



Keppel Ltd.

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**Responses to shareholders on substantial and relevant questions raised for
Keppel Ltd.'s 57th Annual General Meeting**

Singapore, 15 April 2025 – Keppel Ltd. (the “**Company**”) would like to thank shareholders for submitting questions ahead of the Company's 57th Annual General Meeting to be held on Monday, 21 April 2025 at 10.30 a.m. (Singapore time).

Due to overlaps in questions received, the Company will not be providing individual responses to every question. Instead, responses to substantial and relevant questions have been set out via the following topics:

1. Macroeconomic Outlook and Transformation
2. Operations
3. Legacy Offshore and Marine (“**O&M**”) Assets

Please refer to the Company's responses set out in **Appendix 1**.

By Order of the Board

Karen Teo/Samantha Teong
Company Secretaries
15 April 2025

Appendix 1

MACROECONOMIC OUTLOOK AND TRANSFORMATION

S/N	Question	Response
1	What is the impact of the US trade tariffs and potential trade war on Keppel's business?	<p>The tariffs are expected to have a limited direct impact on Keppel, as we are not involved in the manufacturing and export sectors. Keppel also provides many essential services, such as power, waste management and data centres, which, as we have seen during the COVID-19 pandemic, are relatively resilient and provide stable recurring income. Macrotrends such as climate change and increasing digitalisation, which underpin the demand for Keppel's alternative real assets, are also expected to persist.</p> <p>Having said that, a trade war would be highly detrimental to the international economy and business environment. There could be indirect impacts on Keppel in terms of rising supply chain costs, market confidence, as well as the pace of asset monetisation.</p> <p>The situation is still very fluid, and we are monitoring the developments carefully.</p>
2	How will Keppel navigate the increasingly volatile global environment?	<p>Keppel has undergone a fundamental transformation. Up to a few years ago, Keppel was known mainly as an offshore rig builder, a property developer, or an infrastructure Engineering Procurement and Construction (EPC) contractor, with independently run verticals.</p> <p>Today, Keppel is a horizontally integrated company, a global asset manager and operator focusing on alternative real assets driven by megatrends such as climate change, the energy transition, urbanisation, digitalisation and AI. Our platforms and divisions are working together, and reinforcing one another to deliver higher value, both to Keppel's shareholders and to our Limited Partners (LPs). We are also working with world-class partners and collaborators to offer better solutions across our value chains, establishing Keppel as a strategic ecosystem player.</p> <p>The quality of Keppel's earnings has improved significantly, with recurring income making up 72% of net profit from continuing operations¹ in FY 2024.</p> <p>Despite the volatile environment, there continues to be resilient demand for Keppel's alternative real assets, which provide essential solutions and services to our customers, as well as stability for LPs' investment portfolios amid economic uncertainty and inflation risks.</p>

¹ Net profit from continuing operations excluding the P&L effects of legacy O&M assets, which comprise Seatrium shares, the legacy rigs, and contributions from stakes in Floatel and Dyna-Mac.

		As we navigate and adapt to the challenges, we believe that Keppel's comprehensive transformation has positioned us to thrive in a volatile future.
3	Can you share about the progress Keppel has achieved in growing the asset management business? What are some of the growth opportunities that the Company sees?	<p>We have achieved strong progress in establishing Keppel as a global asset manager and operator, and a trusted partner to investors.</p> <p>We have diversified our investment strategies from mainly real estate in the past to include energy, environmental infrastructure, data centres and private credit, offering investors access to diverse asset classes with multiple entry points across the capital stack. Our geographical reach has also expanded from mainly Asia Pacific to Europe, with Aermont Capital (Aermont) as our European platform.</p> <p>Since 2002, we have achieved an average IRR of 20% across deals with an equity multiple of 2x, cementing our track record for delivering strong and consistent returns to LPs.</p> <p>Our Funds under Management² (FUM) surged by about 2.4x from S\$37 billion at the end of 2020 to S\$88 billion at the end of 2024. Our asset management fees³ grew from S\$180 million in 2020 to S\$436 million in 2024, at a compounded annual growth rate of about 25% in four years.</p> <p>We are now close to our interim FUM target of S\$100 billion by end-2026, which we are hopeful of achieving ahead of schedule. We will double down on organic growth initiatives to drive our fundraising momentum to reach our longer-term FUM target of S\$200 billion by 2030.</p> <p>As a global asset manager with deep operating capabilities in sustainability and connectivity solutions, Keppel is poised to capitalise on these transformative opportunities to create value for both our shareholders and LPs. We will drive asset-light growth, leveraging our integrated ecosystem and access to diverse capital pools to deliver high-quality solutions that investors and customers seek.</p>

² Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully-invested FUM.

³ Includes 100% fees from subsidiary managers, joint ventures and associated entities, annualised fees for platform/asset acquired during the year, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance. Also includes asset management, transaction and advisory fees on sponsor stakes and co-investments.

4	What is the Company's outlook for asset monetisation given the volatile environment?	<p>We have achieved good traction in asset monetisation thus far. Since embarking on our S\$17.5 billion programme in October 2020, we have announced close to S\$7 billion in assets monetised, including some S\$1.5 billion⁴ in 2024. This does not include the divestment of Keppel Offshore & Marine, which would have added another S\$4.7 billion⁵, bringing our total monetisation to about S\$11.7 billion as at end-2024.</p> <p>While the volatile environment and potential trade war could have an impact on market sentiments and the pace of asset monetisation, we will remain focused on driving the monetisation of our legacy O&M assets, real estate assets and non-core businesses to free up funds for growth, debt reduction and rewarding shareholders.</p>
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OPERATIONS

S/N	Question	Response
5	Could you provide an update on Aermont and its integration with Keppel's business? Is the investment performing to Keppel's expectations?	<p>We have achieved good progress following the acquisition of our initial 50% stake in Aermont in April 2024, which is contributing positively to Keppel. With Aermont as our European platform, we have gained an immediate and strong foothold in Europe. This has not only expanded our geographical reach beyond Asia Pacific but also widened our network of blue-chip LPs.</p> <p>Keppel and Aermont are working closely to expand our offerings in the European market. In 2024, Keppel contributed to Aermont's successful acquisition of Spain's leading data centre group, Nabiax, under Fund V. Aermont is now making plans to launch Fund VI, building on the success of Fund V and good investor interest.</p>
6	The Infrastructure Segment has become Keppel's largest earnings contributor, delivering a net profit of S\$673 million in 2024. How will the segment continue to sustain its contributions?	<p>The Infrastructure operating division has transformed its business focus significantly over the past few years. It is asset-light and ungeared, allowing it the flexibility to seize opportunities in renewables, clean energy, and decarbonisation by co-investing with the private funds as well as recycling capital through Keppel Infrastructure Trust.</p> <p>The quality of the Infrastructure operating income has also pivoted from lumpy EPC profits to stable recurring income. Presently, about 70% of our contracted power capacity is locked in for three years or more, abating the effects of wholesale electricity price fluctuations.</p>

⁴ Includes S\$635.9 million from Asset Co which is based on S\$1,070.0 million cash in Asset Co as at 31 December 2024 and S\$71.3 million cash payment received from Asset Co in 1Q 2024, less S\$505.4 million from the three jackup rigs sold to Borr Drilling as announced in 2022.

⁵ This includes the Sembcorp Marine (now Seatrium) shares, which were distributed or held in the segregated account, at S\$2.30 per share (or S\$0.115 per share prior to the share consolidation undertaken by Seatrium in 2023; S\$0.115 was the last traded price of the shares on the first market day immediately following the date of the combination) and the S\$0.5 billion cash component.

		<p>The operating income is also bolstered with fees from providing technology solutions and operating and maintenance for solid waste-to-energy, water treatment, Energy-as-a-Service and sustainability solutions across Asia Pacific. As at end-2024, we secured S\$6 billion in revenue from long-term contracts, which are expected to contribute S\$100 million in annual EBITDA from 2025, further augmenting the robust cash flow from our integrated power business.</p>
7	<p>Can you share the Company's outlook for the real estate market in China, including expectations for the pace of home sales and asset monetisation?</p>	<p>The outlook for China's real estate market is expected to remain challenging for an extended period, especially for traditional real estate players and developers.</p> <p>In line with our pivot to an asset-light strategy, we have significantly derisked our exposure to China property. Since 2017, we have reduced our China landbank⁶ by about two-thirds from S\$3.1 billion to S\$1.1 billion in 2024. This makes up just 4% of our S\$27.7 billion balance sheet as at end-2024.</p> <p>Notwithstanding the challenging conditions, we will continue to focus on driving the monetisation of our real estate assets, while growing recurring income through Real Estate-as-a-Service including Sustainable Urban Renewal, senior living, and consultancy services for large-scale developments.</p>
8	<p>Can you provide an update on the progress at Keppel South Central? Will the market be able to absorb the new office space supply?</p>	<p>In early 2025, we completed the construction and attained the Temporary Occupation Permit for Keppel South Central. We also secured a leading financial services group as the building's first anchor tenant. Nearly 50% of the office space and retail units at Keppel South Central are either committed or are currently being actively negotiated.</p> <p>We have garnered strong interest from prospective tenants including major multinational corporations in the technology, finance and professional services sectors, who are attracted to the building's flexible and innovative urban space solutions.</p> <p>Looking ahead, we expect the take-up at Keppel South Central to improve, given the limited new Grade A office supply coming onstream from 2025 to 2027⁷.</p>
9	<p>How is Keppel differentiating itself as a leader in the data centre space?</p>	<p>At Keppel, we have created a wide moat and a definitive edge with our integrated connectivity ecosystem. Keppel is not just a data centre builder and operator but an ecosystem player with the ability to provide power, off-grid solutions, green energy, cooling and subsea cable connectivity to bolster our data centre solutions.</p>

⁶ Includes effective carrying values for those held by associated companies and joint ventures. It does not include the carrying value of SSTECH.

⁷ Source: CBRE

		Succeeding in this dynamic landscape requires seizing opportunities at speed and scale, as well as significant investment capital. Keppel is uniquely positioned to drive growth by leveraging our deep operating capabilities, access to third-party funds, asset recycling platforms, and partnerships with leading cloud and technology companies, including Amazon Web Services and Meta. This allows us to drive advancements in sustainability and connectivity, while delivering good returns to our investors.
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LEGACY OFFSHORE AND MARINE ASSETS

S/N	Question	Response
10	Why did Keppel choose to take back control of Asset Co?	With Asset Co as a wholly-owned subsidiary, Keppel can more effectively manage when and how the legacy assets are monetised, with the goal of achieving the best risk-adjusted returns. Our plans to create and manage a new private fund for these legacy rigs will give Keppel greater strategic flexibility to respond to market opportunities and potentially also earn the Company asset management fees as a General Partner of the Fund.
11	What was the reason for Keppel selling its stake in Dyna-Mac at S\$0.40 per share in 2024, when it could have waited longer to fetch a higher price?	Dyna-Mac was one of our non-core legacy O&M assets, which we monetised for S\$100 million in cash when there was a suitable opportunity. The sale price of S\$0.40 per share represented a significant premium to our carrying value of S\$0.188 per Dyna-Mac share at the time they were transferred to Keppel from Keppel Offshore & Marine.
12	What is Keppel's remaining stake in Seatrium? Have there been any contingency claims till date?	<p>As announced on 11 April 2025, Keppel today has no further liability in respect of the identified contingent liabilities, and has been released from the segregated account arrangement.</p> <p>As at 31 December 2024, the cash balance in the segregated account amounted to approximately S\$274,751,000 and the number of remaining Seatrium shares was 68,600,000.</p>