



Keppel Ltd.

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

Singapore, 13 April 2024 – Keppel Ltd. (the “**Company**”) would like to thank shareholders for submitting questions ahead of the Company’s Extraordinary General Meeting to be held on Friday, 19 April 2024 at 5.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and at the same venue).

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. **Resolution 1:** Proposed Transactions, including:
 - a. The Proposed Amendment and Extension of the Capacity Tolling Agreement Between Keppel Merlimau Cogen Pte Ltd, Keppel Electric Pte Ltd, and Keppel Infrastructure Holdings Pte. Ltd.; and
 - b. The Proposed Amendment and Extension of the Operations and Maintenance Services Agreement Between Keppel Merlimau Cogen Pte Ltd, KMC O&M Pte. Ltd., and Keppel Infrastructure Holdings Pte. Ltd.

2. **Resolution 2:** Proposed Subscription of New Units in Keppel Infrastructure Trust by Keppel Infrastructure Holdings Pte. Ltd. Pursuant to the KIT Equity Fund Raising.

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

By Order of the Board

Karen Teo/Samantha Teong
Company Secretaries
13 April 2024

Appendix 1

Resolution 1:

Proposed Transactions, including:

- a) The Proposed Amendment and Extension of the Capacity Tolling Agreement Between Keppel Merlimau Cogen Pte Ltd, Keppel Electric Pte Ltd, and Keppel Infrastructure Holdings Pte. Ltd.; and
- b) The Proposed Amendment and Extension of the Operations and Maintenance Services Agreement Between Keppel Merlimau Cogen Pte Ltd, KMC O&M Pte. Ltd., and Keppel Infrastructure Holdings Pte. Ltd.

S/N	Question	Response
1	Why is Keppel amending and extending the Capacity Tolling Agreement (CTA) and Operations and Maintenance Services Agreement (OMSA) with Keppel Merlimau Cogen Pte. Ltd. (KMC)?	<p>The KMC power plant is a strategic component of Keppel's asset-light integrated power business, bolstering our Infrastructure Division's ability to provide customers with stable and competitive power supply through its end-to-end value chain.</p> <p>The CTA, if amended and extended, is expected to generate up to S\$1,080 million in long term capacity payments for KMC. This will provide a stable base of contracted cash flows to underpin a refinancing of KMC's existing loan facility, which will unlock value for both shareholders with the resumption of the asset's contributions to Keppel and Keppel Infrastructure Trust (KIT).</p> <p>In addition, the OMSA between KMC and Keppel's Infrastructure Division is also proposed to be amended and extended by another 10 years to 2044, which is worth up to about S\$342.84 million¹.</p> <p>The extension of the CTA and the OMSA would strategically position Keppel as one of the major power generators in the Singapore electricity market and would further augment its market position as a leading Singapore energy player.</p>
2	What is the expected financial impact to Keppel arising from these proposed transactions?	For illustrative purposes only, on a pro forma basis, the Proposed Transactions would not result in any impact on the consolidated earnings per share, net tangible assets per share and net debt ratio of Keppel Ltd. for the financial year ended 31 December 2023.
3	Does Keppel have any plans to sell more of its direct interest in KMC to KIT?	There are no current plans to do so. We will make an announcement should there be any material developments.

¹ To be adjusted annually based on Singapore Consumer Price Index.

Resolution 2:

Proposed Subscription of New Units in Keppel Infrastructure Trust by Keppel Infrastructure Holdings Pte. Ltd. Pursuant to the KIT Equity Fund Raising

S/N	Question	Response
4	What is Keppel's rationale for participating in KIT's equity fundraising exercise? Does Keppel intend to increase its stake in KIT?	<p>Keppel, through Keppel Infrastructure Holdings Pte. Ltd. is the single largest direct KIT Unitholder and sponsor of KIT. Keppel is also the trustee-manager of KIT through Keppel Infrastructure Fund Management Pte. Ltd.</p> <p>Through the equity fundraising, KIT seeks to partially fund the proposed acquisition of Ventura Bus Lines, which is expected to be Distribution Per Unit accretive and also expand KIT's assets under management.</p> <p>Keppel intends to subscribe up to its pro rata share of the new KIT Units through the equity fundraising to maintain its strategic stake in the Trust at approximately 18.21%.</p> <p>Through this investment, Keppel will grow its assets under management and at the same time benefit from potential increases in distribution income from KIT and fees earned by KIT's Trustee-Manager, which is indirectly wholly-owned by Keppel.</p>
5	How much does Keppel expect to invest in the KIT Equity Fund Raising?	The aggregate value of the Proposed KIT Subscription to the Company is estimated to be approximately S\$91.1 million, being the maximum consideration for the acquisition of new KIT Units, based on an illustrative issue price of S\$0.471, pursuant to the Proposed KIT Subscription.