



**Keppel Ltd.**

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**Responses to shareholders on substantial and relevant questions raised for  
Keppel Ltd.'s 56<sup>th</sup> Annual General Meeting**

**Singapore, 13 April 2024** – Keppel Ltd. (the “**Company**”) would like to thank shareholders for submitting questions ahead of the Company’s 56<sup>th</sup> Annual General Meeting to be held on Friday, 19 April 2024 at 3.00 p.m. (Singapore time).

Due to overlaps in several of the 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. Vision 2030 Transformation
2. Business Outlook and Operations
3. Dividends
4. Others

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

### VISION 2030 TRANSFORMATION

S/N	Question	Response
1	Can Keppel provide an update on its transformation to be a global asset manager and operator? What has changed?	<p>2023 was a major milestone in our transformation journey. We successfully divested the offshore and marine business, achieved the highest net profit on record in Keppel's 55-year history and delivered outstanding value to shareholders.</p> <p>These were achieved while we executed the next phase of our Vision 2023 strategy, to restructure and evolve the Company into a global asset manager and operator.</p> <p>Our multi-dimensional transformation has seen Keppel turn from brown to green, from a balance sheet player into an asset-light asset manager, and from a conglomerate with vertical silos into a horizontally integrated company with end-to-end value chains. Our earnings have also pivoted from lumpy orderbook and trading profits to what is now mostly recurring income.</p> <p>Keppel today is run more efficiently as one company. We are executing one business strategy and harnessing synergies among our three segments to create greater value for our customers, investors and shareholders.</p>
2	How does Keppel differentiate itself vis-à-vis other asset managers?	<p>Institutional investors are increasingly looking for General Partners who are able to not only provide financial investment solutions but also build and manage assets, especially those in the alternative real asset space.</p> <p>Some large financial investors want to become operators but they do not have those competencies and need to acquire the necessary assets and platforms. Conversely, there may also be operators out there who desire to be asset managers, but lack the DNA and the track record of investing third-party capital and running private funds.</p> <p>Keppel, with the DNA of an asset manager as well as strong operating capabilities, therefore presents a very attractive proposition to our Limited Partners. We can draw on our deep domain expertise, whether it is in the energy transition, infrastructure, connectivity or real estate solutions, to create alphas for the funds that we manage.</p>

## BUSINESS OUTLOOK AND OPERATIONS

S/N	Question	Response
3	How will Keppel navigate the current volatile global environment?	<p>Despite the volatile global environment, megatrends including the energy transition and climate change, rapid urbanisation and increasing digitalisation continue to fuel demand for Keppel's alternative assets and sustainability solutions.</p> <p>As inflation eases and interest rates stabilise in 2024, we expect the environment for fundraising and dealmaking activities to improve. Our unique value proposition as an established asset manager and operator puts Keppel in a strong position with investors who are increasingly selective of strategies and asset classes underpinned by strong macro trends such as those mentioned above.</p> <p>As we press ahead with our growth plans, we will continue to focus on driving capital-efficient growth by advancing our asset-light strategy and expanding our recurring income, while keeping our cost of funds competitive. We believe that these efforts will not only help Keppel thrive amid the volatile landscape, but also keep us agile to seize opportunities that may arise.</p>
4	Keppel's infrastructure segment has performed strongly in 2023. What gives the management confidence in sustaining the segment's contributions over the long run?	<p>Our Infrastructure Division has pivoted to an asset-light and recurring revenue business model, backed by a balanced trading and service portfolio and fee-based income. As at end-2023, about 60% of our contracted power generation capacity was locked in for three years and above.</p> <p>We have built up strong long-term contracted revenue for decarbonisation and sustainability solutions, which amounted to S\$4.3 billion as at end-2023, to be earned over the next 10-15 years. Such contracted revenue typically has indexation and cost escalation pass-through mechanisms.</p> <p>With the many promising opportunities in the infrastructure space, we are focused on leveraging our competitive advantages to not only sustain the segment's performance, but also grow the contributions over the long run, organically and inorganically.</p>
5	China's business environment continues to be challenging. How is Keppel managing its risks and what are the longer-term plans for this market?	<p>We have de-risked our investments in China significantly over the last few years, in line with our asset-light strategy. Since 2017, our Real Estate Division has monetised over S\$3 billion of assets in China, and recognised total profits of more than S\$1 billion. We have also repatriated more than S\$5 billion of cash from China over the same period.</p> <p>Some of the unlocked capital is being reallocated to pursue opportunities in different asset classes and countries, leveraging our asset-light model.</p> <p>Looking ahead, we believe that China, with its sizeable market, continues to hold good potential over the medium to long term. In response to China's changing needs, we have</p>

		<p>developed a new playbook for the market that focuses on the energy transition, infrastructure, sustainable urban renewal and data centres. These are areas aligned to China's longer-term sustainable development goals, and where Keppel has strong differentiation and value add to create value for both our investors and customers in the long run.</p>
6	<p>Property sales in China and monetisation of Keppel's China assets have slowed down. When do you expect development sales and en bloc sales to pick up again?</p>	<p>Although market conditions in China have been challenging, we sold about 1,730 homes in China in 2023, about 60% higher compared to 1,080 homes sold in 2022. We also continued to make progress on the monetisation of our landbank during the year, such as divesting our stake in V City, Chengdu for S\$94 million. We will continue to explore opportunities to monetise our remaining landbank in China, in line with our asset-light strategy.</p> <p>As we continue our transformation as a global asset manager and operator, development and sale of property would be less important for Keppel. We will instead be looking at opportunities in areas such as the energy transition, infrastructure, sustainable urban renewal and data centres.</p>
7	<p>What is the current progress of Keppel South Central? Many observers are worried about the new office supply in the Singapore office market and the ability of the market to absorb the supply.</p>	<p>We have started marketing Keppel South Central and have been receiving good interest from prospective tenants, including large multi-national corporations in the technology, telecommunications, media, transport and finance sectors, especially those who are looking for ready spaces in 2025.</p> <p>We believe that Keppel South Central, strategically located in Tanjong Pagar, in the heart of the central business district and within the Greater Southern Waterfront, will continue to benefit from the back-to-office momentum as well as the flight-to-quality and flight-to-green trends, as companies increasingly seek flexible modern spaces that are smarter, more energy-efficient and more vibrant for their employees.</p>
8	<p>Is Keppel confident of getting to its cumulative asset monetisation target of S\$10 – S\$12 billion by end-2026?</p>	<p>Since the launch of our asset monetisation programme in October 2020, we have announced the monetisation of about S\$5.4 billion in assets as at end-2023, exceeding the upper bound of our S\$3-S\$5 billion target. With the progress achieved, we are confident of achieving our cumulative asset monetisation target by end-2026.</p>
9	<p>Can you provide an update on the monetisation of Asset Co's rigs?</p>	<p>Asset Co has done well amidst the growing demand for offshore drilling assets and improving utilisation and day rates. It has accumulated a cash balance of approximately S\$950 million as at end-2023, and has been receiving active enquiries for its assets. We are hopeful that Asset Co will be able to achieve its business plans and substantially monetise its rigs over the next few years.</p>

10	How does Keppel plan to achieve its Funds Under Management (FUM) target of S\$200 billion in 2030?	<p>Our FUM reached S\$55 billion as at end-2023. When Phase 1 of the proposed acquisition of Aermont is completed this year, our FUM would grow to about S\$79 billion, bringing us close to 80% of our interim target of S\$100 billion by end-2026. With value add from Keppel, we believe that Aermont's FUM can grow by 2.5x from S\$24 billion to S\$60 billion by 2030, through the co-creation of various fund products.</p> <p>Apart from the acquisition of Aermont, as well as other possible M&amp;A opportunities, we will also continue to drive organic growth to reach our S\$200 billion FUM target by end-2030.</p> <p>As part of our organic growth plans, we will continue to pursue our quality deal flow pipeline of over S\$14 billion identified across our private funds and listed vehicles. We are also planning bigger flagship funds bearing Keppel's hallmark, such as the Keppel Sustainable Urban Renewal Fund, which achieved its first close in April 2024, and the Keppel Asia Infrastructure Fund series, and are working towards the launch of our third data centre fund later this year.</p>
11	What is the current progress of the proposed acquisition of Aermont Capital? Could you provide more details?	Parties are making respective preparations for closing, which are progressing well. We have also made good progress with obtaining most of the regulatory approvals required.

## DIVIDENDS

S/N	Question	Response
12	<p>Keppel paid out a total cash dividend of 34.0 cents per share last year and 33.0 cents per share in the prior two years.</p> <p>Can we expect cash dividends to remain at this level moving forward?</p>	<p>The Board and the management are cognisant that dividends are important to our shareholders, and we have endeavoured to pay out about 50-60% of our net profit each year.</p> <p>For FY 2023, Keppel shareholders would be receiving total dividends amounting to about S\$2.70 per Keppel share, comprising a total cash dividend of 34.0 cents per share and the dividends <i>in specie</i> of Sembcorp Marine (now Seatrium) shares and Keppel REIT units.</p> <p>We are unable to comment on cash dividends in future. As Keppel advances on its asset-light strategy, we will be less reliant on our balance sheet for growth moving forward. Our strategies to grow recurring income and drive asset monetisation would collectively release more funds for investments, to pay down debt, as well as reward our shareholders.</p>

## OTHERS

S/N	Question	Response
13	<p>Has Seatrium made any contingency claims against Keppel? How much of the cash proceeds in the segregated account has been used to satisfy identified contingent liabilities to Sembcorp Marine?</p> <p>What is Keppel's remaining stake in Seatrium?</p>	<p>We have not received any such claim from Seatrium, therefore no cash proceeds have been used to satisfy any identified contingent liabilities.</p> <p>As at 31 December 2023, about 2,040 million shares or 60% of the total number of Seatrium shares in the segregated account have been monetised, and there was a balance of 1,372 million Seatrium shares.</p>