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UPDATE ANNOUNCEMENT

THE PROPOSED COMBINATION OF KEPPEL OFFSHORE & MARINE LTD AND SEMBCORP MARINE LTD – CHANGE IN TRANSACTION STRUCTURE AND TERMS

THE PROPOSED DISTRIBUTION *IN SPECIE* OF SEMBCORP MARINE LTD SHARES

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1. INTRODUCTION

1.1 Original Proposed Combination

Keppel Corporation Limited (the "**Company**" and together with its subsidiaries, the "**KCL Group**") refers to the announcement dated 27 April 2022 (the "**Original Proposed Combination Announcement**"), pursuant to which KCL announced, *inter alia*:

(a) the proposed combination (the "**Proposed Combination**") of its wholly-owned subsidiary, Keppel Offshore & Marine Ltd ("**KOM**") and Sembcorp Marine Ltd ("**SCM**"), such that KOM and SCM will be held as wholly-owned subsidiaries of Bayberry Limited (the "**Combined Entity**"); and

(b) the distribution *in specie* ("**Proposed Distribution**") of such number of Combined Entity Shares (as defined in the Original Proposed Combination Announcement) representing 46% of the issued and paid-up capital of the Combined Entity by the Company to the shareholders of the Company ("**Shareholders**").

A copy of the Original Proposed Combination Announcement is available on the website of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at http://www.sgx.com. Unless otherwise defined in this Announcement, capitalised terms that are not defined herein shall have the meanings set out in the Original Proposed Combination Announcement.

This Announcement should be read in conjunction with the Original Proposed Combination Announcement.

1.2 Revised Proposed Combination

The Company, SCM and other relevant parties have agreed today to amend the structure and terms of the Proposed Combination. In particular, the structure of the Proposed Combination has been amended such that:

(a) completion of the Asset Co Transfer will proceed regardless of whether the KOM Share Transfer (as defined below) takes place; and

(b) the merger of KOM and SCM will be effected by way of the acquisition by SCM (and not the Combined Entity) of all the KOM Shares held by the Company (the "**KOM Share Transfer**").

Accordingly, it is envisaged that the revised Proposed Combination will now be effected in the following manner and sequence (the "**Revised Proposed Combination**"):

(i) firstly, the Asset Co Transfer which shall be carried out in the same form as described in the Original Proposed Combination Announcement, save for certain changes in the terms of the Asset Co Transfer as described in paragraph 2 of this Announcement;

(ii) secondly, the KOM Pre-Combination Restructuring which shall be carried out in exactly the same form and terms as described in the Original Proposed Combination Announcement; and

(iii) thirdly, subject to the satisfaction (or, where applicable, the waiver) of the KOM Share Transfer Conditions (as defined below), the KOM Share Transfer which shall be carried out in consideration for the issuance by SCM of new shares in the share capital of SCM ("**SCM Shares**") representing 54% of the issued and paid-up share capital of SCM on a fully diluted basis immediately after closing of the Revised Proposed Combination ("**Revised KOM Consideration Shares**"). Please refer to paragraph 4 for details on the other changes in the terms relating to the KOM Share Transfer.

There is no change to the Company's intention to undertake, contemporaneously with the KOM Share Transfer, a distribution *in specie* of the Revised KOM Consideration Shares less the Retained Revised KOM Consideration Shares (as defined below) (the "**Revised Proposed Distribution**"). It is currently envisaged that the Revised KOM Consideration Shares to be distributed via the Revised Proposed Distribution will represent 49% of the issued and paid-up share capital of SCM. Please refer to paragraph 4 for further details on changes in the revised portion of Retained Revised KOM Consideration Shares to be transferred by the Company to the Segregated Account.

1.3 Amended Definitive Agreements

To effect the Revised Proposed Combination, the Company has entered into the following definitive agreements:

(a) an amendment and restatement deed with SCM and the Combined Entity to amend and restate the Combination Framework Agreement (the "**Amendment and**

Restatement Agreement" and the Combination Framework Agreement as amended and restated by the Amendment and Restatement Agreement, the **"Amended and Restated Combination Framework Agreement**") to revise, *inter alia*, the structure and terms of the Proposed Combination;

(b) a supplemental agreement to the Asset Co Framework Agreement (the "**Supplemental Deed**" and together with the Asset Co Framework Agreement, the "**Amended Asset Co Framework Agreement**") to revise, *inter alia*, the terms of the Asset Co Framework Agreement; and

(c) a termination deed to terminate the KOM Implementation Agreement.

The revised terms of the Proposed Combination represent the final terms of the Proposed Combination and the Company and SCM will not be amending the terms further.

2. ASSET CO TRANSFER

There are no significant changes to the terms of the Asset Co Transfer as set out in paragraph 3 of the Original Proposed Combination Announcement save that:

(a) the Asset Co Transfer will proceed regardless of whether the KOM Share Transfer completes. To effect this, completion of the Asset Co Transfer will no longer be subject to the satisfaction and/or waiver of all KOM Share Transfer Conditions; and

(b) the Vendor Notes to be issued by Asset Co shall bear interest at the rate of 4% per annum instead of 2% per annum as previously agreed and the maximum tenure of the Vendor Notes shall be 12 years instead of 10 years as previously agreed. The amount of the Vendor Notes and other financial terms and conditions for the Vendor Notes shall remain unchanged; and

save for any consequential changes to effect the foregoing.

3. KOM PRE-COMBINATION RESTRUCTURING

As stated in the Original Proposed Combination Announcement, the KOM Pre-Combination Restructuring is an internal restructuring step to be undertaken after the completion of the Asset Co Transfer and immediately prior to completion of the KOM Share Transfer.

It is the Company's current intention that the KOM Pre-Combination Restructuring will only be implemented in full (in the manner described in paragraph 4 of the Original Proposed Combination Announcement) if all the KOM Share Transfer Conditions are fulfilled and/or waived and KOM Share Transfer is completed immediately after the KOM Pre-Combination Restructuring. If the KOM Share Transfer does not complete for any reason, the Company will review the situation at that time and may undertake part of the KOM Pre-Combination Restructuring.

4. KOM SHARE TRANSFER

The terms of the KOM Share Transfer will be the same as the terms of the KOM Combination as set out in paragraph 5 of the Original Proposed Combination Announcement save that:

(a) the merger of KOM and SCM will be implemented by way of the KOM Share Transfer and the Company will receive the Revised KOM Consideration Shares. Accordingly, the terms relating to the KOM Scheme as set out in paragraph 5 of the Original Proposed Combination Announcement are no longer applicable;

(b) the Revised KOM Consideration Shares will represent 54% of the issued and paid-up share capital of SCM (instead of 56% of the issued and paid-up share capital of the Combined Entity);

(c) the number of the Revised KOM Consideration Shares to be transferred to the Segregated Account for the purposes of satisfying the Identified Contingent Liabilities will represent 5% of the issued and paid-up share capital of SCM (the "**Retained Revised KOM Consideration Shares**") (instead of 10% of the issued and paid-up share capital of the Combined Entity); and

(d) the KOM Share Transfer will not be conditional upon the KOM Scheme Conditions or any other conditions relating to the KOM Scheme or the SCM Scheme (as defined in the Combination Framework Agreement). Instead, the KOM Share Transfer will only be conditional upon the satisfaction (or, where applicable, the waiver) of the conditions set out in the Amended and Restated Combination Framework Agreement ("**KOM Share Transfer Conditions**"), which are reproduced in **Schedule 1** to this Announcement. As at the date of this Announcement, the regulatory approvals set out in paragraph (e) of Schedule 1 have been obtained save for the approvals of SGX-ST, the Competition and Consumer Commission of Singapore and MPA (as defined below) in paragraphs (e)(ii), (e)(iv)(B) and (e)(v) of Schedule 1 respectively. For the avoidance of doubt, the KOM Share Transfer is conditional upon the completion of the Asset Co Transfer and the KOM Pre-Combination Restructuring; and

save for any consequential changes to effect the foregoing.

5. THE REVISED PROPOSED DISTRIBUTION

5.1 Method of Distribution

There is no change to the method effecting the Revised Proposed Distribution. To recap, the Revised KOM Consideration Shares (less the Retained Revised KOM Consideration Shares) shall, on or immediately after completion of the Revised Proposed Combination, be issued directly to and held by the Shareholders.

5.2 Increase in number of Revised KOM Consideration Shares distributed to Shareholders

As mentioned in paragraph 4(c) above, the portion of Revised KOM Consideration Shares which will be retained as the Retained Revised KOM Consideration Shares is reduced to 5% (as opposed to 10% of the issued and paid-up share capital of the Combined Entity under the Original Proposed Combination Announcement). Therefore, subject to completion of the Asset Co Transfer and the KOM Share Transfer (collectively, the "**Revised Proposed Transaction**"), Shareholders will receive 49% of the issued and paid-up share capital of SCM under the Revised Proposed Distribution.

5.3 The Revised Proposed Distribution is subject to Shareholders' Approval

The Revised Proposed Distribution will be subject to and conditional on the approval of the Shareholders at an extraordinary general meeting of the Company ("**EGM**") for the Revised Proposed Transaction (as defined below) and the Revised Proposed Distribution.

6. RATIONALE FOR AND BENEFITS OF THE REVISED PROPOSED COMBINATION

The rationale for the Revised Proposed Combination are as follows:

(a) With recent improvements in the offshore & marine market, the case for the proposed combination of KOM and SCM to create a stronger and larger player has been further strengthened. The structure of the Revised Proposed Combination simplifies and accelerates implementation of the merger between KOM and SCM by eliminating the requirement for the Combined Entity to be interposed as the listed entity holding both KOM and SCM. Instead, the combined group (comprising KOM and SCM) will remain listed on the SGX-ST via SCM. Such simplified structure allows the Revised Proposed Combination to be implemented in a shorter time with majority approval of both the Shareholders and shareholders of SCM ("**SCM Shareholders**") and without the need for court approval (which was originally required due to the legal requirements of schemes of arrangement for the Combined Entity to be interposed between SCM and SCM Shareholders and for the KOM Scheme). An accelerated implementation of the Revised Proposed Combination will allow for the combined group (comprising KOM and SCM) to realise synergies from the Revised Proposed Combination, and for the Group to further accelerate the execution of its Vision 2030 strategy to be one integrated business providing solutions for sustainable urbanisation;

(b) whilst the number of Revised KOM Consideration Shares to be issued to KCL has been reduced slightly, Shareholders will receive more Revised KOM Consideration Shares (compared to the number of Combined Entity Shares that each Shareholder would have received under the terms of the Proposed Distribution). This will allow Shareholders to enjoy the upside from the synergies of the enlarged combined group (comprising KOM and SCM), the continued improvement of the offshore and marine business and the opportunities in the energy transition; and

(c) the terms of the Asset Co Transfer have been improved via the delinking of the Asset Co Transfer from the KOM Share Transfer. This will allow the KCL Group to press

forward with its plans to resolve the legacy rigs and associated receivables, even if the KOM Share Transfer does not complete. The coupon rates for the Vendor Notes have also increased, which will yield additional interests earned for the KCL Group.

7. CHAPTER 10 OF THE LISTING MANUAL

7.1 The relative figures for the Revised Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual are set out below.

Rule 1006	Bases	Relative Figures (%)
(a)	The NAV of the Identified Asset Co Assets and KOM Shares (collectively, the "**Proposed Transaction Assets**"), compared with the KCL Group's NAV(I).	40.9
(b)	The net profits attributable to the Proposed Transaction Assets, compared with the KCL Group's net profits(II).	10.5
(c)	The aggregate value of the consideration received for the Revised Proposed Transaction(III), compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares)(IV).	73.9
(d)	The number of equity securities issued by the Company as consideration for the Revised Proposed Transaction, compared with the number of equity securities previously in issue.	N.A. (V)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the KCL Group's proved and probable reserves.	N.A. (VI)

Notes:

(I) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities. Based on the consolidated financial statements of KOM for the half year ended 30 June 2022 ("**KOM 1H2022 Financial Statements**"), the NAV of the Proposed Transaction Assets amounts to S$5,142.1 million. Based on the consolidated financial statements of the KCL Group for the half year ended 30 June 2022 ("**KCL 1H2022 Financial Statements**"), the KCL Group's NAV amounts to S$12,568.3 million.

(II) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and noncontrolling interests. Based on the KOM 1H2022 Financial Statements, the net profits attributable to the Proposed Transaction Assets amount to S$64.9 million. Based on the KCL 1H2022 Financial Statements, the KCL Group's net profits amount to S$616.6 million.

(III) The aggregate value of the consideration received pursuant to the Revised Proposed Transaction amounts to S$8,553.7 million and does not include the Cash Component. The KCL Group will receive the Cash Component as part of the KOM Pre-Combination Restructuring. For such purpose, the implied value attributable to the Revised KOM Consideration Shares is calculated based on (1) the assumption that 36,848,072,918 SCM Shares will be issued by SCM to the Company representing 54% of the issued and

paid-up share capital of SCM, (2) the shareholders of SCM ("**SCM Shareholders**") holding 31,389,099,152 new SCM Shares representing 46% of the issued and paid-up share capital of SCM which, for the purpose of this computation, is the same number of SCM Shares held by the SCM Shareholders as at 26 October 2022 (the "**Last Market Day**"), being the last trading day immediately prior to the date of this Announcement, and (3) S$0.122, being the volume weighted average price of the SCM Shares for the last 10 trading days up to and including the market day immediately preceding the date of the Original Proposed Combination Announcement ("**SCM Reference Issue Price**"). For the purpose of determining the aggregate value attributable to the Revised KOM Consideration Shares on completion, the Company will account for the actual value of the 54% equity interest in SCM based on the last traded price of the SCM Shares on the first trading day immediately following closing of the Revised Proposed Combination and the actual number of SCM Shares to be issued on closing of the Revised Proposed Combination.

(IV) The Company's market capitalisation is approximately S$11,569.8 million, calculated based on the total number of shares (excluding treasury shares) multiplied by the volume weighted average price of S$6.604 per share on the Last Market Day.

(V) The Revised Proposed Transaction does not involve any issue of equity securities by the Company as consideration.

(VI) Rule 1006(e) of the Listing Manual only applies to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figures computed under Rules 1006(a) and 1006(c) of the Listing Manual exceed 20% but are less than 100%, pursuant to Rule 1014 of the Listing Manual, the disposal of the Proposed Transaction Assets pursuant to the Revised Proposed Transaction constitutes a "major transaction" and is therefore subject to the approval of the Shareholders in an EGM.

8. FINANCIAL INFORMATION OF THE ASSET CO TRANSFER ONLY AND THE REVISED PROPOSED TRANSACTION

8.1 Book Value

Based on the KOM 1H2022 Financial Statements, as at 30 June 2022:

(a) the book value of the Identified Asset Co Assets is S$4,058.2 million; and

(b) the book value of the Proposed Transaction Assets is S$5,142.1 million.

8.2 Net Tangible Asset Value

Based on the KOM 1H2022 Financial Statements, as at 30 June 2022:

(a) the NTA value of the Identified Asset Co Assets is S$4,058.2 million; and

(b) the NTA value of the Proposed Transaction Assets is S$5,099.2 million.

8.3 Latest Available Open Market Value

The open market value of the Proposed Transaction Assets is not available as the Sale Shares (as set out in Part 1 of Schedule 1 to the Original Proposed Combination Announcement) which form part of the Identified Asset Co Assets and the KOM Shares are not listed or traded or any

securities exchange. No valuation of the Proposed Transaction Assets was commissioned for the purpose of the Revised Proposed Transaction.

8.4 Excess of Proceeds over Book Value and Amount of Gain on Disposal

For the purpose of determining the aggregate value attributable to the Revised KOM Consideration Shares on completion, the Company will account for the actual value of the 54% equity interest in SCM based on the last traded price of the SCM Shares on the first trading day immediately following closing of the Revised Proposed Combination and the actual number of SCM Shares to be issued on closing of the Revised Proposed Combination. Pending such determination, the computation of the aggregate value attributable to the Revised KOM Consideration Shares on completion can only be made on a pro forma basis.

Based on the KOM 1H2022 Financial Statements, as at 30 June 2022:

(a) there is no excess of the Asset Co Consideration (on the basis that the Asset Co Consideration amounts to approximately S$4,058.2 million) over the book value of the Identified Asset Co Assets and there is no gain/loss on disposal of the Identified Asset Co Assets; and

(b) the excess of the aggregate value of the consideration received for the Proposed Transaction Assets over the book value of the Proposed Transaction Assets (which can only be computed on a pro forma basis) is currently estimated to be approximately S$3,411.6 million[1] and the amount of gain on disposal of the Proposed Transaction Assets (which can only be computed on a pro forma basis, and excluding costs related to the disposal) is estimated to be approximately S$3,329.2 million[2].

For the avoidance of doubt:

(i) the Cash Component does not form part of the consideration payable by Asset Co and/or SCM for their respective Proposed Transaction Assets; and

(ii) the Company will not receive any cash proceeds from the disposal of the Proposed Transaction Assets.

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1 This is an approximated figure computed on a pro forma basis, assuming the Revised Proposed Transaction had been effected on 30 June 2022, based on the proposed issue price of S$0.122, being the SCM Reference Issue Price and assuming a total of 36,848,072,918 new SCM Shares to be issued on completion of the Revised Proposed Transaction. The actual excess of the aggregate value of the consideration received for the Proposed Transaction Assets over the book value of the Proposed Transaction Assets on completion of the Revised Proposed Transaction will depend on the last traded price of the SCM Shares on the first market day immediately following the date of such completion and the actual number of SCM Shares to be issued on such completion.

2 This is an approximated figure computed on a pro forma basis, assuming the Revised Proposed Transaction had been effected on 30 June 2022, based on the proposed issue price of S$0.122 (being the SCM Reference Issue Price) and assuming a total of 36,848,072,918 new SCM Shares to be issued on completion of the Revised Proposed Transaction. The actual amount of consideration used to derive the gain on disposal of the Proposed Transaction Assets on completion of the Revised Proposed Transaction will depend on the last traded price of the SCM Shares on the first market day immediately following the date of such completion and the actual number of SCM Shares to be issued on such completion.

9. ILLUSTRATIVE FINANCIAL EFFECTS OF THE REVISED PROPOSED TRANSACTION

9.1 **For illustrative purposes only**, the financial effects of the Revised Proposed Transaction and the Revised Proposed Distribution on the (a) NTA per share of the Company and (b) EPS of the Company, based on the KCL Audited FY2021 Financial Statements, being the most recently completed financial year for which audited financial statements of the Company are available as at the date of this Announcement, are set out below.

In this regard, the said illustrative financial effects have been prepared on the following assumptions:

(i) transaction costs and other costs related to the Revised Proposed Transaction, the KOM Pre-Combination Restructuring and the Revised Proposed Distribution have not been taken into account;

(ii) the Revised Proposed Distribution will take place contemporaneously with the Revised Proposed Transaction; and

(iii) the pro forma consideration used to derive the net disposal gain arising from the Revised Proposed Transaction and pro forma value of the Revised Proposed Distribution is calculated based on the proposed issue price of S$0.122, being the SCM Reference Issue Price and assuming a total of 36,848,072,918 new SCM Shares to be issued on completion of the Revised Proposed Transaction. In this regard, the actual issue price for the SCM Shares will be subsequently determined by SCM, the actual consideration used to derive the net disposal gain arising from the Revised Proposed Transaction and the actual value of the Revised Proposed Distribution on completion of the Revised Proposed Transaction and Revised Proposed Distribution will depend on the last traded price of the SCM Shares on the first market day immediately following the date of such completion and the actual number of SCM Shares to be issued on such completion.

9.2 <u>NTA per share</u>

The pro forma financial effects on the consolidated NTA per share of the Company as at 31 December 2021, assuming the Revised Proposed Transaction and the Revised Proposed Distribution had been effected on 31 December 2021, are as follows:

	Before the Revised Proposed Transaction	**After the Asset Co Transfer**	**After the Revised Proposed Transaction**	**After the Revised Proposed Transaction and the Revised Proposed Distribution**
NTA (S$ million)	10,065.9	10,065.9	13,705.7	9,626.5
Number of issued shares of	1,819,615	1,819,615	1,819,615	1,819,615

the Company (excluding treasury shares) ('000)				
NTA per share (S$)	5.53	5.53	7.53	5.29

9.3 EPS

The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2021, assuming the Revised Proposed Transaction had been effected on 1 January 2021, are as follows:

	Before the Revised Proposed Transaction	**After the Asset Co Transfer**	**After the Revised Proposed Transaction** (I)	**After the Revised Proposed Transaction** (II)
Profit attributable to shareholders (S$ million)	1,022.7	1,303.9	1,397.9	4,824.7
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)	1,820,424	1,820,424	1,820,424	1,820,424
EPS (Singapore cents)	56.2	71.6	76.8	265.0

Notes:

(I) Excludes one-off effects due to disposal gain arising from the Revised Proposed Transaction.

(II) Includes one-off effects due to disposal gain arising from the Revised Proposed Transaction.

10. THE REVISED PROPOSED TRANSACTION AS AN INTERESTED PERSON TRANSACTION

10.1 As mentioned in the Original Proposed Combination Announcement, Temasek and its associates are (for the purposes of the Listing Manual) "interested persons" in relation to the Company.

10.2 As at the date of this Announcement:

(a) Temasek holds through its wholly-owned subsidiary, Startree, 17,131,025,958 SCM Shares, which is equivalent to approximately 54.58% of the total number of issued

shares of SCM (excluding treasury shares). Accordingly, SCM is an associate of Temasek under the Listing Manual; and

(b) 100% of the ordinary shares in Kyanite, and Kyanite is an associate of Temasek under the Listing Manual. Kyanite is a party to the Amended Asset Co Framework Agreement, which contemplates the transfer of the Identified Asset Co Assets and the Asset Co Intercompany Loans.

10.3 Accordingly, the Revised Proposed Transaction will constitute an "interested person transaction" (for the purposes of the Listing Manual). As the value of the Revised Proposed Transaction exceeds 5% of the KCL Group's NTA, the Revised Proposed Transaction will require the approval of the Shareholders.

11. OTHER INTERESTED PERSON TRANSACTIONS FOR THE CURRENT FINANCIAL YEAR

11.1 The value of all interested person transactions entered into between the Company and Temasek (and/or its associates) during the course of the current financial year up to 30 September 2022 is approximately S$1,571.7 million. There are no other interested person transactions entered into by the Company during the course of the current financial year up to 30 September 2022.

12. INDEPENDENT FINANCIAL ADVISER

12.1 CLSA Singapore Pte Ltd, as the IFA appointed by the Company, will advise the AC and its Independent Directors as to whether the Revised Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

12.2 A copy of the letter from the IFA to the Independent Directors and the members of the AC will be included in the circular to be despatched to the Shareholders in due course.

13. STATEMENT OF AUDIT COMMITTEE

The AC will obtain an opinion from the IFA before forming its view on whether the Revised Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. The AC's views on the Revised Proposed Transaction will be set out in the circular to be despatched to the Shareholders in due course.

14. FINANCIAL ADVISER

J.P. Morgan Securities Asia Private Limited is the sole financial adviser to the Company in respect of the Revised Proposed Combination.

15. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

15.1 The Company will convene an EGM to seek the approval of the Shareholders for:

(a) the Revised Proposed Transaction; and

(b) the Revised Proposed Distribution,

and the circular to Shareholders containing, *inter alia,* details thereof, together with the opinions and recommendations of the Independent Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be despatched to the Shareholders in due course.

15.2 The Company is seeking approval for each of the above resolutions by way of an Ordinary Resolution. The resolutions to approve the Revised Proposed Transaction and the Revised Proposed Distribution are inter-conditional on one another. This means that if either of the resolutions is not approved, neither of the resolutions will be carried and the Company shall not proceed with the Revised Proposed Transaction and the Revised Proposed Distribution.

15.3 If Shareholders' approval is obtained for the resolution to approve the Revised Proposed Transaction, the Company may proceed with the Asset Co Transfer even if not all the KOM Share Transfer Conditions are fulfilled and/or waived and the KOM Share Transfer cannot complete.

16. ABSTENTIONS FROM VOTING

16.1 For the reasons set out in the Original Proposed Combination Announcement, Temasek and its associates will abstain from voting (either in person or by proxy) on the resolutions listed in paragraph 15.1 herein. Further, each of them shall decline to accept appointment as proxy to attend and vote at the EGM in respect of the resolutions listed in paragraph 15.1 herein unless the Shareholder concerned has given specific instructions in his/her proxy form as to the manner in which his/her votes are to be cast.

17. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

17.1 As at the date of this Announcement, none of the directors of the Company has any interest, direct or indirect, in the Revised Proposed Transaction, other than through their respective shareholdings in the Company, save as disclosed in the Original Proposed Combination Announcement and as disclosed below:

(a) Mr Jimmy Ng Hwee Kim is the Group Chief Information Officer and Head of Technology & Operations of DBS. As mentioned in paragraph 5.1 of the Original Proposed Combination Announcement, DBS was appointed as joint financial advisor to KOM and SCM with respect to the relative ratios of KOM and SCM. KOM has also entered into a commitment letter with DBS to finance the Cash Component as disclosed in paragraph 4.1 of the Original Proposed Combination Announcement. Mr Jimmy Ng Hwee Kim

does not have any personal material interest in either of these transactions between DBS and KOM.

17.2 As at the date of this Announcement, based on publicly available information, Temasek does not have any interest, direct or indirect, in the Revised Proposed Transaction, save as disclosed in this Announcement.

18. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the board of the Company as part of the Revised Proposed Transaction, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Revised Proposed Transaction.

19. DOCUMENTS FOR INSPECTION

Copies of the Amendment and Restatement Agreement, the Amended and Restated Combination Framework Agreement, the Supplemental Deed and the Amended Asset Co Framework Agreement will be made available for inspection during normal business hours at the registered office of the Company at 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632 from the date of this Announcement up until the completion of the Revised Proposed Combination.

20. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Revised Proposed Transaction, the Revised Proposed Distribution and/or other matters contemplated by this Announcement.

By Order of the Board

Caroline Chang / Leon Ng
Company Secretaries
27 October 2022

Any queries relating to this Announcement, the Revised Proposed Transaction or the Revised Proposed Distribution should be directed to:

J.P. Morgan Securities Asia Private Limited
Tel: +65 6882 2924

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" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company'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 of the Company should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

Schedule 1

Conditions

All capitalised terms used and not defined in this **Schedule 1** shall have the same meanings given to them in the Amended and Restated Combination Framework Agreement (and, where undefined in the Amended and Restated Combination Framework Agreement, this Announcement), a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Announcement up to and including the date of completion of the KOM Share Transfers.

Conditions

(a) **SCM Shareholders' Approval**: the approval of the KOM Combination by the SCM Shareholders at the SCM EGM;

(b) **KCL Shareholders' Approval**: the approval of the KOM Combination, the Asset Co Transaction and the KCL Distribution by the KCL Shareholders at the KCL EGM;

(c) **Completion of Asset Co Transaction:** the completion of the Asset Co Transaction taking place immediately prior to the KOM Restructuring and the KOM Combination;

(d) **Completion of KOM Restructuring:** upon completion of the Asset Co Transaction, the completion of the KOM Restructuring taking place immediately prior to the KOM Combination;

(e) **Regulatory Approvals:** (1) all the Regulatory Approvals: (A) having been obtained or made on terms satisfactory to the Parties, acting reasonably; and (B) remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Relevant Date; (2) where relevant, all applicable waiting periods in relation to the Regulatory Approvals having expired or been terminated; (3) all conditions to which the Regulatory Approvals are subject and required to be satisfied as at the Relevant Date having been fulfilled; and (4) no Governmental Authority having issued or provided any Party with any indication that it will not or does not intend to grant the Regulatory Approvals on terms satisfactory to the Parties, acting reasonably. The Regulatory Approvals to be obtained for the purposes of fulfilling this Condition are limited to the following:

(i) **SIC Confirmations:** confirmation from the SIC that Temasek Holdings (Private) Limited, KCL and parties acting in concert with them are not obliged, pursuant to or as a result of the issuance of the SCM Shares, to make an offer for SCM under Rule 14 of the Code;

(ii) **SGX-ST Approvals:** in respect of the KOM Combination, the approval-in-principle from the SGX-ST for the issuance by KCL of the KCL Circular to Shareholders and the issuance by SCM of the SCM Circular to Shareholders and the approval in principle from the SGX-ST for the listing of the KOM Consideration Shares;

(iii) **No Regulatory Impediment:** no Governmental Authority having taken, or proposed and notified to any Party that the Governmental Authority may take, any steps (including the initiation of any investigation), and there being no law or ruling by any

Governmental Authority, which would or the result of which may be to, prohibit, materially delay or restrict the Proposed Combination;

(iv) **Authorisations.** any approvals, clearances, consents, authorisations, exemptions and/or waivers ("**Authorisations**") from (and all notifications and/or filings to) each Governmental Authority which are necessary or appropriate in connection with the Proposed Combination having been obtained and remaining in full force and effect as at the Relevant Date (or any applicable waiting period thereunder having expired or been terminated). The Authorisations to be obtained for the purposes of fulfilling this Condition are:

(A) approval from the Administrative Council for Economic Defense (Brazil);

(B) approval from the Competition and Consumer Commission of Singapore; and

(v) in relation to the KOM In-Scope Entities, approval from the Maritime Port Authority of Singapore ("**MPA**") in relation to the change in effective control of FueLNG Pte. Ltd. under the licence issued by the MPA for the supply of bunker in the Port of Singapore as a result of the Proposed Combination;

(vi) in relation to the SCM Group:

(A) approval from the MPA in relation to the change in effective control of Jurong Marine Services Private Limited under the public licence for towage services (harbour tug licence) granted under Section 81 of the Maritime and Port Authority Act 1996, as a result of the Proposed Combination; and

(B) notification to the MPA in relation to the change in ownership of SCM Marine Integrated Yard Pte. Ltd. ("**SMIY**") under the letter dated 6 January 2021 from the MPA to SMIY specifying certain facilities as shipyards and/or specified offshore marine location for the purposes of port duties, as a result of the Proposed Combination; and

(vii) **Others:** such other Regulatory Approvals as may be identified and mutually agreed by the Parties within 30 days from the Agreement Date;

(f) **SCM Warranties**:

(i) the SCM Warranties set out in the Amended and Restated Combination Framework Agreement:

(1) which are qualified as to materiality being true and correct; and

(2) which are not qualified as to materiality being true and correct in all material respects,

in each case as at the Agreement Date and as at the Relevant Date as though made on and as at that date except to the extent any such SCM Warranty expressly relates to an earlier date (in which case as at such earlier date); and

(ii) SCM shall have, as at the Relevant Date performed and complied in all material respects with all of its covenants, undertakings and agreements contained in the Amended and Restated Combination Framework Agreement which SCM is required to perform or comply with, on or prior to the Relevant Date and which are material in the context of the Proposed Combination;

(g) **KCL Warranties**:

(i) the KCL Warranties set out in the Amended and Restated Combination Framework Agreement:

(1) which are qualified as to materiality being true and correct; and

(2) which are not qualified as to materiality being true and correct in all material respects,

in each case as at the Agreement Date and as at the Relevant Date as though made on and as at that date except to the extent any such KCL Warranty expressly relates to an earlier date (in which case as at such earlier date); and

(ii) KCL shall have, as at the Relevant Date performed and complied in all material respects with all of its covenants, undertakings and agreements contained in the Amended and Restated Combination Framework Agreement which KCL is required to perform or comply with, on or prior to the Relevant Date and which are material in the context of the Proposed Combination;

(h) **No SCM Material Adverse Change**: no diminution in the net tangible asset of the SCM Group (as set out in the SCM Audited FY2021 Financial Statements) by an amount in excess of S$600 million as at the Subsequent Financials Accounts Date, based on the Last SCM Subsequent Financials (calculated on the same basis as the calculation of the net tangible assets of the SCM Group in the SCM Audited FY2021 Financial Statements) (such diminution, an "**SCM Material Adverse Change**"); and

(i) **No KOM Material Adverse Change:** no diminution in the net tangible asset of the KOM In-Scope Group (based on the KOM Pro Forma Financial Statements) by an amount in excess of S$600 million as at the Subsequent Financials Accounts Date based on the Last KOM Subsequent Financials (calculated on the same basis as the calculation of the net tangible assets of the KOM In-Scope Group in the KOM Pro Forma Financial Statements) (such diminution, a "**KOM Material Adverse Change**"). For the avoidance of doubt, any financing or indebtedness to be incurred by a KOM In-Scope Entity for paying the Cash Component shall be disregarded in computing any decrease in the net tangible assets of the KOM In-Scope Group.