. Energy & Environment's pre-tax loss was $1.25 billion as compared to pre-tax loss of $121 million in 2019. Excluding impairments, pre-tax loss of $269 million was largely due to weaker performance from the offshore & marine business, which had been impacted by slower progress on projects due principally to significant downtime as a result of COVID-19, higher share of losses from associated companies, higher net interest expense, and fair value loss on investment. These were partly mitigated by lower overheads, government relief measures for the COVID-19 pandemic, as well as higher contributions from the energy infrastructure and environmental infrastructure businesses, the absence of share of loss from KrisEnergy and fair value loss on KrisEnergy warrants as compared to 2019.

40. Pre-tax profit from Urban Development increased by $44 million to $720 million, driven by higher fair value gains from investment properties, higher contribution from property trading projects in China, as well as higher contribution from the Sino-Singapore Tianjin Eco-City. These were partly offset by lower contribution from associated companies.

41. Connectivity's pre-tax profit of $29 million was $167 million lower than 2019 mainly due to the absence of fair value gain from the remeasurement of previously held interest in M1 at acquisition date recognised in 2019, as well as lower contribution from M1. These were partly offset by gain from the disposal of interest in Business Online Public Company Limited, and lower losses from the logistics business.

42. Asset Management registered an increase of 27% in pre-tax profit to $304 million, mainly due to mark-to-market gain recognised from the reclassification of the Group's interest in Keppel Infrastructure Trust ("KIT") from an associated company to an investment following the loss of significant influence over KIT, gain from sale of units in Keppel DC REIT, gain from divestment of interest in Gimi MS Corporation, as well as dividend income from KIT and higher contribution from Keppel DC REIT. These were partly offset by mark-to-market losses from investments, lower investment income, lower contributions from Keppel REIT and Alpha Data Centre Fund, as well as absence of dilution gain arising from Keppel DC REIT's private placement.

43. Corporate and Others' pre-tax loss of $57 million was $21 million higher mainly due to fair value loss on investments, as compared to fair value gain on investments in 2019 and lower investment income. These were partly offset by absence of bad debt written off in 2019.

FY 2020 Net Profit by Segment (Slide 27)

44. After tax and non-controlling interests, the Group's net loss was $506 million as compared to net profit of $707 million in 2019.

45. Losses at Energy & Environment were partly offset by profits from Urban Development, Asset Management, and Connectivity.

FY 2020 Impairments (Slide 28)

FY 2020 Financial Performance (Excluding Impairments) (Slide 29)

46. Excluding the impairments of $952 million, the Group was profitable for the financial year 2020 at $446 million, 46% or $382 million lower than the net profit of $828 million in 2019. For like comparison, the net profit of $828 million in 2019 had also excluded impairments.

47. Accordingly, annualised ROE excluding impairments was 3.9%.

Net Profit and EPS (Slide 30)

48. The Group's net loss of $506 million for 2020 translated to loss per share of 27.8 cents.

ROE & Dividend (Slide 31)

49. ROE was at negative 4.6%.

50. Our proposed final dividend to our shareholders for 2020 will be 7.0 cents per share. Including the interim dividend paid, the total distribution for 2020 will be 10.0 cents per share.

Free Cash Flow (Slide 32)

51. Net cash from operating activities was $202 million as compared to net cash used in operating activities of $825 million in 2019 mainly due to lower working capital requirements for Energy & Environment and Urban Development.

52. Net cash from investing activities was $295 million comprising divestment proceeds and dividend income from associated companies totalling $687 million as well as net receipts of advances from associated companies of $59 million, partly offset by investments and operational capital expenditure of $451 million. Net cash generated from investing activities in 2019 was $172 million, largely due to divestment proceeds from disposal of interest in Jiangyin, Taicang and Chengdu projects in China and receipt of deferred proceeds from 2019's sale of interest in Dong Nai Waterfront City project , as well as dividend income from associated companies and net receipts of advances from associated companies.

53. As a result, there was an overall free cash inflow of $497 million for 2020, as compared to free cash outflow of $653 million in 2019.

54. With that, we have come to the end of the presentation, and I shall hand the time back to our CEO, Chin Hua, for the Q&A section. Thank you.