CIRCULAR DATED 4 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Keppel Ltd. (the "**Company**" or "**Keppel**"), you should immediately inform the purchaser, the transferee or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee, that this Circular (together with the Notice of EGM (as defined herein) and accompanying Proxy Form (as defined herein)) may be accessed on the SGXNet at **www.sgx.com** and the Company's website at **https://www.keppel.com/en/investors/agm-egm/**. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

This Circular (together with the Notice of EGM and accompanying Proxy Form) has been made available on the SGXNet and the Company's website at **https://www.keppel.com/en/investors/agm-egm/**. Printed copies of this Circular will not be despatched to Shareholders (as defined herein). Printed copies of the Notice of EGM and Proxy Form will be despatched to Shareholders.

KEPPEL LTD.

UEN 196800351N
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

(A) THE PROPOSED TRANSACTIONS (AS DEFINED HEREIN), INCLUDING:

(1) 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

(2) 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.; AND

(B) THE PROPOSED SUBSCRIPTION OF NEW UNITS IN KEPPEL INFRASTRUCTURE TRUST BY KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD. PURSUANT TO THE KIT EQUITY FUND RAISING (AS DEFINED HEREIN).

Independent Financial Adviser

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
UEN 200207389D
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for submission of questions in advance of the EGM (as defined herein)	:	11 April 2024 at 5.00 p.m.
Target date for publication of responses to substantial and relevant questions received	:	14 April 2024
Last date and time for lodgement of Proxy Form	:	16 April 2024 at 5.00 p.m.
Date and time of EGM	:	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)
Place of EGM	:	Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

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DEFINITIONS

The following definitions shall apply throughout this Circular unless the context otherwise requires or unless otherwise stated:

"**2015 KMC Restructuring**"	:	The restructuring of KMC in connection with the KMC Acquisition, as described in paragraph 1.1 of this Circular
"**Audit Committee**"	:	The audit committee of the Company
"**BTA**"	:	Business Trusts Act 2004
"**Capacity Adjustment Factor**"	:	Has the meaning ascribed to it in paragraph 3.2(b)(i) of this Circular
"**Capacity Fee**"	:	The availability-based capacity fee to be paid to KMC by KE pursuant to the CTA, as described in paragraphs 1.2 and 3.1 and Appendix A of this Circular.
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 4 April 2024
"**Companies Act**"	:	Companies Act 1967
"**Company**" or "**Keppel**"	:	Keppel Ltd. (formerly known as "Keppel Corporation Limited"), a company incorporated in the Republic of Singapore
"**CPI**"	:	Singapore consumer price index
"**CTA**"	:	The capacity tolling agreement entered into between KMC (as the Owner of the KMC Plant), KE (as the Toller) and KIHPL (as guarantor for the Toller), as amended or modified from time to time
"**CTA Extension Option**"	:	Under the existing CTA, the option given to KE to extend the duration of the CTA by a 10-year period from the expiry of the CTA at the same terms, as described in paragraph 1.2 of this Circular
"**CTA Supplemental Agreement**"	:	The proposed supplemental agreement to be entered into between KMC (as the Owner of the KMC Plant), KE (as the Toller) and KIHPL (as guarantor for the Toller) to amend the CTA
"**Directors**"	:	The directors of the Company (and each of them, a "**Director**")
"**DPU**"	:	Distribution per unit

"**EGM**"	:	The extraordinary general meeting of the Company to be held on 19 April 2024, notice of which is given in the Notice of EGM (or any adjournment thereof)
"**Electricity Licence**"	:	The electricity licence granted to KMC from the EMA under the Electricity Act 2001, as described in paragraph 2.2 of this Circular
"**Electricity Licence Expiry Date**"	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
"**EMA**"	:	Energy Market Authority
"**EMC**"	:	Energy Market Company Pte Ltd, a company incorporated in the Republic of Singapore
"**EPS**"	:	Earnings per share
"**External Facility**"	:	Credit facilities obtained by KMC from commercial banks by signing a facility agreement for S$700 million with financial institutions in Singapore, as described in paragraph 1.4 of this Circular
"**FY2023**"	:	The financial year ended 31 December 2023
"**FY2023 Financial Statements**"	:	The audited consolidated financial statements of the Company for FY2023
"**FY2024**"	:	The financial year ending 31 December 2024
"**Group**"	:	The Company and its subsidiaries
"**IFA**"	:	PrimePartners Corporate Finance Pte. Ltd., being the independent financial adviser to the Company appointed pursuant to Rule 921(4) of the Listing Manual as well as to advise the Audit Committee and the Relevant Directors on the Proposed Transactions and the Proposed KIT Subscription, as described in paragraph 6.9 of this Circular
"**IFA Letter**"	:	The letter from the IFA to the Audit Committee and the Relevant Directors relating to the Proposed Transactions and the Proposed KIT Subscription, as set out in Appendix C of this Circular
"**Illustrative Issue Price**"	:	The illustrative issue price of S$0.471 per new KIT Unit under the KIT Equity Fund Raising
"**IPT**"	:	Interested person transaction

"**IPT Aggregate Value**"	:	The aggregate amount at risk of the Proposed Transactions to Keppel in accordance with Rule 909 of the Listing Manual, as set out in paragraph 6.4 of this Circular
"**KE**"	:	Keppel Electric Pte Ltd, a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of the Company
"**Keppel Energy**"	:	Keppel Energy Pte. Ltd., a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of the Company, and which has a 49% equity interest in KMC
"**Keppel Sakra Cogen Plant**"	:	The proposed 600MW state-of-the-art, advanced combined cycle gas turbine (CCGT) power plant to be owned by Keppel Sakra Cogen Pte. Ltd., as described in the joint media release between the Company, Mitsubishi Power and Jurong Engineering Limited released on the SGXNet on 30 August 2022
"**KIHPL**"	:	Keppel Infrastructure Holdings Pte. Ltd., a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of the Company
"**KIT**"	:	Keppel Infrastructure Trust, a business trust constituted in the Republic of Singapore and registered with MAS
"**KIT Equity Fund Raising**"	:	The proposed equity fund raising by KIT, by way of the issuance of up to 1,061,571,125 new KIT Units, which may comprise: (a) the KIT Placement; or (b) the KIT Placement and the KIT Preferential Offering
"**KIT Expiry Date**"	:	The expiry of any approval received by KIT for the issuance of new KIT Units, as defined in footnote 6 of this Circular
"**KIT Placement**"	:	KIT's potential private placement of KIT Units to institutional and other investors under the KIT Equity Fund Raising, as defined in paragraph 1.6(a) of this Circular
"**KIT Preferential Offering**"	:	KIT's potential non-renounceable preferential offering of KIT Units to eligible KIT Unitholders on a *pro rata* basis under the KIT Equity Fund Raising, as defined in paragraph 1.6(b) of this Circular
"**KIT Trustee-Manager**"	:	Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager for KIT

"**KIT Unitholders**"	:	The unitholders of KIT
"**KIT Unit**"	:	An undivided interest in KIT, as provided for in the trust deed dated 5 January 2007 constituting KIT (as amended and modified from time to time)
"**KIT Ventura Announcement**"	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
"**KMC**"	:	Keppel Merlimau Cogen Pte Ltd, a company incorporated in the Republic of Singapore, in which KIT holds a 51% equity interest and Keppel Energy holds a 49% equity interest
"**KMC Acquisition**"	:	The acquisition by KIT of a 51% direct interest in KMC on 30 June 2015
"**KMC Capital Restructuring**"	:	For the purposes of this Circular, the KMC Refinancing, the Proposed CTA Amendments and the Proposed OMSA Amendments, as described in paragraph 5.1 of this Circular
"**KMC I**"	:	Phase I of KMC, which has a generation capacity of 500MW and commenced operation in April 2007, as described in paragraph 2.2 of this Circular
"**KMC II**"	:	Phase II of KMC, involving the expansion of two power trains with a total generation capacity of 840MW, which commenced commercial operations in March 2013 and July 2013 respectively, as described in paragraph 2.2 of this Circular
"**KMC Notes**"	:	Has the meaning ascribed to it in paragraph 1.1(c) of this Circular
"**KMC O&M**"	:	KMC O&M Pte. Ltd., a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of KIHPL
"**KMC Plant**" or "**Power Plant**"	:	Keppel Merlimau Cogen Plant
"**KMC Refinancing**"	:	The refinancing exercise to be undertaken by KMC, whereby the External Facility will be refinanced with the New External Facility, as described in paragraph 5.1(b) of this Circular
"**KSC**"	:	Keppel Sakra Cogen Pte. Ltd., a company incorporated in the Republic of Singapore
"**KWS**"	:	Keppel Water Services Pte. Ltd., a company incorporated in the Republic of Singapore

"**Latest Practicable Date**"	:	4 March 2024, being the latest practicable date prior to the finalisation of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"**MAS**"	:	The Monetary Authority of Singapore
"**New External Facility**"	:	New credit facilities to be obtained by KMC, as described in paragraph 5.1(b) of this Circular
"**Notice of EGM**"	:	The notice of EGM, as set out in pages D-1 to D-4 of this Circular
"**NTA**"	:	Net tangible assets
"**O&M Fee**"	:	The fixed operation and maintenance fee under the CTA
"**OMSA**"	:	The operations and maintenance services agreement entered into between KMC, KMC O&M, and KIHPL on 15 May 2015
"**OMSA Extension Option**"	:	Under the existing OMSA, the option to extend the OMSA by a period of 10 years, exercisable on top of the initial contract term of 20 years from 1 January 2015, as described in paragraph 1.3 of this Circular
"**OMSA Supplemental Agreement**"	:	The proposed supplemental agreement to be entered into between KMC, KMC O&M and KIHPL to amend the terms of the OMSA
"**Operator**"	:	KMC O&M
"**Ordinary Resolution**"	:	A resolution proposed and passed as such by a majority being more than 50% of the total votes cast for and against such resolution at a general meeting of the Shareholders convened in accordance with the constitution of the Company
"**Ordinary Resolution 1**"	:	The Ordinary Resolution in relation to the Proposed Transactions
"**Ordinary Resolution 2**"	:	The Ordinary Resolution in relation to the Proposed KIT Subscription
"**Owner**"	:	KMC
"**PIL**"	:	Pacific International Lines (Private) Limited, a company incorporated in the Republic of Singapore
"**Proposed CTA Amendments**"	:	The proposed amendments to and extension of the CTA as set out in the CTA Supplemental Agreement

"**Proposed KIT Subscription**"	:	Has the meaning ascribed to it in paragraph 1.7 of this Circular
"**Proposed OMSA Amendments**"	:	The proposed amendments to and extension of the OMSA as set out in the OMSA Supplemental Agreement
"**Proposed Transactions**"	:	The Proposed CTA Amendments and the Proposed OMSA Amendments
"**Relevant Directors**"	:	All the Directors, save for Mr. Teo Siong Seng who abstained from giving a recommendation to Shareholders for the reasons set out in paragraph 10.3 of this Circular
"**S$**", "**SGD**", and "**Singapore cents**"	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
"**Service Fee**"	:	The fixed O&M service fee indexed to the CPI to be paid to KMC O&M by KMC, under the OMSA, as described in paragraphs 1.3 and 4.1 and Appendix B of this Circular
"**SFA**"	:	Securities and Futures Act 2001
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGXNet**"	:	Singapore Exchange Network (accessible at **www.sgx.com**)
"**Shareholders**"	:	The shareholders of the Company, including persons whose/which Shares are deposited with CDP or who have purchased Shares on the SGX-ST (and each of them, a "**Shareholder**")
"**Shares**"	:	The ordinary shares in the issued share capital of the Company
"**Tax Incentives**"	:	The tax incentives attributable to the KMC Notes qualifying as qualifying project debt securities under the MAS Circular (FDD Circular 15/2006) on Tax Incentives for Project Finance dated 1 November 2006, as extended and enhanced by the MAS Circular (FDD Circular 02/2008) dated 12 May 2008 and the MAS Circular (FDD Circular 01/2011) dated 28 April 2011 on Tax Incentives for Project and Infrastructure Finance
"**Temasek**"	:	Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore, and a substantial shareholder of the Company
"**Toller**"	:	KE

"**Tolling Fee**"	:	The Capacity Fee and fixed O&M Fee to be paid to KMC by KE pursuant to the CTA, as described in paragraphs 1.2 and 3.1 and Appendix A of this Circular
"**%**" or "**per cent**"	:	Per centum or percentage

A reference to "**paragraph**" is a reference to a paragraph of this Circular unless otherwise specified or the context otherwise requires.

The terms "**Depositor**", "**Depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders where applicable. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All statements other than statements of historical facts included in this Circular 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.

CIRCULAR TO SHAREHOLDERS

KEPPEL LTD.

UEN 196800351N

(Incorporated in the Republic of Singapore)

Directors of Keppel Ltd.:		**Registered Office:**
Mr. Danny Teoh	*(Non-Executive and Non-Independent Chairman)*	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Mr. Loh Chin Hua	*(Chief Executive Officer and Executive Director)*	
Mr. Till Vestring	*(Lead Independent Director)*	
Ms. Veronica Eng	*(Independent Director)*	
Mr. Jean-François Manzoni	*(Independent Director)*	
Mr. Teo Siong Seng	*(Non-Executive and Non-Independent Director)*	
Mr. Tham Sai Choy	*(Independent Director)*	
Mrs. Penny Goh	*(Independent Director)*	
Mr. Shirish Apte	*(Independent Director)*	
Mr. Olivier Blum	*(Independent Director)*	
Mr. Jimmy Ng	*(Independent Director)*	
Ms. Ang Wan Ching	*(Independent Director)*	

4 April 2024

To: The Shareholders of Keppel Ltd.

Dear Sir/Madam

(A) THE PROPOSED TRANSACTIONS (AS DEFINED HEREIN), INCLUDING:

(1) 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

(2) 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.; AND

(B) THE PROPOSED SUBSCRIPTION OF NEW UNITS IN KEPPEL INFRASTRUCTURE TRUST BY KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD. PURSUANT TO THE KIT EQUITY FUND RAISING (AS DEFINED HEREIN).

1. INTRODUCTION

1.1 The Proposed Transactions – Background

Keppel Energy Pte. Ltd. ("**Keppel Energy**"), a wholly-owned subsidiary of the Company, had on 30 June 2015 sold a 51% direct interest in Keppel Merlimau Cogen Pte Ltd ("**KMC**") to Keppel Infrastructure Trust ("**KIT**", and the acquisition of 51% of KMC by KIT, the "**KMC Acquisition**"). In connection with the KMC Acquisition, KMC had also undergone a restructuring (the "**2015 KMC Restructuring**"), whereby, *inter-alia*:

(a) KMC, Keppel Electric Pte Ltd ("**KE**"), and Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**") had on 15 May 2015 entered into a capacity tolling agreement (as amended or modified from time to time) (the "**CTA**"), as further elaborated in paragraph 3 below;

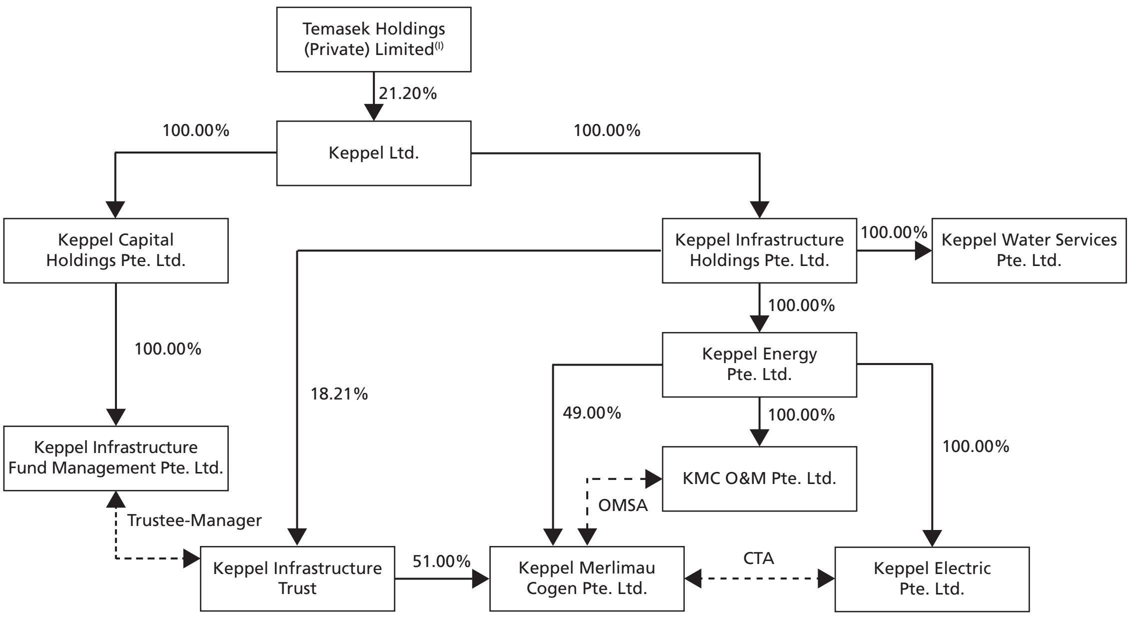
(b) KMC, KMC O&M Pte. Ltd. ("**KMC O&M**"), and KIHPL had on 15 May 2015 entered into an operations and maintenance services agreement (the "**OMSA**"), as further elaborated in paragraph 4 below; and

(c) KMC had replaced its loans from its then related corporations with (i) the S$500 million in principal amount of notes issued by KMC to KIT, Keppel Energy, KE, and Keppel Water Services Pte. Ltd. ("**KWS**") in the proportions of 51%, 39%, 5%, and 5% respectively ("**KMC Notes**") and (ii) the External Facility (as defined and further elaborated in paragraph 1.4 below).

As at the Latest Practicable Date, KIT has a 51% direct interest in KMC and Keppel Energy has a 49% direct interest in KMC.

Please refer to Chart 1 below for a structure chart showing the relationships between KMC, Keppel, and KIT as at the Latest Practicable Date:

Chart 1: Illustration of Relationships between KMC, Keppel, and KIT



Note:

(I) Other than through Keppel and KIHPL, Temasek is deemed to have an interest in the KIT Units in which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd. and other subsidiaries and/or associated companies of Temasek hold or have deemed interests.

1.2 Existing Capacity Tolling Agreement – Proposed Amendment and Extension

Pursuant to the CTA, KE as the toller ("**Toller**"), will pay an availability-based capacity fee (the "**Capacity Fee**") and a fixed operation and maintenance fee ("**O&M Fee**") indexed to the Singapore consumer price index ("**CPI**") to KMC (together, the "**Tolling Fee**"), in return for KMC as the owner ("**Owner**") making available the Keppel Merlimau Cogen Plant's (the "**KMC Plant**" or "**Power Plant**") electricity generation capacity. The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the acquisition of the 51% equity interest in KMC by KIT), with a 10-year option to extend pursuant to the CTA Extension Option.

KMC (as Owner), KE (as Toller), and KIHPL (as guarantor for the Toller) propose to enter into a new supplemental agreement (the "**CTA Supplemental Agreement**") to amend the terms of the existing CTA, pursuant to which:

(a) the contract term shall be extended by 10 years until 30 June 2040, and the CTA Extension Option shall be removed; and

(b) the calculations of the Tolling Fee shall be amended as set out in paragraph 3.2 of this Circular and paragraph 3 of Appendix A of this Circular,

(the "**Proposed CTA Amendments**").

It is anticipated that, pursuant to the Proposed CTA Amendments, KE will pay to KMC over the additional 10 years (being the proposed extension of the duration of the CTA): (a) a Capacity Fee of up to S$1,080 million;[1] and (b) based on an illustrative inflation rate of 1.5% per annum, additional O&M Fees of up to S$342.84 million.[2]

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1 The maximum Capacity Fee is calculated based on the following assumptions:

(i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target (being the agreed ratio of the actual availability (in hours) of the KMC Plant against the maximum number of hours in a year);

(ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units (as defined in Appendix A and Appendix B of this Circular) in the KMC Plant.

The Capacity Fee will be adjusted downwards if the plant is not available to KE (e.g. due to any unplanned outages), but will not be adjusted in the event that KE does not fully utilise the available capacity of the KMC Plant. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix A of this Circular for the exact computations of the maximum Capacity Fee.

2 The additional O&M Fees are calculated based on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum (taking into account adjustments for inflation rate) of the O&M Fee from 1 July 2030 to 30 June 2040 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum. The additional O&M Fees will be adjusted downwards based on the Revised Generation Capacity in the event that KMC I and KMC II do not retain their original generation capacities as per assumption (i) above. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix A of this Circular for the exact computations of the additional O&M Fees.

1.3 Existing Operations and Maintenance Services Agreement – Proposed Amendment and Extension

Pursuant to the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant's operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M a fixed operations and maintenance service fee (the "**Service Fee**") which is indexed to the CPI. The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year option to extend pursuant to the OMSA Extension Option.

In connection with the Proposed CTA Amendments, KMC, KMC O&M, and KIHPL propose to enter into a new supplemental agreement (the "**OMSA Supplemental Agreement**") to amend the terms of the OMSA, pursuant to which:

(a) the contract term shall be extended by 10 years until 31 December 2044, and the OMSA Extension Option shall be removed; and

(b) the calculations of the Service Fee shall be amended as set out in paragraph 4.2 of this Circular and paragraph 3 of Appendix B of this Circular,

(the "**Proposed OMSA Amendments**").

It is anticipated that KMC will pay a Service Fee of up to S$194.6 million[3] over the additional 10 years (being the proposed extension of the duration of the OMSA) pursuant to the Proposed OMSA Amendments.

The Proposed Transactions are intended to be inter-conditional, and shall only be entered into subject to the approval of the Shareholders for the Proposed Transactions being obtained at the EGM, and KIT obtaining KIT Unitholders' approval as may be required.

1.4 The External Facility

In connection with the 2015 KMC Restructuring, KMC had on 15 May 2015 obtained credit facilities from commercial banks by entering into a five-year facility agreement for S$700 million with financial institutions in Singapore. The original S$700 million facility agreement was subsequently fully refinanced on 23 June 2020 and bears interest at a competitive base margin over the Singapore Overnight Rate Average (SORA) per annum (the "**External Facility**").

3 The maximum Service Fee is calculated on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, and the calculations of the Service Fees from 1 January 2035 to 31 December 2044 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix B of this Circular for the exact computations of the maximum Service Fee.

The External Facility commenced amortisation from 30 June 2023 and will amortise by approximately S$87.5 million per year up to 30 June 2026, with the remaining principal amount of approximately S$350 million due and payable on 30 June 2027.

As at the Latest Practicable Date, the amount outstanding under the External Facility is approximately S$612.5 million. The Company understands that KMC intends to refinance the External Facility[4] to support its continuing operations. The Proposed CTA Amendments and Proposed OMSA Amendments are required to support refinancing of the External Facility.

The Company further understands that the shareholders of KMC are in advanced discussions with the lenders on the refinancing package, and as at the Latest Practicable Date, the Company has not entered into any definitive agreements with the lenders in respect of the refinancing package.

1.5 The Proposed Transactions are tabled as Ordinary Resolution 1

As the Proposed Transactions are intended to be undertaken together, the approval of the Proposed Transactions is being collectively proposed as Ordinary Resolution 1 as set out in the Notice of EGM.

1.6 The Proposed KIT Subscription – Background

As at the Latest Practicable Date, KIHPL has a direct interest in 1,024,360,090 units in KIT ("**KIT Units**"), representing approximately 18.21% of the total KIT Units in issue as at the Latest Practicable Date.

In KIT's announcement of an acquisition on 5 February 2024 (the "**KIT Ventura Announcement**"), KIT announced that it intends to undertake an equity fund raising of new units in KIT, and to utilise the proceeds towards partial payment of acquisition costs. For further details of the acquisition, Shareholders may refer to KIT's 5 February 2024 announcement titled "Proposed Acquisition of Ventura Bus Lines", which is accessible on SGXNet at **www.sgx.com**.

To this end, the Company has been informed by KIT as follows:

KIT plans to seek the approval of its unitholders ("**KIT Unitholders**") for the issue of up to 1,061,571,125[5] new KIT Units (representing approximately 18.9% of the existing number of issued KIT Units as at the Latest Practicable Date) (the "**KIT Equity Fund Raising**").

4 The Company further understands that KMC intends to refinance the External Facility on the last day of the relevant interest period under the loan agreement relating to the External Facility (i.e. at the end of the relevant calendar quarter) such as to avoid paying any break fees in relation to the External Facility.

5 The Company has been informed by KIT that such maximum number of up to 1,061,571,125 new KIT Units is purely illustrative and is intended to represent a higher number than the actual number of new KIT Units that may be issued pursuant to the KIT Equity Fund Raising (if any), in order to provide a buffer against fluctuations in the market price of the KIT Units and/or market conditions; and that the actual number of new KIT Units to be issued pursuant to the KIT Equity Fund Raising will depend on various factors including (a) the final structure of the KIT Equity Fund Raising; (b) the final issue price at which such new KIT Units will be offered; and (c) the actual amount of proceeds to be raised that the KIT Trustee-Manager determines is appropriate as at the time of launch of the KIT Equity Fund Raising, each as to be determined by KIT closer to the date of the launch of the KIT Equity Fund Raising.

As at the Latest Practicable Date, the exact structure and timing of the KIT Equity Fund Raising have not yet been determined, and the KIT Equity Fund Raising may, at the KIT Trustee-Manager's discretion and subject to the then prevailing market conditions, comprise either:

(a) a private placement of new KIT Units to institutional and other investors (the "**KIT Placement**"); or

(b) the KIT Placement and a non-renounceable preferential offering of new KIT Units to eligible KIT Unitholders on a *pro rata* basis (the "**KIT Preferential Offering**"),

and which will be undertaken at an issue price to be determined closer to the date of the launch of the KIT Equity Fund Raising. The KIT Trustee-Manager will determine the exact structure of the KIT Equity Fund Raising closer to the launch of such offering, having regard to, among others, the market conditions at such time.

KIT shall convene a general meeting to seek KIT Unitholders' approval for the KIT Equity Fund Raising, whether the KIT Equity Fund Raising is undertaken by way of (i) only the KIT Placement, or (ii) the KIT Placement and the KIT Preferential Offering.[6] However, notwithstanding that the KIT Equity Fund Raising is approved by the KIT Unitholders, the KIT Trustee-Manager may decide not to undertake the KIT Equity Fund Raising if, among others, the market conditions are not conducive to carry out the KIT Equity Fund Raising or the KIT Equity Fund Raising cannot be effected on acceptable terms.

The KIT Trustee-Manager will announce details of the KIT Equity Fund Raising (including details pertaining to the use of proceeds and percentage allocation for each use) via SGXNet at **www.sgx.com** at the appropriate time if and when it launches the KIT Equity Fund Raising in such structure and at such time as may be agreed with the appointed underwriter(s) (if any) of the KIT Equity Fund Raising.

The issue price at which new KIT Units will be offered and issued pursuant to the KIT Equity Fund Raising will be determined by KIT closer to the date of the launch of the KIT Equity Fund Raising. In the event the KIT Equity Fund Raising comprises the KIT Placement and the KIT Preferential Offering, the new KIT Units may be offered at different issue prices under the KIT Placement and the KIT Preferential Offering, but the issue price for the new KIT Units under the KIT Placement will not be lower than the issue price for the new KIT Units under the KIT Preferential Offering.

KIT envisages that the KIT Equity Fund Raising will be underwritten, subject to the execution of an underwriting agreement on such terms and conditions as the appointed underwriter(s) may agree with the KIT Trustee-Manager. Such underwriting agreement is anticipated to be signed upon the terms of the KIT Equity Fund Raising being agreed upon.

6 Under Section 36(3) of the Business Trusts Act 2004 ("**BTA**"), any approval received by KIT for the issuance of new KIT Units shall continue in force until the earlier of (a) the conclusion of KIT's annual general meeting commencing next after the date on which the approval was given or (b) the expiration of the period within which KIT's next annual general meeting after that date is required under the BTA to be held (the "**KIT Expiry Date**"). Accordingly, if the KIT Equity Fund Raising has not been launched prior to the KIT Expiry Date, KIT's authority to issue the said new KIT Units under the KIT Equity Fund Raising will expire on the KIT Expiry Date. In such event, if and when the KIT Trustee-Manager decides to undertake the KIT Equity Fund Raising, the KIT Trustee-Manager may seek KIT Unitholders' approval for the issuance of new KIT Units pursuant to (i) the KIT Placement or (ii) the KIT Placement and the KIT Preferential Offering at or after KIT's next annual general meeting.

Assuming the KIT Equity Fund Raising is fully subscribed, KIT expects the KIT Equity Fund Raising to raise estimated gross proceeds of up to S$500.0 million.[7] While KIT's current intention is to apply such proceeds towards its acquisition costs, in the event that the KIT Equity Fund Raising is completed but the acquisition does not proceed for whatever reason, or if the amount required from the proceeds of the KIT Equity Fund Raising to finance the acquisition is less than the total net proceeds raised from the KIT Equity Fund Raising for whatever reason, the KIT Trustee-Manager may, subject to relevant laws and regulations, utilise the net proceeds of the KIT Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness, for funding capital expenditures, for any potential future acquisitions which the KIT Trustee-Manager may undertake from time to time, and other general working capital purposes. The KIT Trustee-Manager will make periodic announcements on the utilisation of the net proceeds of the KIT Equity Fund Raising via SGXNet at **www.sgx.com** as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated.

1.7 The Proposed KIT Subscription by KIHPL

It is currently intended that KIHPL shall acquire up to such number of new KIT Units under the KIT Equity Fund Raising so as to maintain its percentage unitholding in KIT.[8] In other words, the aggregate number of new KIT Units proposed to be subscribed for by KIHPL under the KIT Equity Fund Raising shall be no more than such number as would be required to maintain KIHPL's percentage unitholding in KIT immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be), in percentage terms, at the level immediately prior to the issuance of new KIT Units to KIHPL (such subscription, the "**Proposed KIT Subscription**").

Accordingly:

(a) to the extent that the KIT Equity Fund Raising involves only the KIT Placement, KIHPL intends to subscribe for up to such number of new KIT Units so as to maintain its percentage unitholding in KIT immediately following the completion of the KIT Placement; and

7 Net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the KIT Equity Fund Raising. For the avoidance of doubt, KIT's estimate of S$500.0 million refers to the maximum amount of gross proceeds that may be raised through the KIT Equity Fund Raising, assuming a maximum number of 1,061,571,125 new KIT Units, at an illustrative issue price of S$0.471 per new KIT Unit (the "**Illustrative Issue Price**"). Shareholders should note that the Illustrative Issue Price is **purely illustrative** and the actual new KIT Units to be issued pursuant to the KIT Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price, and the actual gross proceeds raised from the KIT Equity Fund Raising may be lower, equal to, or higher than S$500.0 million.

8 As at the Latest Practicable Date, KIHPL has an 18.21% unitholding interest in KIT. KIHPL's percentage unitholding interest may be subject to further changes in the period leading up to the launch of the KIT Placement and/or KIT Preferential Offering under the KIT Equity Fund Raising (if any). If Ordinary Resolution 2 is approved at the EGM, Shareholders will be deemed to have authorised the Company to give KIHPL the flexibility to subscribe for up to such number of new KIT Units under the KIT Equity Fund Raising at any issue price to be determined by KIT provided that the aggregate number of new KIT Units to be subscribed for by KIHPL under the KIT Equity Fund Raising shall be no more than such number as would be required to maintain KIHPL's percentage unitholding in KIT (or as closely thereto, as may be determined by the Company or KIHPL) immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be), in percentage terms, at the level immediately prior to the issuance of new KIT Units to KIHPL.

(b) to the extent that the KIT Equity Fund Raising involves both the KIT Placement and the KIT Preferential Offering, KIHPL intends to subscribe for up to such number of new KIT Units under the KIT Placement as well as its *pro rata* entitlement under the KIT Preferential Offering, so as to maintain its percentage unitholding in KIT immediately following the completion of the KIT Placement and the KIT Preferential Offering.

1.8 The Proposed KIT Subscription is tabled as Ordinary Resolution 2

The Proposed KIT Subscription is being proposed as Ordinary Resolution 2 as set out in the Notice of EGM. For the avoidance of doubt, Ordinary Resolution 1 relating to the Proposed Transactions and Ordinary Resolution 2 relating to the Proposed KIT Subscription are separate and not inter-conditional.

Shareholders should note that, even if Ordinary Resolution 2 is approved by the Shareholders at the EGM, there can be no assurance that KIT will proceed with the KIT Equity Fund Raising in the manner described in this Circular or at all, or that KIHPL will ultimately decide to participate in the KIT Equity Fund Raising to the full extent or in the manner described in this Circular.

1.9 Interested Person Transactions

Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an interested person and the value of the transaction (whether in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of the Company's latest audited consolidated NTA, the approval of the Shareholders is required in respect of the transaction.

As at the Latest Practicable Date, Temasek holds a direct interest in 371,408,292 ordinary shares in the issued and paid-up capital of the Company,[9] which is equivalent to approximately 20.92% of the total number of issued shares of the Company (excluding treasury shares),[10] and is therefore regarded as a controlling shareholder of the Company under the Listing Manual. Accordingly, Temasek and its associates are (for the purposes of the Listing Manual) "interested persons" of the Company.

As at the Latest Practicable Date:

(a) Temasek is deemed to have an interest in 1,749,651,021 KIT Units, which is equivalent to approximately 31.10% of the KIT Units, which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Keppel Ltd. and other subsidiaries and/or associated companies of Temasek hold or have deemed interests in. Accordingly, Temasek is deemed to be interested in the 51% equity interest in KMC held by KIT. As such, each of KIT and KMC is regarded as an associate of Temasek under the Listing Manual; and

(b) KE, KWS, KIHPL, KMC O&M, and Keppel Energy are wholly-owned subsidiaries of the Company and are thus regarded as entities at risk under the Listing Manual.

9 Temasek holds a direct interest in 371,408,292 ordinary shares in the issued and paid-up capital of the Company.

10 As at the Latest Practicable Date, there are 1,774,658,288 ordinary shares in the issued and paid-up capital of the Company (excluding treasury shares).

For further details on the relationships between Keppel and the entities listed in paragraphs 1.9(a) and 1.9(b) above, please refer to Chart 1 at paragraph 1.1 of this Circular.

In respect of the Proposed Transactions:

(i) as the Proposed CTA Amendments are to be entered into between KMC (an interested person of the Company) and KE and KIHPL (entities at risk in relation to the Company), the Proposed CTA Amendments would constitute an interested person transaction ("**IPT**") within the meaning of Chapter 9 of the Listing Manual; and

(ii) as the Proposed OMSA Amendments are to be entered into between KMC (an interested person of the Company) and KMC O&M and KIHPL (entities at risk in relation to the Company), the Proposed OMSA Amendments would constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

In respect of the Proposed KIT Subscription, this is a transaction between KIHPL (an entity at risk in relation to the Company) and KIT (an interested person of the Company), and therefore would constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

As the aggregate value of the Proposed CTA Amendments and the Proposed OMSA Amendments (together, the "**Proposed Transactions**") for the purposes of Chapter 9 of the Listing Manual is expected to exceed 5% of the Company's latest audited consolidated NTA, the Company will be tabling the Proposed Transactions for the approval of the Shareholders in accordance with Rule 906(1) of the Listing Manual. For further details, refer to paragraphs 6.4 and 6.5 of this Circular. The Company has also decided to seek the approval of the Shareholders for the Proposed KIT Subscription at the same EGM. For further details, refer to paragraph 6.6 of this Circular.

1.10 EGM

In light of the above, the Company is seeking approval from the Shareholders at the EGM for:

(a) the Proposed Transactions, by way of Ordinary Resolution 1 as set out in the Notice of EGM; and

(b) the Proposed KIT Subscription, by way of Ordinary Resolution 2 as set out in the Notice of EGM.

1.11 Legal Adviser in relation to this Circular

WongPartnership LLP is the legal adviser to the Company in relation to this Circular.

2. INFORMATION ON KIT AND KMC

2.1 KIT

KIT is a diversified business trust listed on the SGX-ST with approximately S$8.1 billion in assets under management as at 2 January 2024. Its goal is to deliver increasing and sustainable long term returns to its unitholders, through a combination of recurring and growing distributions and growth in capital value. KIT seeks to achieve its growth strategy by continuously acquiring and building a well-diversified portfolio of businesses and assets.

The KIT Trustee-Manager is a wholly-owned subsidiary of the Company.

KIT has a 51% equity interest in KMC, and the Company, through Keppel Energy, owns the remaining 49% equity interest in KMC.

2.2 KMC

KMC presently owns and operates the KMC Plant, a combined cycle gas turbine generation facility with a licenced generation capacity of approximately 1,300MW, as well as ancillary facilities on Jurong Island, off the south-west coast of Singapore.

The KMC Plant was constructed in two phases. Phase I of KMC ("**KMC I**") has a generation capacity of 500MW and commenced commercial operations in April 2007. KMC completed an expansion of two power trains with a total generation capacity of 840MW (collectively, "**KMC II**") which commenced commercial operations in March 2013 and July 2013 respectively. The Company understands that KMC will be reviewing opportunities to retrofit KMC I and KMC II by refurbishing the existing plant equipment of KMC, including to facilitate the extension of the useful lives[11] of KMC I and KMC II beyond the current projected end-dates of 30 June 2032 and 30 June 2037 respectively. The Company understands that KMC will work with the original equipment manufacturers in relation to the KMC Plant at the appropriate juncture to determine the scope of the refurbishment work that may need to be done.

The KMC Plant has technology from its original equipment manufacturer that can enable it to use hydrogen blended with natural gas as fuel with certain modifications.

KMC has obtained an electricity licence (the "**Electricity Licence**") from the Energy Market Authority ("**EMA**") under the Electricity Act 2001 of Singapore to (a) generate electricity and (b) trade in any wholesale electricity market operated by EMC, subject to the conditions set out in the Electricity Licence. The Electricity Licence is valid for a period of 30 years from 1 January 2003 to 31 December 2032 ("**Electricity Licence Expiry Date**").

KMC intends to seek a renewal of the Electricity Licence on a date that is closer to the Electricity Licence Expiry Date. If approved, the CTA Supplemental Agreement and the OMSA Supplemental Agreement are envisaged to remain contractually binding and effective until their respective expiry dates. The CTA Supplemental Agreement and the OMSA Supplemental Agreement contain mechanisms under which the Capacity Fees, additional O&M Fees and Service Fee (as the case may be) will be adjusted downwards if the Electricity Licence ceases to apply to some or all of the Generating Units in the KMC Plant. If the Electricity Licence expires and is not renewed following the Electricity Licence Expiry Date, the Capacity Fees, additional O&M Fees and Service Fee will all equal S$0 for the period following the Electricity Licence Expiry Date.

11 With respect to KMC I or KMC II, the term "useful lives" is to be understood as the typical 25-year lifespan of a power plant.

3. THE PROPOSED CTA AMENDMENTS

3.1 The CTA

On 15 May 2015, KMC (as the Owner of the KMC Plant), KE (as the Toller) and KIHPL (as guarantor for the Toller) entered into a capacity tolling agreement pursuant to which KE will pay a monthly Tolling Fee to KMC, in return for KMC making available the KMC Plant's electricity generation capacity. The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the acquisition of the 51% equity interest in KMC by KIT), with a 10-year option to extend pursuant to the CTA Extension Option.

Under the CTA, the maximum Capacity Fee that KMC will receive is S$108 million a year as long as KMC meets the availability and capacity test targets. Other than costs arising from unexpected plant outages/equipment failure, KMC's operating costs for maintenance, consumables and fuel are all passed through to KE, through a combination of the O&M Fee and costs to be directly reimbursed (as elaborated below) in accordance with the CTA. The Capacity Fee does not have any indexation mechanisms. The availability target (i.e. the agreed ratio of the actual availability (in hours) of the KMC Plant compared to the maximum number of hours in a year) is agreed between KE and KMC annually and takes into account provision for downtime (i.e. when the KMC Plant will not be available for generating electricity) for plant testing and planned and unplanned maintenance works. Please refer to paragraphs 1 and 2 of Appendix A of this Circular respectively for details on the calculations of the Tolling Fee and the amount of Tolling Fee received by KMC.

In addition to the O&M Fee, the terms of the CTA also provide for certain pass-through arrangements between KMC and KE, including:

(a) the reimbursement by KE for costs incurred by KMC relating to plant maintenance and major maintenance charges, computer hardware cost, inventory freight and transportation cost, inventory usage, diesel usage and fees related to maintaining the Electricity Licence; and

(b) the pass-through to KE of revenues received by KMC from EMC for the sale of electricity and the provision of backup generator services.

EMC operates and administers the wholesale electricity market in Singapore, including calculating prices, scheduling generation, clearing and settling market transactions and procuring ancillary services. All the electricity generated by the KMC Plant is supplied to KE under the CTA. Under the capacity tolling structure, all revenue and costs from KMC's participation in the wholesale market, as the owner of the KMC Plant, is passed on through to KE (as the Toller). The same applies to all revenue and costs received by KMC for the provision of backup generator services to the EMC.

The terms of the CTA are designed to ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant are borne by KE. In addition, using the fixed O&M Fee received from KE, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, and property taxes associated with owning the KMC Plant and costs of maintaining its property leases.

3.2 The Proposed CTA Amendments

Pursuant to the proposed CTA Supplemental Agreement:

(a) the contract term of the CTA shall be extended by 10 years until 30 June 2040 and the CTA Extension Option shall be removed; and

(b) the calculation of the Tolling Fee shall be amended to account for the projected end-dates of the useful lives of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively[12] and the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant. A summary of the potential effects of the Proposed CTA Amendments on the Tolling Fee (i.e. the sum of the Capacity Fee and the O&M Fee) is set out below:

(i) Potential Effects on the Capacity Fee

The calculation of the Capacity Fee for each month will be subject to an adjustment factor derived by comparing the Revised Generation Capacity against the Generation Capacity (both as defined in Appendix A of this Circular) (the "**Capacity Adjustment Factor**") to account for (A) the potential reduction in the generation capacities of KMC I and KMC II following the projected end-dates of their useful lives on 30 June 2032 and 30 June 2037 respectively; and (B) the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

Notwithstanding the above amendments, the maximum Capacity Fee that KE (as the Toller) will be required to pay under the CTA will still be capped at S$108 million annually, subject to the Capacity Adjustment Factor being 100%.

(ii) Potential Effects on the O&M Fee

The calculation of the O&M Fee for the period until 30 June 2032 shall remain the same at S$2,103,600 per month and will continue to be adjusted annually based on the CPI.

From 1 July 2032 to 30 June 2040 (being the end date for the CTA following the Proposed CTA Amendments), in addition to the annual adjustment of the O&M Fee based on the CPI, the O&M Fee will be subject to additional adjustments based on the Capacity Adjustment Factor, which accounts for (A) the potential reduction in the generation capacities of KMC I and KMC II following the projected end-dates of their useful lives on 30 June 2032 and 30 June 2037 respectively; and (B) the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

12 In the event that KMC I is not retrofitted, from 1 July 2032 (the day after 30 June 2032, the current projected end-date of the useful life of KMC I), the calculation of the Tolling Fee will be adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032 – in effect, this would mean that only the generation capacity of KMC II would be relevant since KMC I would no longer be operational if it is not retrofitted. In the event that KMC II is not retrofitted, from 1 July 2037 (the day after 30 June 2037, the current projected end-date of the useful life of KMC II), the formula for calculating the Tolling Fee is adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032. In effect: (i) if KMC I is retrofitted but KMC II is not retrofitted, only the generation capacity of KMC I would be relevant since KMC II would no longer be operational if it is not retrofitted; and (ii) if neither KMC I nor KMC II is retrofitted, the Tolling Fee would be S$0 as both KMC I and KMC II would not be operational. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3 of Appendix A of this Circular for further details of the proposed amendment to the calculation of the Tolling Fee.

(iii) Overall Potential Effects on the Tolling Fee

The calculation of the Tolling Fee for the period until 30 June 2032 shall remain unchanged. From 1 July 2032 to 30 June 2040 (being the end date for the CTA following the Proposed CTA Amendments), the Tolling Fee will be subject to adjustments based on the Capacity Adjustment Factor, which accounts for (A) the potential reduction in the generation capacities of KMC I and KMC II following the projected end-dates of their useful lives on 30 June 2032 and 30 June 2037 respectively; and (B) the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into account adjustments for availability factor and inflation rate) of the Tolling Fee may remain unchanged.[13]

In addition, as stated in paragraph 2.2 above, the Electricity Licence is valid for a period of 30 years from 1 January 2003 to 31 December 2032 and KMC intends to seek a renewal of the Electricity Licence on a date that is closer to the Electricity Licence Expiry Date. If the Electricity Licence expires and is not renewed following the Electricity Licence Expiry Date, the Capacity Fees and additional O&M Fees will both equal S$0 for the period following the Electricity Licence Expiry Date.

Please refer to paragraph 3 of Appendix A of this Circular for further details of the proposed amendment to the calculation of the Tolling Fee.

4. THE PROPOSED OMSA AMENDMENTS

4.1 The OMSA

In connection with the 2015 KMC Restructuring, KMC (as the Owner of the KMC Plant), KMC O&M (as the Operator) and KIHPL (as the guarantor for the Operator) had on 15 May 2015, entered into the OMSA. Pursuant to the terms of the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant's operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M the Service Fee which is indexed to the CPI. KMC will reimburse KMC O&M for the costs of planned maintenance and repair works included in the annual O&M plan and receive reimbursement for the same from KE. Please refer to paragraphs 1 and 2 of Appendix B of this Circular respectively for details on the calculations of the Service Fee and the amount of Service Fees paid by KMC.

The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year option to extend pursuant to the OMSA Extension Option.

13 In the event that KMC I and/or KMC II are not retrofitted as stated in paragraph 2.2, it is expected that there will be a decrease in the generation capacity of KMC I and KMC II following the projected end-dates for their useful lives, which will result in a decrease in the amount of power that KE will receive from KMC under the CTA. As the Toller, under with the existing CTA, KE already bears all market risks, which includes any risks of power shortfall by the relevant power plants (including the KMC Plant); this is inherent in KE's business. Accordingly, KE will continue to manage its market risks as part of its governance of risk management framework (including by procuring replacement power from other power generators as may be needed). On this basis, KE's management does not expect any material impact to the financials of KE arising from any power shortfall.

4.2 The Proposed OMSA Amendments

Pursuant to the proposed OMSA Supplemental Agreement:

(a) the contract term shall be extended by 10 years until 31 December 2044 and the OMSA Extension Option shall be removed; and

(b) the calculation of the Service Fee shall be amended to account for the end of the useful lives of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively[14] and the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

In effect, the calculation of the Service Fee for the period until 30 June 2032 shall remain the same at S$13,500,000 per year and will continue to be adjusted annually based on the CPI.

From 1 July 2032 to 31 December 2044 (being the end date of the OMSA following the Proposed OMSA Amendments), in addition to the annual adjustment of the Service Fee based on the CPI, the Service Fee will be subject to additional adjustments based on the Capacity Adjustment Factor, which accounts for (i) the potential reduction in the generation capacities of KMC I and KMC II following the projected end-dates of their useful lives on 30 June 2032 and 30 June 2037 respectively; and (ii) the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into adjustments for inflation rate) of the Service Fee may remain unchanged.

In addition, as stated in paragraph 2.2 above, the Electricity Licence is valid for a period of 30 years from 1 January 2003 to 31 December 2032 and KMC intends to seek a renewal of the Electricity Licence on a date that is closer to the Electricity Licence Expiry Date. If the Electricity Licence expires and is not renewed following the Electricity Licence Expiry Date, the Service Fee will equal S$0 for the period following the Electricity Licence Expiry Date.

Please refer to paragraph 3 of Appendix B for further details of the proposed amendment to the calculation of the Service Fee.

14 In the event that KMC I is not retrofitted, from 1 July 2032 (the day after 30 June 2032, the current projected end-date of the useful life of KMC I), the calculation of the Service Fee will be adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032 – in effect, this would mean that only the generation capacity of KMC II would be relevant since KMC I would no longer be operational if it is not retrofitted. In the event that KMC II is not retrofitted, from 1 July 2037 (the day after 30 June 2037, the current projected end-date of the useful life of KMC II), the formula for calculating the Service Fee is adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032. In effect: (i) if KMC I is retrofitted but KMC II is not retrofitted, only the generation capacity of KMC I would be relevant since KMC II would no longer be operational if it is not retrofitted; and (ii) if neither KMC I nor KMC II is retrofitted, the Service Fee would be S$0 as both KMC I and KMC II would not be operational. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3 of Appendix B of this Circular for further details of the proposed amendment to the calculation of the Service Fee.

5. RATIONALE AND BENEFITS

5.1 Rationale for and Benefits of the Proposed Transactions

The Company understands that the cashflows generated by KMC's operations in FY2023 were not sufficient to cover the amortisation of the External Facility (which commenced amortisation from 30 June 2023). The cashflows were only sufficient to cover the economic costs of paying the Service Fee, property taxes associated with owning the KMC Plant and costs of maintaining its property leases, interest payments pursuant to the External Facility and the interest payments pursuant to the KMC Notes, while preserving the Tax Incentives under the KMC Notes.

Accordingly, the Company understands that KMC intends to carry out a capital restructuring exercise (the "**KMC Capital Restructuring**") to help to optimise the long-term cash flow and financial stability of KMC. Under the KMC Capital Restructuring, the Company understands that KMC intends to implement, among others,[15] the following:

(a) the extension of each of the CTA and OMSA by 10 years, as described in paragraphs 3 and 4 of this Circular respectively;

(b) the refinancing of the External Facility with a new facility (the "**New External Facility**") with an extended maturity and amortisation profile sized up to 30 June 2040,[16] being the end date of the CTA following the Proposed CTA Amendments (the "**KMC Refinancing**"); and

(c) the entry into certain security documents with the lender(s) of the New External Facility in connection with the New External Facility and a security agent. The parties to the CTA and OMSA may further enter into direct agreement(s) with the security agent to, among others, allow such security agent to appoint substitutes or additional obligors to assume KMC's rights and obligations under the CTA and OMSA upon the occurrence of certain default events.

In addition to the fact that KMC is Keppel's 49%-held associated company, the Group also has a wider interest in ensuring the continued sustainability of KMC in order to secure continued power generation capacity for the benefit of the Group under the extended CTA. Following the completion of the KMC Capital Restructuring, Keppel Energy and other members of the Group can continue to toll and market up to 1,300MW of generation capacity in the Singapore electricity market for an additional 10 years. This, together with capacity from the Keppel Sakra Cogen Plant,[17] would strategically position the Group as one of the major power generators in the Singapore electricity market. Accordingly, the Proposed Transactions reflect a proactive strategy taken by the Group to safeguard its market position as a leading Singapore energy player.

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15 For further details of the KMC Capital Restructuring, including any progress updates by KIT on the same, Shareholders may refer to KIT's announcements on SGXNet, which are accessible at **www.sgx.com**.

16 The Company understands that the amortisation structure of the New External Facility is sized based on the net cash received by KMC, which takes into account the revenue from the CTA (i.e. Capacity Fees and Fixed O&M Fees) net of operating expenditures under the OMSA.

17 The Keppel Sakra Cogen Plant is owned by Keppel Sakra Cogen Pte. Ltd. ("**KSC**"). Each of Keppel Asia Infrastructure Fund LP and Keppel Energy (a wholly-owned subsidiary of the Company) holds 70% and 30% of the equity interests in KSC respectively. The Keppel Sakra Cogen Plant is a separate power plant, and is not the subject of the Proposed Transactions. Please refer to the media releases dated 30 August 2022 and 9 January 2024 released by the Company on SGXNet at **www.sgx.com** for further details on the Keppel Sakra Cogen Plant.

5.2 Rationale for and Benefits of the Proposed KIT Subscription

As at the Latest Practicable Date, the Company, through KIHPL's direct unitholding in KIT, is the single largest direct KIT Unitholder and sponsor of KIT. Additionally, its indirect, wholly-owned subsidiary, Keppel Infrastructure Fund Management Pte. Ltd., is the trustee-manager of KIT ("**KIT Trustee-Manager**").

Keppel has been receiving recurring income from KIT via regular cash distributions which have increased due to various DPU-accretive investments in recent years. The average distribution yield of KIT stands at 8% over the past nine (9) years from 2015. According to the KIT Ventura Announcement, KIT expects its proposed acquisition to drive cash flow generation to support overall DPU accretion of 3.4% based on the DPU declared for FY2023 and increase KIT's assets under management from approximately S$8.1 billion as at 2 January 2024 to approximately S$8.7 billion upon completion of the proposed acquisition.[18]

Through the KIT Trustee-Manager, the Group also receives management fees which are paid by KIT. For FY2023, the KIT Trustee-Manager received approximately S$56.6 million in management fees from KIT.[19] KIT thus provides a multi-fold fee income stream to Keppel directly, via the management fees and cash distributions, and indirectly, via a myriad of mutual economic benefits through the sponsor relationship, such as the monetization of assets and opportunities for long-term contractual arrangements to operate these assets on an arms' length basis.

In supporting the growth of KIT through its continued 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 the KIT Trustee-Manager. Such continued investment is also aligned with Keppel's ambition to accelerate the growth of Keppel both as a global asset manager and operator through the horizontal partnership between KIT and Keppel's infrastructure operating division.

KIHPL's participation in the Proposed KIT Subscription would also avoid or mitigate the extent to which the Group's interests in KIT through KIHPL would be diluted as a result of the KIT Equity Fund Raising, thus preserving the strategic and financial benefits to the Group as outlined above.

6. CHAPTER 9 OF THE LISTING MANUAL

6.1 Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an interested person and the value of the transaction (whether in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of the Company's latest audited consolidated NTA, the approval of the independent Shareholders is required in respect of the IPT. Rule 909 of the Listing Manual provides that the value of an IPT is the amount at risk to the Company. With respect to loans, Rule 909(3) of the Listing Manual provides that in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing; and in the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan.

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18 KIT's 5 February 2024 announcement titled "Proposed Acquisition of Ventura Bus Lines", which is accessible on SGXNet at **www.sgx.com**.

19 Please refer to the condensed consolidated interim financial statements and distribution announcement for the six (6) months and financial year ended 31 December 2023 released by KIT on SGXNet at **www.sgx.com** on 31 January 2024 for further details on the management fees paid by KIT to the KIT Trustee-Manager.

6.2 As at the Latest Practicable Date, Temasek is regarded as a controlling shareholder of the Company under the Listing Manual, and accordingly, Temasek and its associates are (for the purposes of the Listing Manual) "interested persons" in relation to the Company.

6.3 As at the Latest Practicable Date:

(a) Temasek is deemed to have an interest in approximately 31.10% of the KIT Units, which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Keppel Ltd. and other subsidiaries and/or associated companies hold or have deemed interests in.[20] Accordingly, Temasek is deemed to be interested in the 51% equity interest in KMC held by KIT.[21] As such, each of KIT and KMC is regarded as an associate of Temasek under the Listing Manual; and

(b) KE, KWS, KIHPL, KMC O&M and Keppel Energy are wholly-owned subsidiaries of the Company and are thus regarded as entities at risk under the Listing Manual.

In respect of the Proposed Transactions:

(i) as the Proposed CTA Amendments are to be entered into between KMC (an interested person of the Company) and KE and KIHPL (entities at risk in relation to the Company), the Proposed CTA Amendments would constitute an IPT within the meaning of Chapter 9 of the Listing Manual; and

(ii) as the Proposed OMSA Amendments are to be entered into between KMC (an interested person of the Company) and KMC O&M and KIHPL (entities at risk in relation to the Company), the Proposed OMSA Amendments would constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

In respect of the Proposed KIT Subscription, this is a transaction between KIHPL (an entity at risk in relation to the Company) and KIT (an interested person of the Company), and therefore would constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

6.4 Amount at Risk of the Proposed Transactions to Keppel

For purposes of assessing the aggregate amount at risk of the Proposed Transactions to Keppel in accordance with Rule 909 of the Listing Manual (the "**IPT Aggregate Value**"), the following are taken into account:

(a) the aggregate value of the Proposed CTA Amendments to Keppel is estimated to be up to the sum of (i) approximately S$1,080 million,[22] representing the

20 Temasek is deemed to have an interest in approximately 31.10% of the KIT Units, which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Keppel Ltd. and other subsidiaries and/or associated of Temasek hold or have deemed interests in, by virtue of Section 4 of the SFA.

21 Temasek is deemed to have an interest in approximately 31.10% of the KIT Units, which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Keppel Ltd. and other subsidiaries and/or associated of Temasek hold or have deemed interests in, by virtue of Section 4 of the SFA.

22 The maximum Capacity Fee is calculated based on the following assumptions:

(i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target (being the agreed ratio of the actual availability (in hours) of the KMC Plant against the maximum number of hours in a year);

(ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

The Capacity Fee will be adjusted downwards if the plant is not available to KE (e.g. due to any unplanned outages), but will not be adjusted in the event that KE does not fully utilise the available capacity of the KMC Plant. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix A of this Circular for the exact computations of the maximum Capacity Fee.

maximum Capacity Fee, and (ii) approximately S$342.84 million,[23] representing the expected additional O&M Fees, in each case, that KE (an entity at risk in relation to the Company) is expected to pay to KMC (an interested person of the Company) over the additional 10 years (being the proposed extension of the duration of the CTA), pursuant to the Proposed CTA Amendments; and

(b) the aggregate value of the Proposed OMSA Amendments to Keppel is estimated to be up to approximately S$194.6 million,[24] representing the maximum Service Fee that KMC O&M (an entity at risk in relation to the Company) is expected to receive from KMC (an interested person of the Company) over the extended period of the OMSA pursuant to the Proposed OMSA Amendments.

6.5 Based on the FY2023 Financial Statements, the Company's latest audited consolidated net tangible assets ("**NTA**") amounts to approximately S$8,773 million. The IPT Aggregate Value attributable to the Proposed Transactions amounts to approximately S$1,617.44 million, representing approximately 18% of the Company's latest audited consolidated NTA. As the IPT Aggregate Value attributable to the Proposed Transactions is expected to exceed 5% of the Company's latest audited consolidated NTA, the Company is seeking the approval of the independent Shareholders for the Proposed Transactions.

6.6 Amount at Risk of the Proposed KIT Subscription to Keppel

In accordance with Rule 909 of the Listing Manual, the maximum amount at risk of the Proposed KIT Subscription to Keppel, is estimated to be approximately S$91.1 million, based on the following:

(a) **for illustrative purposes only**, assuming that:

(i) KIT issues the maximum number of 1,061,571,125 new KIT Units at the Illustrative Issue Price of S$0.471 per new KIT Unit[25] pursuant to the KIT Equity Fund Raising; and

23 The additional O&M Fees are calculated based on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum (taking into account adjustments for inflation rate) of the O&M Fee from 1 July 2030 to 30 June 2040 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum. The additional O&M Fees will be adjusted downwards based on the Revised Generation Capacity in the event that KMC I and KMC II do not retain their original generation capacities as per assumption (i) above. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix A of this Circular for the exact computations of the additional O&M Fees.

24 The maximum Service Fee is calculated on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, and the calculations of the Service Fees from 1 January 2035 to 31 December 2044 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3.2 of Appendix B of this Circular for the exact computations of the maximum Service Fee.

25 Shareholders should note that the Illustrative Issue Price is purely illustrative and the actual new KIT Units to be issued pursuant to the KIT Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price.

(ii) KIHPL only acquires 193,312,102[26] new KIT Units pursuant to the KIT Equity Fund Raising, being no more than would be required to maintain its percentage unitholding of approximately 18.21% of the total number of KIT Units in issue as at the Latest Practicable Date immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be); and

(b) on the basis of the illustration in paragraph 6.6(a) above, 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 pursuant to the Proposed KIT Subscription.

6.7 Based on the FY2023 Financial Statements, the Company's latest audited consolidated NTA amounts to approximately S$8,773 million. Based on the Illustrative Issue Price, the maximum amount at risk to Keppel[27] which is attributable to the Proposed KIT Subscription therefore represents approximately 1.0% of the Company's latest audited consolidated NTA. While the Proposed KIT Subscription is not likely to cross the relevant 5% threshold, the Company is seeking the approval of the independent Shareholders for the Proposed KIT Subscription at the EGM, such that, if so approved, the Proposed KIT Subscription will not be required to be included in any subsequent aggregation for the purposes of Rule 906 of the Listing Manual.

6.8 Other Interested Person Transactions with KIT and its associates in the FY2024

During the course of FY2024 up to the Latest Practicable Date:

(a) the value of all IPTs entered into between the Company and/or its entity(ies) at risk on one hand, and KIT and/or its associates (including KMC) on the other, is approximately S$23.7 million; and

(b) the value of all IPTs entered into by the Company with all of its interested persons is approximately S$35.4 million.

For the avoidance of doubt, these figures exclude any transactions less than S$100,000 in value, as well as transactions conducted under the Company's existing shareholders' mandate pursuant to Rule 920 of the Listing Manual, as these are both disregarded for the purposes of Rule 906 of the Listing Manual.

26 As at the Latest Practicable Date, KIHPL has an 18.21% unitholding interest in KIT. If KIHPL subscribes for 193,312,102 new KIT Units, this would represent slightly more than 18.21% of the 1,061,571,125 new KIT Units in aggregate to be issued by KIT under the KIT Equity Fund Raising (assuming this is underwritten and/or fully subscribed). As fractional KIT Units will not be issued under the KIT Equity Fund Raising, it may not be possible for KIHPL to subscribe for a round number of new KIT Units that maintains KIHPL's exact percentage unitholding. If Ordinary Resolution 2 is approved at the EGM, Shareholders will be deemed to have authorised the Company to give KIHPL the flexibility to subscribe for such whole number of new KIT Units under the KIT Equity Fund Raising as KIHPL may determine is required to maintain KIHPL's percentage unitholding in KIT (or as closely thereto, as may be determined by the Company or KIHPL) immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be), in percentage terms, at the level immediately prior to the issuance of new KIT Units to KIHPL.

27 As explained in footnote 7, Shareholders should note that the Illustrative Issue Price is purely illustrative and the actual new KIT Units to be issued pursuant to the KIT Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price. If Ordinary Resolution 2 is approved at the EGM, Shareholders will be deemed to have authorised the Company to give KIHPL the flexibility to subscribe for up to such number of new KIT Units under the KIT Equity Fund Raising at any issue price to be determined by KIT provided that the aggregate number of new KIT Units to be subscribed for by KIHPL under the KIT Equity Fund Raising shall be no more than such number as would be required to maintain KIHPL's percentage unitholding in KIT (or as closely thereto, as may be determined by the Company or KIHPL) immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be), in percentage terms, at the level immediately prior to the issuance of new KIT Units to KIHPL.

6.9 Independent Financial Adviser

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4) of the Listing Manual, as well as to advise the Company's audit committee (the "**Audit Committee**") and the Relevant Directors as to whether the Proposed Transactions and the Proposed KIT Subscription are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA Letter to the Audit Committee and the Relevant Directors, containing its advice in full, is set out in Appendix C of this Circular and Shareholders are advised to read the IFA Letter carefully.

Having regard to the considerations set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that:

(a) the Proposed Transactions and the CTA (taking into account the terms of the Proposed CTA Amendments as set out in paragraph 3 of this Circular) and OMSA (taking into account the terms of the Proposed OMSA Amendments as set out in paragraph 4 of this Circular); and

(b) the Proposed KIT Subscription,

are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

7. ILLUSTRATIVE FINANCIAL EFFECTS

7.1 Illustrative Financial Effects of the Proposed Transactions

For illustrative purposes only, the *pro forma* financial effects of the Proposed Transactions on the (a) NTA per share of the Company; (b) EPS of the Company; and (c) net debt ratio of the Company have been prepared based on the FY2023 Financial Statements and do not reflect the future actual financial position of the Company following the completion of the Proposed Transactions.

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

(i) transaction costs incurred in connection with the Proposed Transactions have been excluded from consideration; and

(ii) there is no change to the amount of distributions received by KIHPL accounted for in FY2023 from KIT as a result of the Proposed Transactions.

(a) NTA per share

Assuming that the Proposed Transactions had been effected on 31 December 2023, the Proposed Transactions would not result in any impact on the consolidated NTA per share of the Company as at 31 December 2023.

(b) EPS

Assuming that the Proposed Transactions had been effected on 1 January 2023, the Proposed Transactions would not result in any impact on the consolidated EPS of the Company for FY2023.

(c) Net Debt Ratio

Assuming that the Proposed Transactions had been effected on 31 December 2023, the Proposed Transactions would not result in any impact on the net debt ratio of the Company as at 31 December 2023.

The Proposed Transactions would not result in any impact on the consolidated NTA per share, EPS and net debt ratio of the Company as described in paragraphs 7.1(a), 7.1(b) and 7.1(c) above as:

(A) the Proposed Transactions contemplate extensions to the contract terms of the CTA and the OMSA beyond June 2030 and December 2034 respectively and will not have any impact on the Company as at 31 December 2023; and

(B) there are no changes to the amount of the Tolling Fee and Service Fee, computed based on the actual availability of the KMC Plant, for FY2023.

7.2 Illustrative Financial Effects of the Proposed KIT Subscription

For illustrative purposes only, the *pro forma* financial effects of the Proposed KIT Subscription on the (a) NTA per share of the Company; (b) EPS of the Company; and (c) the net debt ratio of the Company have been prepared based on the FY2023 Financial Statements and do not reflect the future actual financial position of the Company following the completion of the Proposed KIT Subscription.

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

(i) transaction costs related to the Proposed KIT Subscription have not been taken into account;

(ii) the financing costs for the Proposed KIT Subscription are calculated based on an illustrative cost of funds of approximately 3.75% as at the end of December 2023; and

(iii) KIT will proceed with the proposed acquisition stated in the KIT Ventura Announcement, and there will be an increase in distributions that KIHPL will receive from KIT following the completion of the Proposed KIT Subscription. The increase in distributions is calculated based on the illustrative *pro forma* financial effects stated in the KIT Ventura Announcement. Relevant adjustments have been made where appropriate to derive the *pro forma* financial effects in relation to the Company for the Proposed KIT Subscription.

(a) NTA per share

The *pro forma* financial effects on the consolidated NTA per share of the Company as at 31 December 2023, assuming the Proposed KIT Subscription had been effected on 31 December 2023, are as follows:

	Before the Proposed KIT Subscription	After the Proposed KIT Subscription
NTA (S$ million)	8,773	8,777[(1)]
Number of issued shares of the Company (excluding treasury shares) ('000)	1,762,294	1,762,294
NTA per share of the Company (S$)	4.98	4.98

Note:

(1) The *pro forma* consolidated NTA of the Company as at 31 December 2023 (assuming the Proposed KIT Subscription had been effected on 31 December 2023) has been computed as follows: (a) S$8,773 million, being the consolidated NTA of the Company as at 31 December 2023 (before the completion of the Proposed KIT Subscription); adding (b) S$6.9 million, representing the projected increase in distributions that KIHPL will receive from KIT following the Proposed KIT Subscription as per the assumption in paragraph 7.2(iii) above; and subtracting (c) S$3.4 million, representing the financing costs for the Proposed KIT Subscription as per the assumption in paragraph 7.2(ii) above.

(b) EPS

The *pro forma* financial effects on the consolidated EPS of the Company for FY2023, assuming the Proposed KIT Subscription had been effected on 1 January 2023, are as follows:

	Before the Proposed KIT Subscription	After the Proposed KIT Subscription
Net profit attributable to Shareholders (S$ million)	4,067	4,070
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)	1,786,608	1,786,608
EPS (Singapore cents)	227.6	227.8

(c) Net Debt Ratio

The *pro forma* financial effects on the net debt ratio of the Company as at 31 December 2023, assuming the Proposed KIT Subscription had been effected on 31 December 2023, are as follows:

	Before the Proposed KIT Subscription	After the Proposed KIT Subscription(1)
Equity (S$ million)	11,017	11,020
Net debt (S$ million)	9,873	9,961
Net debt-to-equity ratio (times)	0.90	0.90

Note:

(1) The *pro forma* net debt ratio of the Company after the Proposed KIT Subscription has been computed as follows: (a) S$9,873 million, being the net debt of the Company as at 31 December 2023 (before the completion of the Proposed KIT Subscription); adding (b) S$91.1 million, representing the approximate value of the Proposed KIT Subscription; adding (c) S$3.4 million, representing the financing costs for the Proposed KIT Subscription as per the assumption in paragraph 7.2(ii) above; and subtracting (d) S$6.9 million, representing the projected increase in distributions that KIHPL will receive from KIT following the Proposed KIT Subscription as per the assumption in paragraph 7.2(iii) above.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

8.1 Based on the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date, the interests of the Directors in the Shares are as follows:

	Direct Interest		Deemed Interest		Total Interest	
Name of Director	No. of Shares	%(I)	No. of Shares	%(I)	No. of Shares	%(I)
Danny Teoh	163,825	0.01	–	–	163,825	0.01
Loh Chin Hua(II)	6,086,829	0.34	38,500	n.m.	6,125,329	0.35
Teo Siong Seng(III)	21,000	n.m.(IV)	21,483	n.m.	42,483	n.m.
Till Vestring	112,000	0.01	–	–	112,000	0.01
Veronica Eng	66,000	n.m.	–	–	66,000	n.m.
Jean-François Manzoni	131,000	0.01	–	–	131,000	0.01
Tham Sai Choy	179,570	0.01	–	–	179,570	0.01
Penny Goh	53,000	n.m.	–	–	53,000	n.m.
Shirish Apte	11,000	n.m.	–	–	11,000	n.m.
Olivier Blum	4,000	n.m.	–	–	4,000	n.m.
Jimmy Ng	4,000	n.m.	–	–	4,000	n.m.
Ang Wan Ching	–	–	–	–	–	–

Notes:

(I) All references to percentage shareholding of the issued share capital of the Company in this paragraph are based on the total number of 1,774,658,288 Shares (excluding 45,899,479 treasury shares) as at the Latest Practicable Date.

(II) Loh Chin Hua is deemed to be interested in the 38,500 Shares held in an account jointly owned by him and his spouse. The figures in the table above excludes (i) the 515,650 Shares which are the subject of awards granted which have been released under the Keppel Restricted Share Plan 2020 on satisfaction of performance conditions (where applicable) being met, but not yet vested; (ii) the 1,022,000 Shares which are the subject of contingent awards granted but not yet released under the Keppel Performance Share Plan 2020. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the Keppel Performance Share Plan 2020; and (iii) the 1,387,100 Shares which are the subject of contingent awards granted but not yet released under the Keppel Performance Share Plan 2020 pursuant to a one-off Transformation Incentive Plan with 5-year performance period. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the Keppel Performance Share Plan 2020.

(III) Teo Siong Seng is deemed to have an interest in the 21,483 Shares held in the name of the Estate of Teo Woon Tiong, as he is one of the joint executors of the Estate.

(IV) n.m. means not meaningful.

8.2 Save as disclosed above, and other than through their respective shareholdings in the Company as set out in paragraph 8.1 above, none of the Directors has any interest, direct or indirect, in the Proposed Transactions or the Proposed KIT Subscription.

8.3 Based on the Register of Substantial Shareholders' Shareholdings of the Company as at the Latest Practicable Date, the interests in Shares held by the substantial shareholders are as set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% (III)	No. of Shares	% (III)	No. of Shares	% (III)
Temasek Holdings (Private) Limited	371,408,292	20.92	4,883,542	0.27 (I)	376,291,834	21.20
Blackrock, Inc	–	–	94,339,300	5.31 (II)	94,339,300	5.31

Notes:

(I) Temasek Holdings (Private) Limited is deemed to have an interest in the Shares in which its subsidiaries and associated companies have or are deemed to have an interest.

(II) BlackRock, Inc is deemed to have an interest in the Shares in which its subsidiaries and associated companies have or are deemed to have an interest.

(III) The figures are based on 1,774,658,288 issued shares (excluding 45,899,479 treasury shares) as at the Latest Practicable Date.

8.4 As at the Latest Practicable Date, based on publicly available information, none of the substantial shareholders has any other interest, direct or indirect, in the Proposed Transactions or the Proposed KIT Subscription, save as disclosed in this Circular.

9. AUDIT COMMITTEE'S STATEMENT

As at the Latest Practicable Date, the Audit Committee comprises:

– Mr. Tham Sai Choy (Audit Committee Chairman);

– Ms. Veronica Eng;

– Mrs. Penny Goh;

– Mr. Jimmy Ng; and

– Ms. Ang Wan Ching.

In relation to the Proposed Transactions, the Audit Committee, having considered the relevant factors, including the terms of the Proposed Transactions and the rationale for, and benefits of, the Proposed Transactions as set out in paragraph 5.1 of this Circular, as well as the advice and opinion of the IFA as set out in the IFA Letter, is of the view that the Proposed Transactions and the CTA (taking into account the terms of the Proposed CTA Amendments as set out in paragraph 3 of this Circular) and OMSA (taking into account the terms of the Proposed OMSA Amendments as set out in paragraph 4 of this Circular) are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In relation to the Proposed KIT Subscription, the Audit Committee, having considered the relevant factors, including the terms of the Proposed KIT Subscription and the rationale for, and benefits of, the Proposed KIT Subscription as set out in paragraph 5.2 of this Circular, as well as the advice and opinion of the IFA as set out in the IFA Letter, is of the view that the Proposed KIT Subscription is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

10. RELEVANT DIRECTORS' RECOMMENDATIONS

10.1 Proposed Transactions

The Relevant Directors, having considered the relevant factors, including the terms of the Proposed Transactions and the rationale for, and benefits of, the Proposed Transactions as set out in paragraph 5.1 of this Circular, recommend that the Shareholders **VOTE IN FAVOUR** of Ordinary Resolution 1 in respect of the Proposed Transactions.

10.2 Proposed KIT Subscription

The Relevant Directors, having considered the relevant factors, including the terms of the Proposed KIT Subscription and the rationale for, and benefits of, the Proposed KIT Subscription as set out in paragraph 5.2 of this Circular, recommend that the Shareholders **VOTE IN FAVOUR** of Ordinary Resolution 2 in respect of the Proposed KIT Subscription.

10.3 Mr. Teo Siong Seng is the Executive Chairman of PIL, which is majority owned by Heliconia Capital Management Pte. Ltd., a wholly-owned subsidiary of Temasek. Whilst Mr. Teo Siong Seng has no involvement in any aspect of the Proposed Transactions and Proposed KIT Subscription, to avoid any perception of conflict due to Temasek's indirect interest in PIL, Mr. Teo Siong Seng has abstained from making any recommendation as to how Shareholders should vote in respect of Ordinary Resolution 1 in relation to the Proposed Transactions and Ordinary Resolution 2 in respect of the Proposed KIT Subscription.

10.4 Shareholders, in deciding whether to vote in favour of either Ordinary Resolution 1 or Ordinary Resolution 2 set out in the Notice of EGM, should read this Circular carefully, including in particular, the terms, rationale and *pro forma* financial effects of the Proposed Transactions and the Proposed KIT Subscription, respectively. In giving the above recommendation, the Relevant Directors have not had regard to any general or specific investment objectives, financial situations, tax positions or particular needs or constraints of any individual Shareholder or any specific group of Shareholders. As different Shareholders have different investment profiles and objectives, the Relevant Directors recommend that any Shareholder who may require specific advice in relation to his/her/its investment portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

11. ABSTENTION FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, Temasek will abstain, and has undertaken to ensure that its associates will abstain, from voting (either in person or by proxy) on both Ordinary Resolution 1 relating to the Proposed Transactions and Ordinary Resolution 2 relating to the Proposed KIT Subscription. Further, each of them shall decline to accept appointment(s) as proxy to attend and vote at the EGM in respect of Ordinary Resolution 1 or Ordinary Resolution 2, 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. The Company shall disregard any votes cast by Temasek and/or any of its associates on Ordinary Resolution 1 relating to the Proposed Transactions and Ordinary Resolution 2 relating to the Proposed KIT Subscription.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Relevant Directors' recommendation in paragraph 10 of this Circular remains the sole responsibility of the Relevant Directors. Save for the foregoing, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than information relating to KIT and KMC) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Proposed KIT Subscription, and the Group, and the Directors are not aware of any facts, the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including information relating to KIT and KMC), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. CONSENT BY THE IFA

The IFA has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents 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[28] from the date of this Circular up to the date falling three (3) months from the date of the Circular:

(a) the CTA;

(b) the OMSA;

(c) the IFA Letter; and

(d) the letter of consent by the IFA referred to in paragraph 13 above.

Yours faithfully
For and on behalf of the Board of Directors of
Keppel Ltd.

Danny Teoh
Chairman

4 April 2024

28 Prior appointment will be required. Please contact the Company's Investor Relations at +65 6413 6436 or investor.relations@keppel.com.

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INFORMATION REGARDING THE TOLLING FEE UNDER THE CTA

1. CALCULATION OF TOLLING FEE FOR THE CTA

The Tolling Fee for each Month shall comprise of:

(a) a Capacity Fee * Availability Factor; and

(b) a Fixed O&M Fee * Singapore CPI_y,

Where:

Capacity Fee for each Month = nine million Singapore Dollars (S$9,000,000) * Measured Generation Capacity/Generation Capacity

Capacity Fee for any Month shall not exceed nine million Singapore Dollars (S$9,000,000), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S$108,000,000.

Measured Generation Capacity shall equal the Initial Generation Capacity from the Start Date until the first Performance Test.

Fixed O&M Fee for each Month = S$2,103,600

The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted pro-rata for the number of days in such Month.

$$\textbf{Singapore CPI}_y = \frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

Singapore Consumer Price Index (base contract year) means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the Effective Date.

Singapore Consumer Price Index (current contract year) means, with respect to a Contract Year, the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

y means the relevant Contract Year.

The Toller and the Owner may at any time mutually agree to use another escalation factor to replace the Singapore CPI used to compute the Fixed O&M Fee payable by the Toller to the Owner for a particular Month.

Availability Factor	=	$\sum_{j=1}^{N} AF_j * \text{Weighting Factor}_j$
AF_j	=	$1 - (1 - \text{MMA } AF_j) - (1 - \text{Non-MMA } AF_j)$
MMA AF_j	=	$\dfrac{\text{MMA Availability}_j}{\text{MMA Target Availability}_j}$
Non-MMA AF_j	=	$\dfrac{\text{Non-MMA Availability}_j}{\text{Non-MMA Target Availability}_j}$
Weighting $Factor_j$	=	$\dfrac{\text{Generation Capacity of Generating Unit j}}{\sum_{j=1}^{N} \text{Generation Capacity of Generating Unit j}}$
Reconciliation Amount	=	Annual Capacity Fee – aggregate Capacity Fees received in a Contract Year prior to the last Month of such Contract Year
Annual Capacity Fee	=	Aggregate Capacity Fee * Annual Availability Factor
Aggregate Capacity Fee	=	Aggregate of Capacity Fee for each Month in a Contract Year
Annual Availability Factor	=	$\sum_{j}^{N} \text{Annual } AF_j * \text{Annual Weighting Factor}_j$
Annual AF_j	=	$1 - (1 - \text{Annual MMA } AF_j) - (1 - \text{Annual Non-MMA } AF_j)$
Annual MMA AF_j	=	$\dfrac{\text{Annual MMA Availability}_j}{\text{Annual MMA Target Availability}_j}$
Annual Non-MMA AF_j	=	$\dfrac{\text{Annual Non-MMA Availability}_j}{\text{Annual Non-MMA Target Availability}_j}$
Annual Weighting $Factor_j$	=	Sum of all Weighting $Factor_j$ in a Contract Year, divided by the number of months in such Contract Year

N denotes the number of Generating Units at the Power Plant

j denotes a particular Generating Unit at the Power Plant

MMA AF_j, Non-MMA AF_j, Annual MMA AF_j and Annual Non-MMA AF_j shall not exceed 100%

AF_j and Annual AF_j, shall not be less than zero

The Operator (or any replacement appointment by the Owner and approved by the Toller) shall calculate the AF_j of each Generating Unit in accordance with the OMSA.

2. AMOUNT OF TOLLING FEE RECEIVED BY KMC

Period	Availability Factor	Capacity Fees Received (S$)	O&M Fees received (S$)
Jul 2015 – Dec 2015	100.00%	54,000,000.00	12,621,600.00
Jan 2016 – Dec 2016	98.47%	106,344,556.42	25,116,984.00
Jan 2017 – Dec 2017	99.95%	107,948,921.52	24,965,524.80
Jan 2018 – Dec 2018	98.90%	106,865,203.93	25,116,984.00
Jan 2019 – Dec 2019	96.00%	103,680,025.66	25,217,956.80
Jan 2020 – Dec 2020	98.00%	105,817,685.70	25,217,956.80
Jan 2021 – Dec 2021	99.60%	107,612,295.44	25,319,310.12
Jan 2022 – Dec 2022	97.84%	105,663,187.69	25,902,821.28
Jan 2023 – Dec 2023	95.78%(1)	103,442,157.96	27,501,134.52
Jan 2024 – Feb 2024	100%	18,000,000.00	4,803,396.18
Total (as at 29 February 2024)	–	919,374,034.32	221,783,668.50

Note:

(1) The KMC Plant recorded an availability factor of 95.78% during the period from January 2023 to December 2023 due to an unplanned outage. The KMC Plant has resumed its operations as at December 2023.

3. AMENDMENT TO THE CALCULATION OF THE TOLLING FEE

3.1 The calculations of the Tolling Fee shall also be amended as follows:

(a) The definition of "**Capacity Fee for each Month**" in the CTA as set out in paragraph 1 above shall be replaced by the following:

"**Capacity Fee for each Month** = nine million Singapore Dollars (S$9,000,000) * (Revised Generation Capacity/Generation Capacity)

(Revised Generation Capacity/Generation Capacity) for any Month shall not exceed one (1), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S$108,000,000 multiplied by (Revised Generation Capacity/Generation Capacity), subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1). For the avoidance of doubt, if the value of (Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1)."

(b) The definition of "**Fixed O&M Fee for each Month**" in the CTA as set out in paragraph 1 above shall be replaced by the following:

"The **Fixed O&M Fee for each Month from Start Date to 30 June 2032** shall be S$2,103,600.

The **Fixed O&M Fee for each Month from 1 July 2032 to the End Date** shall be S$2,103,600 multiplied by (Revised Generation Capacity/Generation Capacity), subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1). For the avoidance of doubt, if the value of (Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1).

The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted pro-rata for the number of days in such Month."

(c) The definition of "**Generation Capacity**" in the CTA as set out in paragraph 4 below shall be replaced by the following:

"**Generation Capacity**" means the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all the Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 shall then apply. In the event that the Electricity Licence ceases to apply to any Generating Unit(s), the Generation Capacity of such Generating Unit(s) shall be deemed to be the latest available Generation Capacity of such Generating Unit(s) one (1) Business Day prior to the Electricity Licence ceasing to apply to such Generating Unit(s)."

(d) For the purposes of the CTA Supplemental Agreement, the OMSA Supplemental Agreement, Appendix A and Appendix B of the Circular, "**Revised Generation Capacity**" means:

(i) from the Start Date to 30 June 2032, the Measured Generation Capacity;

(ii) from 1 July 2032 to 30 June 2037, the lowest of:

(A) 840MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 840MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;

(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and

(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies;

(iii) from 1 July 2037 until the End Date, the lowest of:

(A) 0MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 0MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;

(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and

(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies.

3.2 The maximum Capacity Fee and additional O&M Fees that KE is expected to pay to KMC over the additional 10 years (being the proposed extension of the duration of the CTA), pursuant to the Proposed CTA Amendments, is approximately S$1,080 million and S$342.84 million respectively, broken down as follows:

Extension Year	1	2	3	4	5	6	7	8	9	10	Total
Capacity Fee (S$ million per year)[(1)]	108	108	108	108	108	108	108	108	108	108	1,080
O&M Fee (S$ million per year)[(2)]	32.0	32.5	33.0	33.5	34.0	34.5	35.0	35.6	36.1	36.6	342.8

Notes:

(1) The maximum Capacity Fee is calculated based on the following assumptions:

(i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target (being the agreed ratio of the actual availability (in hours) of the KMC Plant against the maximum number of hours in a year);

(ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Hence, the maximum Capacity Fee for each extension year would be S$9,000,000 multiplied by 1 (being the ratio of the Revised Generation Capacity divided by the Generation Capacity, following the assumptions in (ii) and (iii) above) multiplied by 12 (the number of months in a year), amounting to S$108 million for each extension year.

The Capacity Fee will be adjusted downwards if the plant is not available to KE (e.g. due to any unplanned outages), but will not be adjusted in the event that KE does not fully utilise the available capacity of the KMC Plant. Please refer to paragraph 2.2 of the Circular for further details on the retrofitting of KMC I and KMC II.

(2) The additional O&M Fees are calculated based on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum (taking into account adjustments for inflation rate) of the O&M Fee from 1 July 2030 to 30 June 2040 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum.

Hence, the additional O&M Fees for the first extension year would be the sum of:

(A) (in respect of the six (6) months from 1 July 2030 to 31 December 2030) S$2,103,600 multiplied by 1.264 (being the Singapore CPI_y in respect of the Contract Year of 2030, assuming an illustrative inflation rate of 1.5% per annum) multiplied by 6; and

(B) (in respect of the six (6) months from 1 January 2031 to 30 June 2031) S$2,103,600 multiplied by 1.274 (being the Singapore CPI_y in respect of the Contract Year of 2031, assuming an illustrative inflation rate of 1.5% per annum) multiplied by 6,

multiplied by 1 (being the ratio of the Revised Generation Capacity divided by the Generation Capacity, following the assumptions in (i) and (iii) above), amounting to approximately S$32.0 million for the first extension year.

This computation will be replicated for each successive extension year with the relevant Singapore CPI_y values being adjusted in accordance with the illustrative inflation rate of 1.5% per annum.

The additional O&M Fees will be adjusted downwards based on the Revised Generation Capacity in the event that KMC I and KMC II do not retain their original generation capacities as per assumption (i) above. Please refer to paragraph 2.2 of the Circular for further details on the retrofitting of KMC I and KMC II.

4. DEFINITIONS

For the purposes of Appendix A, the following definitions apply:

"**Annual Operation and Maintenance Plan**" means the annual operation and maintenance plan for each Contract Year, to be developed and implemented in respect of the Power Plant pursuant to Clause 13.2 of the OMSA.

"**Contract Year**" means in the case of the first Contract Year, the period beginning on Start Date and ending at 2400 hours on the last day of the year in which such Start Date occurred; and in the case of subsequent Contract Years, each successive Year, provided that the final Contract Year shall end on End Date.

"**Effective Date**" means 30 June 2015.

"**End Date**" (as amended by the CTA Supplemental Agreement) means, unless this Agreement is terminated earlier pursuant to the CTA, 30 June 2040.

"**Dispatch**" means a Generating Unit's ability to provide Physical Services (as defined in the Market Rules) under the Market Rules (or other similar services under similar agreements as requested by the Toller) using (or committing to use) all or part of its Generation Capacity.

"**Gas Network Code**" means the Gas Network Code as issued by the EMA and as amended, supplement, modified or replaced from time to time and shall include the standards, procedures, directors, contracts and codes of practice issued by the EMA and/or the Transporter from time to time.

"**Transporte**r" means PowerGas Ltd or any other transporter that may be appointed by the EMA.

"**Generation Capacity**" means the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted, provided always that from 1 July 2032 till the End Date, the Generation Capacity shall not be lower than the last established value as at 30 June 2032.

"**Generating Unit**" means each gas turbine and generator block of the Power Plant.

"**Initial Generation Capacity**" means 1227.6MW.

"**Market Rules**" means the rules made or modified pursuant to Section 46 of the Electricity Act 2001.

"**Measured Generation Capacity**" means the generation capacity used to calculate the Tolling Fee as revised based on the results of the latest Performance Tests carried out.

"**Month**" means in the case of the first Month, the period beginning upon the Start Date and ending at 2400 hours on the last day of the calendar month in which the Start Date occurs; in the case of subsequent Months, a period commencing at 0000 hours on the first day of that calendar month and ending at 2400 hours on the last day of the applicable calendar month; and in the case of the last Month, the period commencing at 0000 hours on the first day of the calendar month in which the End Date occurs and ending at 2400 hours on the End Date.

"**MMA**" or "**Major Maintenance Agreement**" means any of the major maintenance agreements listed in item 2 of Schedule 2 of the CTA and "**MMAs**" or "**Major Maintenance Agreements**" means all of the foregoing agreements.

"**MMA Availability$_j$**" means, with respect to Generating Unit$_j$ and for a particular Month, the total number of hours in such Month, minus the aggregate number of hours during which the Generating Unit$_j$ is not available for Dispatch as a result of an action or omission of the MMA Contractors or limitations resulting from the derating of Power Train equipment for which the MMA Contractors are responsible, as agreed with the MMA Contractors. "**Annual MMA Availability$_j$**" means, with respect to Generating Unit$_j$, the aggregate of MMA Availability$_j$ for all Months in a Contract Year.

"**MMA Contractors**" or "**Major Maintenance Contractors**" means (a) GE Power (Singapore) Ltd and General Electric Global Service GmbH, acting together as a consortium in the MMA for a Combined Cycle Power Plant, **KMCIIA** dated 21 October 2010, as amended from time to time and Major Maintenance Agreement for a Combined Cycle Power Plant, **KMCIIB** (and together with KMCIIA, "**KMCII**") dated 20 April 2011, as amended from time to time; and (b) Keppel Merlimau Cogen O&M Pte Ltd. in the Major Maintenance Contract for Combined Cycle Power Plant **KMCI** dated 1 January 2022, as amended from time to time.

"**MMA Outage Allowance**" means, in respect of:

(a) each Generating Unit of KMC I,

  (i) Two Hundred ninety-one (291) hours per year, or the corresponding prorated value, between the 1 January 2022 and the commencement of the third (3rd) C Inspection on each Generation Unit of KMC I

  (ii) Two hundred and fifty five (255) hours per year, or the corresponding prorated value, from the commencement of the third (3rd) C Inspection on each Generation Unit of KMC I till the End Date of the CTA.

(b) each Generating Unit of KMC II, one hundred and thirty two (132) hours for each Contract Year,

save for a Contract Year which is not a full calendar year where the MMA Outage Allowance shall be adjusted pro-rata for the number of days in that Contract Year. For the avoidance of doubt, there will be no carrying forward of unused MMA Outage Allowance beyond the current Contract Year.

"**MMA Target Availability$_j$**" means, with respect to Generating Unit$_j$ and for a particular Month, the total number of hours in such Month, minus the aggregate number of planned outage hours due to MMA Planned Maintenance and the Remaining MMA Outage Allowance. "**Annual MMA Target Availability$_j$**" means, with respect to Generating Unit$_j$, the total number of hours in a Contract Year minus the aggregate number of planned outage hours due to MMA Planned Maintenance in such Contract Year and the MMA Outage Allowance.

"**MMA Planned Maintenance**" for each Month will be as stated in the applicable Annual Operation and Maintenance Plan in respect of which such Month falls under.

“**Remaining MMA Outage Allowance**” for each Month will be the balance of the previous Month’s allowance which would account for cumulative additions or deductions arising from the preceding Months in the same Contract Year. The number of hours by which the actual outage hours due to MMA Planned Maintenance exceed the planned outage hours due to MMA Planned Maintenance, and the actual outage hours due to unplanned maintenance caused by the MMA Contractors would be a deduction. The number of hours by which planned outage hours due to MMA Planned Maintenance exceed the actual outage hours due to MMA Planned Maintenance would be an addition.

“**Non-MMA Availability$_j$**” means, with respect to Generating Unit$_j$, and for a particular Month, the total number of hours in such Month, minus the aggregate number of hours during which the Generating Unit$_j$ is not available for Dispatch as a result of but not limited to the following events (but not including events caused by an action or omission of the MMA Contractors or limitations resulting from the derating of Power Train equipment for which the MMA Contractors are responsible):

(a) a Force Majeure event affecting the Owner;

(b) tests at the Power Plant required to be performed by a Competent Authority which are neither provided for nor included in the applicable Annual Operation and Maintenance Plan; and

(c) maintenance at the Power Plant;

provided that (A) each Generating Unit$_j$ shall be considered to be available for Dispatch at all times where notice of an outage has not been given to the PSO; and (B) the hours the Generating Unit$_j$ is not available for Dispatch caused by the following events shall be ignored and such Generating Unit shall be considered available for Dispatch throughout such events:

(aa) outages caused by any defects in the Generating Unit$_j$ which are subject to warranty claims under the relevant Generating Unit’s construction contract, or due to any repairs on such Generating Unit by the relevant construction contractor as a result of such warranty claims;

(bb) Performance Tests for the Generating Unit$_j$ are being undertaken at the sole request of the Toller;

(cc) a Generating Unit$_j$, is not available for Dispatch due to the Toller’s actions or omissions or a Force Majeure affecting Toller or the PSO; and

(dd) a Generating Unit$_j$ is not available for Dispatch due to: (1) insufficient supply of Natural Gas to the Power Plant; (2) the supply of Off-specification Gas; (3) the supply of Natural Gas to the Power Plant not being at the required pressure under the Gas Network Code; (4) any switchover between Natural Gas and diesel; (5) the start-up of a Generating Unit after such Generating Unit is shutdown (other than where any such events are caused by Owner’s actions or omissions).

“**Annual Non-MMA Availability$_j$**” means, with respect to Generating Unit$_j$, the aggregate of Non-MMA availability for all Months in a Contract Year.

"**Competent Authority**" shall include any court of competent jurisdiction and any local, national or supra-national agency, stock exchange, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or the government of, the Republic of Singapore.

"**Natural Gas**" means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of fifteen (15) Degrees Celsius and at an absolute pressure of one decimal zero one three two five (1.01325) Bar, is or are predominantly in the gaseous state and meets the standards of the Gas Network Code.

"**Non-MMA Outage Allowance**" means one hundred and forty-four (144) hours for each Generating Unit for each Contract Year, save for a Contract Year which is not a full calendar year where the Non-MMA Outage Allowance beyond the current Contract Year.

"**Non-MMA Target Availability$_j$**" means, with respect to Generating Unit$_j$ and for a particular Month, the total number of hours in such Month, minus the aggregate number of planned outage hours due to Non-MMA Planned Maintenance and the Remaining Non-MMA Outage Allowance. "**Annual Non-MMA Target Availability$_j$**" means, with respect to Generating Unit$_j$, the total number of hours in a Contract Year, minus the aggregate number of planned outage hours due to Non-MMA Planned Maintenance in such Contract Year and the Non-MMA Outage Allowance.

"**Non-MMA Planned Maintenance**" for each Month will be as stated in the applicable Annual Operation and Maintenance Plan in respect of which such Month falls under.

"**Off-specification Gas**" means natural gas that fails to meet the Singapore Gas Specifications.

"**Singapore Gas Specifications**" means the gas specification imposed by the Transporter from time to time for the purpose of allowing gas to be injected into the Transmission Network.

"**Transmission Network**" has the meaning given to it in the Gas Network Code.

"**Remaining Non-MMA Outage Allowance**" for each Month will be the balance of the previous Month's allowance which would account for cumulative deductions arising from the preceding Months in the same Contract Year. The number of hours by which the actual outage hours due to Non-MMA Planned Maintenance exceed planned outage hours due to Non-MMA Planned Maintenance and actual outage hours due to unplanned maintenance which are not caused by the MMA Contractors would be a deduction.

"**Start Date**" means 1 July 2015.

"**Performance Tests**" means in respect of any Generating Unit or the Power Plant (as applicable), tests to determine any performance characteristics of such Generating Unit, the Power Plant and/or equipment and apparatus of the Power Plant (as applicable) to be carried out by the Operator.

"**Power Train**" has the meaning defined in the respective MMAs as applicable to each Generating Unit.

A "**Force Majeure**" event means, in relation to either Party, any event or circumstance, or combination of events or circumstances:

(a) that is beyond the reasonable control of the Party;

(b) that adversely affects the performance by the Party of its obligations under this Agreement or the Market Rules, the Market Manual or the System Operation Manual; and

(c) the adverse effects of which could not have been prevented, overcome, remedied or mitigated in whole or in part by the Party through the exercise of diligence and reasonable care, and includes, but is not limited to, acts of war (whether declared or undeclared), invasion, armed conflict or act of a foreign enemy, blockade, embargo, revolution, riot, insurrection, civil disobedience or disturbances, vandalism or act of terrorism; strikes, lockouts, restrictive work practices or other labour disturbances; unlawful arrests or restraints by governments or governmental, administrative or regulatory agencies or authorities; orders, regulations or restrictions imposed by governments or governmental, administrative or regulatory agencies or authorities unless the result of a violation by the Person of a permit, licence or other authorisation or of any applicable law; and acts of God including lightning, earthquake, fire, flood, landslide, unusually heavy or prolonged rain or lack of water arising from weather or environmental problems;

provided however, for greater certainty, that:

(i) a failure to make payment, the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure event;

(ii) an act of the EMA, EMC or the PSO effected in accordance with the Market Rules, the Market Manual or the System Operation Manual, each as revised from time to time, shall not constitute a Force Majeure event; and

(iii) the EMA, EMC and the PSO shall not, for the purposes of this definition, be considered a governmental, administrative or regulatory agency or authority.

"**Parties**" means the Owner and the Toller and "**Party**" means the Owner or the Toller and, as the context requires, the successors and permitted assigns of the Owner or the Toller (as the case may be).

"**Market Manuals**" has the meaning given in the Market Rules.

"**System Operation Manual**" has the meaning given in the Market Rules.

"**EMC**" means the company referred to in the Electricity Act as the "Market Company", which holds an electricity licence authorizing it to operate any wholesale electricity market.

"**PSO**" has the meaning given in the Market Rules.

"**Year**" means a calendar year.

INFORMATION REGARDING THE SERVICE FEE UNDER THE OMSA

1. CALCULATION OF SERVICE FEE FOR THE OMSA

Service Fee Adjustment

(a) The Service Fee in respect of each Contract Year after the first Contract Year shall be subject to an escalation adjustment in accordance with the following formula for the period of time commencing from the commencement of the second Contract Year

Service Fee$_n$ **= Service Fee** $_{\text{(base contract year)}}$ *** Singapore CPIy**

Where:

"**Service Fee** $_{\text{(base contract year)}n}$" is equal to S$13,500,000 (on the basis of S$1,125,000 per month).

$$\text{Singapore CPI}_y = \frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

"**n**" means the relevant Contract Year after the first Contract Year.

"**Singapore Consumer Price Index (base contract year)**" means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the effective date of the OMSA.

"**Singapore Consumer Price Index (current contract year)**" means, with respect to a Contract Year (after the first Contract Year) the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

y means the relevant Contract Year.

(b) In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

Service Fee Reduction = S$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance)

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten per cent. (10%) of the Service Fee.

2. AMOUNT OF SERVICE FEE PAID BY KMC

Period	Service Fee paid by KMC to KMC O&M (S$)
Jan 2015 – Dec 2015	6,750,000.00
Jan 2016 – Dec 2016	13,432,500.00
Jan 2017 – Dec 2017	13,351,500.00
Jan 2018 – Dec 2018	13,432,500.00
Jan 2019 – Dec 2019	13,486,500.00
Jan 2020 – Dec 2020	13,567,500.00
Jan 2021 – Dec 2021	13,540,703.52
Jan 2022 – Dec 2022	13,852,763.76
Jan 2023 – Dec 2023	14,707,537.68
Jan 2024 –Feb 2024	2,568,844.22
Total (as at 29 February 2024)	118,690,349.18

3. PROPOSED AMENDMENT TO THE CALCULATION OF THE SERVICE FEE

3.1 The calculations of the Service Fee in the OMSA as set out in paragraph 1(a) above shall be amended and replaced with the following:

"The Service Fee in respect of each Contract Year after the first Contract Year shall be subject to an escalation adjustment in accordance with the following formula for the period of time commencing from the commencement of the second Contract Year.

$$\textbf{Service Fee}_n = \textbf{Service Fee}_{\text{(base contract year)}} * \textbf{Term Adjustment} * \textbf{Singapore CPI}_y$$

Where:

"**Service Fee** $_{\text{(base contract year)}}$" is equal to S$13,500,000 (on the basis of S$1,125,000 per month).

"**Term Adjustment**" shall be (i) one (1) from the Start Date to 30 June 2032; and (ii) (Revised Generation Capacity/Generation Capacity) from 1 July 2032 to the End Date, subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1), and for the avoidance of doubt, if the value of (Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1).

"**Revised Generation Capacity**" and "**Generation Capacity**" shall have their respective meanings as defined in the CTA.

$$\text{Singapore CPI}_y = \frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

"**n**" means the relevant Contract Year after the first Contract Year.

"**Singapore Consumer Price Index (base contract year)**" means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the effective date of this Agreement.

"**Singapore Consumer Price Index (current contract year)**" means, with respect to a Contract Year (after the first Contract Year) the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

"**y**" means the relevant Contract Year."

The calculations of the Service Fee as set out in paragraph 1(b) above shall be amended and replaced with the following:

"In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

Service Fee Reduction = S$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance) * Term Adjustment

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten percent (10%) of the Service Fee."

3.2 The maximum Service Fee that KMC O&M is expected to receive from KMC over the extended period of the OMSA pursuant to the Proposed OMSA Amendments is approximately S$194.6 million, broken down as follows:

Extension Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Service Fee (S$ million per year)[(1)]	18.2	18.5	18.7	19.0	19.3	19.6	19.9	20.2	20.5	20.8	194.6

Note:

(1) The maximum Service Fee is calculated on the following assumptions:

(i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, and the calculations of the Service Fees from 1 January 2035 to 31 December 2044 remains unchanged;

(ii) inflation is at an illustrative rate of 1.5% per annum; and

(iii) the Electricity Licence is renewed following the Electricity Licence Expiry Date and applies to all the Generating Units in the KMC Plant.

Please note that the inflation rate of 1.5% per annum in assumption (ii) above is solely for **illustrative purposes** and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum.

Hence, the maximum Service Fee for the first extension year (from 1 January 2035 to 31 December 2035) would be S$13,500,000 multiplied by 1 (being the Term Adjustment, following the assumptions in (i) and (iii) above) multiplied by approximately 1.35 (being the Singapore CPI_y in respect of the Contract Year of 2035, assuming an illustrative inflation rate of 1.5% per annum), amounting to approximately S$18.2 million.

This computation will be replicated for each successive extension year with the relevant Singapore CPI_y value being adjusted in accordance with the illustrative inflation rate of 1.5% per annum.

Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II.

4. DEFINITIONS

For the purposes of Appendix B, the following definitions apply:

"**Annual Recorded Operator Outage Hours**" means the aggregate number of outage hours determined by the Operator in such manner in respect of each Generating Unit for a Contract Year.

"**Annual Operator Outage Allowance**" means 144 hours.

"**Billing Period**" means:

(a) the period commencing from the Start Date until 15 May 2015;

(b) the period commencing from the day after 15 May 2015 to the last day of May 2015;

(c) each successive period on one Month (as defined in paragraph 4 of Appendix A of this Circular) thereafter; and

(d) the period from the first day of the last Month of the Contract Period to the last day of the Contract Period, or, or the OMSA is terminated earlier, from the first day of the Month in which the OMSA is terminated until the day after termination.

"**Contract Period**" means the period from 0000 hours on the Start Date until 2400 hours on the End Date.

"**Contract Year**" means in the case of the first Contract Year, the period beginning upon Start Date and ending at 2400 hours on the last day of the year in which such Start Date occurred; and in the case of subsequent Contract Years, each successive Year, provided that the final Contract Year shall end on End Date.

"**End Date**" (as amended by the OMSA Supplemental Agreement) means, unless this Agreement is terminated earlier pursuant to the OMSA, 31 December 2044.

"**Generation Capacity**" means the maximum power (expressed in megawatt) that either a Generation Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all Generating Units shall be the Initial Generation Capacity on and from the Start Date until KE requests that Performance Tests (as defined in paragraph 4 of Appendix A of this Circular) be conducted.

"**Generating Unit**" means each gas turbine and generator block of the Power Plant.

"**Start Date**" means 1 January 2015.

IFA LETTER

LETTER FROM PRIMEPARTNERS CORPORATE FINANCE PTE. LTD. TO THE AUDIT COMMITTEE AND THE RELEVANT DIRECTORS

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

4 April 2024

To: The Audit Committee and the Relevant Directors of Keppel Ltd.

Dear Sirs,

THE PROPOSED IPT TRANSACTIONS (AS DEFINED HEREIN) BY KEPPEL LTD. (THE "COMPANY") AND/OR ITS SUBSIDIARIES WITH CERTAIN INTERESTED PERSONS

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*Unless otherwise defined or the context requires, all terms used in this letter ("**IFA Letter**") shall have the same meaning attributed to them in the Company's circular dated 4 April 2024 ("**Circular**")*

1. INTRODUCTION

1.1 The Proposed Transactions

Background of the Proposed Transactions

Keppel Energy Pte. Ltd. ("**Keppel Energy**"), a wholly-owned subsidiary of the Company, had on 30 June 2015 sold a 51.0% direct interest in Keppel Merlimau Cogen Pte Ltd ("**KMC**") to Keppel Infrastructure Trust ("**KIT**", and the acquisition of 51.0% of KMC by KIT, the "**KMC Acquisition**"). In connection with the KMC Acquisition, KMC had also undergone a restructuring (the "**2015 KMC Restructuring**"), whereby, *inter-alia*:

(a) KMC, Keppel Electric Pte Ltd ("**KE**") and Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**") had on 15 May 2015, entered into a capacity tolling agreement (as amended or modified from time to time) (the "**CTA**");

(b) KMC, KMC O&M Pte. Ltd. ("**KMC O&M**") and KIHPL had on 15 May 2015, entered into an operations and maintenance services agreement ("**OMSA**"); and

(c) KMC had replaced its loans from its then-related corporations with (i) the S$500 million in principal amount of notes issued by KMC to KIT, Keppel Energy, KE, and Keppel Water Services Pte. Ltd. ("**KWS**") in the proportions of 51.0%, 39.0%, 5.0%, and 5.0% respectively ("**KMC Notes**"); and (ii) the External Facility[1] (as defined herein).

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1 In connection with the 2015 KMC Restructuring, KMC had on 15 May 2015 obtained credit facilities from commercial banks by entering into a five-year facility agreement for S$700 million with financial institutions in Singapore. The original S$700 million facility agreement was subsequently fully refinanced on 23 June 2020 and bears interest at a competitive base margin over the Singapore Overnight Rate Average (SORA) per annum (the "**External Facility**").

As at 4 March 2024, being the latest practicable date ("**Latest Practicable Date**"), KIT has a 51.0% direct interest in KMC and Keppel Energy has a 49.0% direct interest in KMC.

The Company understands that KMC intends to implement the Proposed CTA Amendments (as defined herein) and Proposed OMSA Amendments (as defined herein), which shall constitute interested person transactions under Chapter 9 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as set out below.

Proposed CTA and OMSA Amendments

Pursuant to the CTA, KE as the toller ("**Toller**") will pay an availability-based capacity fee (the "**Capacity Fee**") and a fixed operations and maintenance fee ("**O&M Fee**") indexed to the Singapore consumer price index ("**CPI**") to KMC (together, the "**Tolling Fee**"), in return for KMC as the owner ("**Owner**") making available the Keppel Merlimau Cogen Plant's ("**KMC Plant**") electricity generation capacity. The KMC Plant is an approximately 1,300 megawatt ("**MW**") combined cycle gas turbine power plant located on Jurong Island, off the south-west coast of Singapore. The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the acquisition of the 51.0% equity interest in KMC by KIT), with a 10-year option to extend (the "**CTA Extension Option**").

Accordingly, KMC (as Owner), KE (as Toller) and KIHPL (as guarantor for the Toller) propose to enter into a new supplemental agreement (the "**CTA Supplemental Agreement**") to amend the terms of the existing CTA, pursuant to which:

(a) the contract term shall be extended by 10 years until 30 June 2040, and the CTA Extension Option shall be removed; and

(b) the calculations of the Tolling Fee shall be amended as set out in paragraph 3.2 of the Circular and paragraph 3 of Appendix A to the Circular,

(the "**Proposed CTA Amendments**").

Pursuant to the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant's operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M a fixed operations and maintenance service fee ("**Service Fee**") which is indexed to the CPI. The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year option to extend (the "**OMSA Extension Option**").

Accordingly, in connection with the Proposed CTA Amendments, KMC, KMC O&M and KIHPL propose to enter into a new supplemental agreement (the "**OMSA Supplemental Agreement**") to amend the terms of the OMSA, pursuant to which:

(a) the contract term shall be extended by 10 years until 31 December 2044, and the OMSA Extension Option shall be removed; and

(b) the calculations of the Service Fee shall be amended as set out in paragraph 4.2 of the Circular and paragraph 3 of Appendix B to the Circular,

(the "**Proposed OMSA Amendments**").

Subject to approval of the Shareholders for the Proposed CTA Amendments and the Proposed OMSA Amendments (together, the "**Proposed Transactions**") being obtained at the EGM, and subject to KIT obtaining KIT Unitholders' (as defined herein) approval as may be required, it is currently intended that the CTA Supplemental Agreement and the OMSA Supplemental Agreement shall be executed at the same time. As the Proposed Transactions are intended to be undertaken together, the approval of the Proposed Transactions is being collectively proposed as Ordinary Resolution 1 as set out in the Notice of Extraordinary General Meeting ("**EGM**") to the Circular.

1.2 Proposed KIT Subscription

As at the Latest Practicable Date, KIHPL has a direct interest in 1,024,360,090 units in KIT ("**KIT Units**"), representing approximately 18.21% of the total KIT Units in issue as at the Latest Practicable Date.

In KIT's announcement of a proposed acquisition on 5 February 2024 (the "**KIT Ventura Announcement**"), KIT announced that it intends to undertake an equity fund raising of new KIT Units, and to utilise the proceeds towards partial payment of acquisition costs. The details of the proposed acquisition is set out in the KIT Ventura Announcement dated 5 February 2024 which is accessible on **www.sgx.com**.

KIT plans to seek the approval of its unitholders ("**KIT Unitholders**") for the issue of up to 1,061,571,125[2] new KIT Units (representing approximately 18.9% of the existing number of issued KIT Units as at the Latest Practicable Date) (the "**KIT Equity Fund Raising**").

As at the Latest Practicable Date, the exact structure and timing of the KIT Equity Fund Raising have not yet been determined, and the KIT Equity Fund Raising may, at the discretion of Keppel Infrastructure Fund Management Pte. Ltd. (the "**KIT Trustee-Manager**"), acting in its capacity as trustee-manager of KIT, and subject to the then prevailing market conditions, comprise either:

(a) a private placement of new KIT Units to institutional and other investors (the "**KIT Placement**"); or

(b) the KIT Placement and a non-renounceable preferential offering of new KIT Units to eligible KIT Unitholders on a *pro rata* basis (the "**KIT Preferential Offering**"),

and which will be undertaken at an issue price to be determined closer to the date of the launch of the KIT Equity Fund Raising. The KIT Trustee-Manager will determine the exact structure of the KIT Equity Fund Raising closer to the launch of such offering, having regard to, among others, the market conditions at such time. In the event the KIT Equity Fund Raising comprises the KIT Placement and the KIT Preferential Offering, the new KIT Units may be offered at different issue prices under the KIT Placement and the KIT Preferential Offering, but the issue price for the new KIT Units under the KIT Placement will not be lower than the issue price for the new KIT Units under the KIT Preferential Offering.

2 The Company has been informed by KIT that such maximum number of up to 1,061,571,125 new KIT Units is purely illustrative and is intended to represent a higher number than the actual number of new KIT Units that may be issued pursuant to the KIT Equity Fund Raising (if any), in order to provide a buffer against fluctuations in the market price of the KIT Units and/or market conditions; and that the actual number of new KIT Units to be issued pursuant to the KIT Equity Fund Raising will depend on various factors including (i) the final structure of the KIT Equity Fund Raising; (ii) the final issue price at which such new KIT Units will be offered; and (iii) the actual amount of proceeds to be raised that the KIT Trustee-Manager (as defined herein) determines is appropriate as at the time of launch of the KIT Equity Fund Raising, each as to be determined by KIT closer to the date of the launch of the KIT Equity Fund Raising.

It is currently intended that KIHPL shall acquire up to such number of new KIT Units under the KIT Equity Fund Raising so as to maintain its percentage unitholding in KIT. In other words, the aggregate number of new KIT Units proposed to be subscribed for by KIHPL under the KIT Equity Fund Raising shall be no more than such number as would be required to maintain KIHPL's percentage unitholding in KIT immediately following the completion of the KIT Placement and/or the KIT Preferential Offering (as the case may be), in percentage terms, at the level immediately prior to the issuance of new KIT Units to KIHPL (such subscription, the "**Proposed KIT Subscription**").

Accordingly:

(a) to the extent that the KIT Equity Fund Raising involves only the KIT Placement, KIHPL intends to subscribe for up to such number of new KIT Units so as to maintain its percentage unitholding in KIT immediately following the completion of the KIT Placement; and

(b) to the extent that the KIT Equity Fund Raising involves both the KIT Placement and the KIT Preferential Offering, KIHPL intends to subscribe for up to such number of new KIT Units under the KIT Placement as well as its *pro rata* entitlement under the KIT Preferential Offering, so as to maintain its percentage unitholding in KIT immediately following the completion of the KIT Placement and the KIT Preferential Offering.

The Proposed KIT Subscription is being proposed as Ordinary Resolution 2 as set out in the Notice of EGM to the Circular.

1.3 Interested Person Transactions

Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the Company's latest audited consolidated net tangible assets ("**NTA**"), the approval of the independent Shareholders is required in respect of the transaction.

As at Latest Practicable Date, Temasek Holdings (Private) Limited ("**Temasek**") holds a direct interest in 371,408,292 ordinary shares in the issued and paid-up capital of the Company[3], which is equivalent to approximately 20.92% of the total number of issued shares of the Company (excluding treasury shares)[4], and is therefore regarded as a controlling shareholder of the Company under the Listing Manual. Accordingly, Temasek and its associates are (for the purposes of the Listing Manual) "interested persons" of the Company.

3 Temasek holds a direct interest in 371,408,292 ordinary shares in the issued and paid-up capital of the Company.

4 As at the Latest Practicable Date, there are 1,774,658,288 ordinary shares in the issued and paid-up capital of the Company (excluding 45,899,479 treasury shares).

As at the Latest Practicable Date:

(a) Temasek is deemed to have an interest in 1,749,651,021 KIT Units, which is equivalent to approximately 31.10% of the KIT Units, which Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Keppel Ltd. and other subsidiaries and/or associated companies of Temasek hold or have deemed interests in. Accordingly, Temasek is deemed to be interested in the 51.0% equity interest in KMC held by KIT, and as such, KMC is regarded as an associate of Temasek under the Listing Manual; and

(b) KE, KWS, KIHPL, KMC O&M and Keppel Energy are wholly-owned subsidiaries of the Company and are thus regarded as entities at risk under the Listing Manual.

In respect of the Proposed Transactions:

(a) as the Proposed CTA Amendments are to be entered into between KMC (an interested person of the Company) and KE and KIHPL (entities at risk in relation to the Company), the Proposed CTA Amendments would constitute an interested person transaction ("**IPT**") within the meaning of Chapter 9 of the Listing Manual; and

(b) as the Proposed OMSA Amendments are to be entered into between KMC (an interested person of the Company) and KMC O&M and KIHPL (entities at risk in relation to the Company), the Proposed OMSA Amendments would constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

In respect of the Proposed KIT Subscription, this is a transaction between KIHPL (an entity at risk in relation to the Company) and KIT (an interested person of the Company), and will therefore constitute an IPT within the meaning of Chapter 9 of the Listing Manual.

As the aggregate value of the Proposed Transactions for the purposes of Chapter 9 of the Listing Manual is expected to exceed 5.0% of the Company's latest audited consolidated NTA, the Proposed Transactions are subject to the approval of the Shareholders in accordance with Rule 906(1) of the Listing Manual. Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given. Accordingly, we noted that Temasek will abstain, and has undertaken to ensure that its associates will abstain, from voting (either in person or by proxy) on the resolutions relating to the Proposed Transactions and the Proposed KIT Subscription. Further details may be found in paragraphs 6.4, 6.5 and 11 of the Circular. The Company has also decided to seek the approval of the Shareholders for the Proposed KIT Subscription at the same EGM (collectively, with the Proposed Transactions, the "**Proposed IPT Transactions**").

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4) of the Listing Manual, as well as to advise the Company's audit committee ("**Audit Committee**") and the directors of the Company ("**Directors**"), save for Mr Teo Siong Seng[5] who abstained

5 Mr. Teo Siong Seng is the Executive Chairman of Pacific International Lines (Private) Limited ("**PIL**"), which is majority owned by Heliconia Capital Management Pte. Ltd., a wholly-owned subsidiary of Temasek. Whilst Mr. Teo Siong Seng has no involvement in any aspect of the Proposed Transactions and Proposed KIT Subscription, to avoid any perception of conflict due to Temasek's indirect interest in PIL, Mr. Teo Siong Seng has abstained from making any recommendation as to how Shareholders should vote in respect of Ordinary Resolution 1 in relation to the Proposed Transactions and Ordinary Resolution 2 in respect of the Proposed KIT Subscription.

from giving a recommendation to Shareholders, (the "**Relevant Directors**") as to whether the terms of the Proposed IPT Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter sets out, *inter alia*, our evaluation of the Proposed IPT Transactions and our opinion thereon. It forms part of the Circular which provides, *inter alia*, the details of the Proposed IPT Transactions and the recommendation of the Audit Committee and the Relevant Directors in respect thereof.

2. TERMS OF REFERENCE

We were neither a party to the negotiations entered into by the Company in relation to the Proposed IPT Transactions contemplated nor were we involved in the deliberations leading up to the decision of the Directors to seek approval for the Proposed IPT Transactions. We do not, by this IFA Letter, warrant the commercial merits of the Proposed IPT Transactions, other than to form an opinion for the purpose of Chapter 9 of the Listing Manual, on whether the Proposed IPT Transactions are entered into on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. We have not conducted a comprehensive review of the business, operations or financial condition of the Company and its subsidiaries (the "**Group**").

For the purpose of arriving at our opinion in respect of the Proposed IPT Transactions, we, as the IFA advising the Audit Committee and the Relevant Directors, have not evaluated and have not been requested to comment on the strategic or commercial merits or risks of the Proposed IPT Transactions or the prospects or earnings potential of the Company or the Group, and such evaluation shall remain the sole responsibility of the Directors.

We were also not required or authorised to obtain, and we have not obtained, any quotations or transacted prices from third parties for services similar to those which are to be covered by the Proposed IPT Transactions, and therefore are not, and will not be able to compare the Proposed IPT Transactions to similar third-party transactions.

In the course of our evaluation of the Proposed IPT Transactions, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on information provided and representations made by the Directors and the Company's management ("**Management**"). We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon Management's representations that, after making all reasonable inquiries and to the best of the Management's knowledge, information and belief, all material information in connection with the Proposed IPT Transactions and the Group has been disclosed to us, that such information is true, complete and accurate in all material aspects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed IPT Transactions and the Group stated in the Circular to be inaccurate, incomplete or misleading in any material aspect.

Our opinion, as set out in this IFA Letter, is based upon the market, economic, political, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of the Latest Practicable Date prior to the issue of this IFA Letter. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained herein.

In arriving at our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Audit Committee and the Relevant Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than our IFA Letter set out in Appendix C to the Circular). Accordingly, we take no responsibility for and state no views, express or implied, on the contents of the Circular (other than our IFA Letter as set out in Appendix C to the Circular).

Our opinion with respect to the Proposed IPT Transactions should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON THE CTA AND OMSA

The full text of the information relating to the information on the CTA and OMSA can be found in paragraphs 3.1 and 4.1 of the Circular respectively and has been reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Circular.

3.1 The CTA

The key information and details of the CTA can be found in paragraph 3.1 of the Circular and have been reproduced in italics below.

"3.1 The CTA

On 15 May 2015, KMC (as the Owner of the KMC Plant), KE (as the Toller) and KIHPL (as guarantor for the Toller) entered into a capacity tolling agreement pursuant to which KE will pay a monthly Tolling Fee to KMC, in return for KMC making available the KMC Plant's electricity generation capacity. The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the acquisition of the 51% equity interest in KMC by KIT), with a 10-year option to extend pursuant to the CTA Extension Option.

Under the CTA, the maximum Capacity Fee that KMC will receive is S$108 million a year as long as KMC meets the availability and capacity test targets. Other than costs arising from unexpected plant outages/equipment failure, KMC's operating costs for maintenance, consumables and fuel are all passed through to KE, through a combination of the O&M Fee and costs to be directly reimbursed (as elaborated below) in accordance with the CTA. The Capacity Fee does not have any indexation mechanisms. The availability target (i.e. the agreed ratio of the actual availability (in hours) of the KMC Plant compared to the maximum number of hours in a year) is *agreed between KE and KMC annually and takes into account provision for downtime (i.e. when the KMC Plant will not be available for generating electricity) for plant testing and planned and unplanned maintenance works. Please refer to paragraphs 1 and 2 of Appendix A of this Circular respectively for details on the calculations of the Tolling Fee and the amount of Tolling Fee received by KMC.*

In addition to the O&M Fee, the terms of the CTA also provide for certain pass-through arrangements between KMC and KE, including:

(a) the reimbursement by KE for costs incurred by KMC relating to plant maintenance and major maintenance charges, computer hardware cost, inventory freight and transportation cost, inventory usage, diesel usage and fees related to maintaining the Electricity Licence; and

(b) the pass-through to KE of revenues received by KMC from EMC for the sale of electricity and the provision of backup generator services.

EMC operates and administers the wholesale electricity market in Singapore, including calculating prices, scheduling generation, clearing and settling market transactions and procuring ancillary services. All the electricity generated by the KMC Plant is supplied to KE under the CTA. Under the capacity tolling structure, all revenue and costs from KMC's participation in the wholesale market, as the owner of the KMC Plant, is passed on through to KE (as the Toller). The same applies to all revenue and costs received by KMC for the provision of backup generator services to the EMC.

The terms of the CTA are designed to ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant are borne by KE. In addition, using the fixed O&M Fee received from KE, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, and property taxes associated with owning the KMC Plant and costs of maintaining its property leases."

3.2 The OMSA

The key information and details of the OMSA can be found in paragraph 4.1 of the Circular and have been reproduced in italics below.

"4.1 The OMSA

In connection with the 2015 KMC Restructuring, KMC (as the Owner of the KMC Plant), KMC O&M (as the Operator) and KIHPL (as the guarantor for the Operator) had on 15 May 2015, entered into the OMSA. Pursuant to the terms of the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant's operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M the Service Fee which is indexed to the CPI. KMC will reimburse KMC O&M for the costs of planned maintenance and repair works included in the annual O&M plan and receive reimbursement for the same from KE. Please refer to paragraphs 1 and 2 of Appendix B of this Circular respectively for details on the calculations of the Service Fee and the amount of Service Fees paid by KMC.

The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year option to extend pursuant to the OMSA Extension Option."

4. DETAILS OF THE PROPOSED TRANSACTIONS

The full text of the information relating to the details of the Proposed Transactions can be found in paragraphs 3.2, 4.2 and 5.1 of the Circular and has been reproduced in italics below.

4.1 Rationale for and Benefits of the Proposed Transactions

The full text of the information relating to the rationale for the Proposed Transactions can be found in paragraph 5.1 of the Circular and has been reproduced in italics below.

"5. RATIONALE AND BENEFITS

5.1 Rationale for and Benefits of the Proposed Transactions

The Company understands that the cashflows generated by KMC's operations in FY2023 were not sufficient to cover the amortisation of the External Facility (which commenced amortisation from 30 June 2023). The cashflows were only sufficient to cover the economic costs of paying the Service Fee, property taxes associated with owning the KMC Plant and costs of maintaining its property leases, interest payments pursuant to the External Facility and the interest payments pursuant to the KMC Notes, while preserving the Tax Incentives under the KMC Notes.

*Accordingly, the Company understands that KMC intends to carry out a capital restructuring exercise (the **"KMC Capital Restructuring"**) to help to optimise the long-term cash flow and financial stability of KMC. Under the KMC Capital Restructuring, the Company understands that KMC intends to implement, among others,[6] the following:*

(a) the extension of each of the CTA and OMSA by 10 years, as described in paragraphs 3 and 4 of this Circular respectively;

*(b) the refinancing of the External Facility with a new facility (the **"New External Facility"**) with an extended maturity and amortisation profile sized up to 30 June 2040,[7] being the end date of the CTA following the Proposed CTA Amendments (the **"KMC Refinancing"**); and*

(c) the entry into certain security documents with the lender(s) of the New External Facility in connection with the New External Facility and a security agent. The parties to the CTA and OMSA may further enter into direct agreement(s) with the security agent to, among others, allow such security agent to appoint substitutes or additional obligors to assume KMC's rights and obligations under the CTA and OMSA upon the occurrence of certain default events.

6 *For further details of the KMC Capital Restructuring, including any progress updates by KIT on the same, Shareholders may refer to KIT's announcements on SGXNet, which are accessible at **www.sgx.com.***

7 *The Company understands that the amortisation structure of the New External Facility is sized based on the net cash received by KMC, which takes into account the revenue from the CTA (i.e., Capacity Fees and Fixed O&M Fees) net of operating expenditures under the OMSA.*

In addition to the fact that KMC is Keppel's 49%-held associated company, the Group also has a wider interest in ensuring the continued sustainability of KMC in order to secure continued power generation capacity for the benefit of the Group under the extended CTA. Following the completion of the KMC Capital Restructuring, Keppel Energy and other members of the Group can continue to toll and market up to 1,300MW of generation capacity in the Singapore electricity market for an additional 10 years. This, together with capacity from the Keppel Sakra Cogen Plant[8], would strategically position the Group as one of the major power generators in the Singapore electricity market. Accordingly, the Proposed Transactions reflect a proactive strategy taken by the Group to safeguard its market position as a leading Singapore energy player."

4.2 Details of the Proposed CTA Amendments

The details of the Proposed CTA Amendments can be found in paragraph 3.2 of the Circular and have been reproduced in italics below.

*"3.2 **The Proposed CTA Amendments***

Pursuant to the proposed CTA Supplemental Agreement:

(a) the contract term of the CTA shall be extended by 10 years until 30 June 2040 and the CTA Extension Option shall be removed; and

(b) the calculation of the Tolling Fee shall be amended to account for the projected end-dates of the useful lives of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively[9] and the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant…

KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into account adjustments for availability factor and inflation rate) of the Tolling Fee may remain unchanged…

Please refer to paragraph 3 of Appendix A of this Circular for further details of the proposed amendment to the calculation of the Tolling Fee."

8 *The Keppel Sakra Cogen Plant is owned by Keppel Sakra Cogen Pte. Ltd. ("**KSC**"). Each of Keppel Asia Infrastructure Fund LP and Keppel Energy (a wholly-owned subsidiary of the Company) holds 70% and 30% of the equity interests in KSC respectively. The Keppel Sakra Cogen Plant is a separate power plant, and is not the subject of the Proposed Transactions. Please refer to the media releases dated 30 August 2022 and 9 January 2024 released by the Company on SGXNet at* **www.sgx.com** for further details on the Keppel Sakra Cogen Plant.

9 *In the event that KMC I is not retrofitted, from 1 July 2032 (the day after 30 June 2032, the current projected end-date of the useful life of KMC I), the calculation of the Tolling Fee will be adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032 – in effect, this would mean that only the generation capacity of KMC II would be relevant since KMC I would no longer be operational if it is not retrofitted. In the event that KMC II is not retrofitted, from 1 July 2037 (the day after 30 June 2037, the current projected end-date of the useful life of KMC II), the formula for calculating the Tolling Fee is adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032. In effect: (i) if KMC I is retrofitted but KMC II is not retrofitted, only the generation capacity of KMC I would be relevant since KMC II would no longer be operational if it is not retrofitted; and (ii) if neither KMC I nor KMC II is retrofitted, the Tolling Fee would be S$0 as both KMC I and KMC II would not be operational. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3 of Appendix A of this Circular for further details of the proposed amendment to the calculation of the Tolling Fee.*

4.3 Details of the Proposed OMSA Amendments

The details of the Proposed OMSA Amendments can be found in paragraph 4.2 of the Circular and have been reproduced in italics below.

"4.2 <u>The Proposed OMSA Amendments</u>

Pursuant to the proposed OMSA Supplemental Agreement:

(a) the contract term shall be extended by 10 years until 31 December 2044 and the OMSA Extension Option shall be removed; and

(b) the calculation of the Service Fee shall be amended to account for the end of the useful lives of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively[10] *and the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant…*

KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into adjustments for inflation rate) of the Service Fee may remain unchanged…

Please refer to paragraph 3 of Appendix B for further details of the proposed amendment to the calculation of the Service Fee."

5. REVIEW OF THE PROPOSED CTA AMENDMENTS AND PROPOSED OMSA AMENDMENTS

5.1 Review of the Proposed CTA Amendments

In our analysis and evaluation of the CTA, and our opinion thereon, we have considered the following factors:

(a) Assessment of the Proposed CTA Amendments and other observations;

(b) CTA Comparable Agreements (as defined herein) and Other Comparable CTA Agreements under KIT (as defined herein); and

(c) Other relevant factors with respect to the Proposed CTA Amendments.

10 *In the event that KMC I is not retrofitted, from 1 July 2032 (the day after 30 June 2032, the current projected end-date of the useful life of KMC I), the calculation of the Service Fee will be adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032 – in effect, this would mean that only the generation capacity of KMC II would be relevant since KMC I would no longer be operational if it is not retrofitted. In the event that KMC II is not retrofitted, from 1 July 2037 (the day after 30 June 2037, the current projected end-date of the useful life of KMC II), the formula for calculating the Service Fee is adjusted to take into account the lower generation capacity of KMC I and KMC II relative to the total generation capacity of KMC I and KMC II as of 30 June 2032. In effect: (i) if KMC I is retrofitted but KMC II is not retrofitted, only the generation capacity of KMC I would be relevant since KMC II would no longer be operational if it is not retrofitted; and (ii) if neither KMC I nor KMC II is retrofitted, the Service Fee would be S$0 as both KMC I and KMC II would not be operational. Please refer to paragraph 2.2 of this Circular for further details on the retrofitting of KMC I and KMC II and paragraph 3 of Appendix B of this Circular for further details of the proposed amendment to the calculation of the Service Fee.*

5.1.1 Assessment of the Proposed CTA Amendments

(a) We understand that the structure of the fees under the existing CTA, which mainly comprises the "Capacity Fee for each month" and "Fixed O&M Fee", and the Proposed CTA Amendments were determined after taking into consideration various factors, including but were not limited to, the historical operating performance and technical specifications of the KMC Plant.

We further understand that the maximum Capacity Fee was negotiated on an arm's length basis and represents the level of fees that KE (as the Toller) was willing to commit to pay for the initial contract term of 15 years, which have been agreed between the parties and also approved by KIT's Unitholders at the extraordinary general meeting on 30 April 2015 ("**KIT 2015 EGM**").

Similarly, the O&M Fee of S$2,103,600 per month was negotiated on an arm's length basis, based on the historical and forecasted total expenses as of 2014, and has been agreed between the parties and approved by KIT's Unitholders at the KIT 2015 EGM.

(b) The calculations of the Tolling Fee shall be amended as set out in paragraph 3 of Appendix A to the Circular. The proposed amendments shall incorporate a newly defined term "Revised Generation Capacity" which sets out the computation of the generation capacity of the KMC Plant for the periods from (i) 1 July 2015 ("**CTA Start Date**") to 30 June 2032; (ii) 1 July 2032 to 30 June 2037; and (iii) 1 July 2037 until 30 June 2040 ("**CTA End Date**") (the "**Relevant End Date Intervals**").

We understand that such proposed amendments are to account for the end of the useful life of KMC I (as defined below) and KMC II (as defined below) on 30 June 2032 and 30 June 2037 respectively, which are based on the current regulatory guidelines by the Energy Market Authority of Singapore ("**EMA**"), whereby KMC shall request the original equipment manufacturer ("**OEM**"), an independent third party, to certify the technical capability of the generating units of the KMC Plant to meet all regulatory and technical requirements, in the event (i) there is a reduction in their respective original generation capacities of 500MW and 840MW (collectively, "**Original Generation Capacities**") at the Relevant End Date Intervals as set out above; and (ii) the Electricity Licence ceases to apply to any or all the Generating Unit(s) in the KMC Plant.

<u>Potential Effects on the Capacity Fee</u>

The calculation of the "Capacity Fee for each Month" shall be amended to be based on an availability factor derived by comparing the "Revised Generation Capacity" against the "Generation Capacity" (which is determined based on the results of the latest performance tests) ("**Capacity Adjustment Factor**") to account for the potential reduction in the Original Generation Capacities and the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant.

Notwithstanding, the maximum Capacity Fee that KE (as the Toller) will be required to pay is still capped at S$108.0 million annually, subject to the KMC Plant achieving a 100.0% Capacity Adjustment Factor.

Potential Effects on the O&M Fee

The calculation of the "Fixed O&M Fee" shall be amended to consist of two periods, (i) from the CTA Start Date to 30 June 2032; and (ii) from 1 July 2032 to the CTA End Date.

Pursuant to the Proposed CTA Amendments, the O&M Fee for the first period shall remain the same at S$2,103,600 per month and will continue to be adjusted annually based on the CPI. We note that the inflation-adjusted O&M Fee paid by KE (as the Toller) has been sufficient for KMC to cover the relevant costs incurred in relation to the KMC Plant since the commencement of the CTA.

The O&M Fee for the second period will be subject to adjustments based on the Capacity Adjustment Factor. The Capacity Adjustment Factor will adjust the O&M Fee if (i) the OEM, as part of the plant maintenance cycle, determines that there is a reduction in the Original Generation Capacities of the generating units based on the results of the latest performance tests; and (ii) in the event the Electricity Licence ceases to apply to any or all of the Generating Unit(s) in the KMC Plant. We noted that the Capacity Adjustment Factor shall also correspondingly apply to the Service Fee under the Proposed OMSA Amendments, which is one of the largest components of expenses to be covered by the O&M Fee. Please refer to paragraph 5.2.1 of this IFA Letter for further details on the Proposed OMSA Amendments.

Overall Potential Effects on the Tolling Fees

Under the Proposed CTA Amendments, the Tolling Fees to be paid by KE (as the Toller) shall remain unchanged until 30 June 2032.

From 1 July 2032 to the CTA End Date, the Tolling Fees may be adjusted by the Capacity Adjustment Factor which accounts for (i) the potential reduction in Original Generation Capacities; and (ii) the Electricity Licence potentially ceasing to apply to any or all of the Generating Unit(s) in the KMC Plant. We understand from Management that the effect of the Proposed CTA Amendments to the Tolling Fees is commercially acceptable and not prejudicial to the minority Shareholders, having considered these amendments are to account for adjustments should there be a reduction in the Original Generation Capacities, which is to be verified by the OEM, being an independent party, in line with the EMA guidelines. As at the Latest Practicable Date, we understand that the KMC Plant is in good working condition, with no indications that the current generation capacity falls below the latest Measured Generation Capacity.

Based on historical records as set out in paragraph 2 of Appendix A to the Circular, we understand that the KMC Plant had historically achieved an average annual availability factor of approximately 98.3%[11] and KE (as the Toller) had paid an average Tolling Fee of approximately S$131.5 million[12] annually. The lowest single-year availability observed was in 2023 when the KMC Plant recorded a 95.8% contractual availability, which is attributed to an unplanned outage. The KMC Plant subsequently resumed full operations in December 2023. Since the commencement of the CTA, we understand that the KMC Plant has reliably supplied electricity to KE (as the Toller) and KE has generally not experienced any material adverse disruption to its operations as it has been able to consistently supply to Singapore's electricity grid.

11 Average annual availability factor is computed based on the annual availability factor from July 2015 to December 2023.

12 Average annual Tolling Fee computed based on the annual tolling fee from January 2016 to December 2023.

(c) Extension of the CTA

Pursuant to the CTA Supplemental Agreement, the CTA End Date shall be extended by 10 years until 30 June 2040. Effectively, the overall duration of the CTA would be for a term of 25 years, spanning from 2015 through 2040.

We understand that it is in the interest of KE (as the Toller) to extend the terms of the CTA after the initial 15-year term as this ensures that the Toller will be able to obtain a consistent stream of electricity generated from one of the biggest power plants in Singapore with a generation capacity of approximately 1,300MW for the onward supply to the Singapore electricity grid for another 10 years.

Useful Life of the KMC Plant

The KMC Plant was constructed in two phases:

(i) Phase I of the KMC Plant ("**KMC I**") has a generation capacity of 500MW and commenced commercial operations in April 2007; and

(ii) Phase II of the KMC Plant has a total generation capacity of 840MW (collectively, "**KMC II**") after the expansion of two power trains which commenced commercial operations in March and July 2013 respectively.

We note that the respective useful life for each of KMC I and KMC II is 25 years, which is in line with the typical technical life of a combined cycle gas turbine power plant in Singapore and the region[13]. The current technical useful life of KMC I is up to 30 June 2032 and the technical useful life of KMC II is up to 30 June 2037. The overall duration of the CTA pursuant to the CTA Supplemental Agreement will extend to 2040, beyond the KMC I's and KMC II's technical useful life (i.e., 2032 and 2037 respectively).

KMC will review the opportunities to retrofit KMC I and KMC II. In the event that KMC I and KMC II are retrofitted ("**KMC Retrofitting**"), it is expected that KMC I and KMC II may be able to retain their Original Generation Capacities, subject to certification by the OEM of the KMC Plant of the same, and the Revised Generation Capacity is expected to remain the same as the Generation Capacity up to 1,300MW. We understand that the KMC Retrofitting can extend the useful lives of KMC I and KMC II up to 2045, and is expected to be jointly funded by the shareholders of KMC based on their respective shareholding interests.

5.1.2 Observations of the Existing Principal Terms of the CTA

(a) Pursuant to the CTA, KE (as the Toller) is able to obtain a consistent and reliable source of electricity generation supply from one of Singapore's largest power plants over an extended period for the Toller's onward sale to the Singapore electricity grid. KE (as the Toller) also receives a pass-through of revenue received by KMC from the Energy Market Company Pte. Ltd. for the sale of electricity and the provision of backup generator services. In addition, the KMC Plant remains the only source of power plant-produced electricity available to the Toller as at the Latest Practicable Date. As mentioned in paragraph 5.1.1(b), we observe that KMC had historically achieved an average annual availability factor of approximately 98.3% and have not encountered any material disruptions to its availability factor, although we noted that there were unplanned maintenance and outages in 2019 and 2023, both of which was promptly rectified.

13 Energy Market Authority, Review of the Long Run Marginal Cost Parameters for setting the vesting contract price for 2021 and 2022, November 2020.

(b) Pursuant to the CTA, KE (as the Toller) shall be the party approving the budget set out under the annual operation and maintenance plan ("**AOMP**") of the KMC Plant. In addition, KMC may only claim reimbursements of certain costs only if such costs have been budgeted for under the approved AOMP. In the event that any costs or reimbursements were not reasonably foreseeable at the preparation of the AOMP, KMC shall also seek consent from KE prior to submitting any reimbursement. We understand that despite certain unplanned maintenance and unplanned outages in relation to the KMC Plant for instances in 2019 and 2023 that were promptly rectified, the Company has confirmed that there have been no material additional expenses or reimbursement and no major unexpected plant outages or equipment failures that occurred since the commencement of the CTA.

(c) KE's costs relating to the purchase of electricity from the KMC Plant comprising the Capacity Fee and the O&M Fee shall continue to be capped at a maximum of S$108.0 million and S$25.2 million per annum respectively (save for the additional costs from as part of the planned maintenance). KE is only potentially exposed to the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant. While KMC, using the O&M Fee received from KE, will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, and property taxes associated with the KMC Plant and costs of maintaining its property leases.

(d) The obligations of the Toller in the CTA are guaranteed by KIHPL, a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, Management confirmed that (i) KE (as the Toller) has made all necessary payment to KMC based on the terms of the CTA and there have been no late payments or defaults from the Toller since the commencement of the CTA; and (ii) there has not been any instance(s) since the inception of the CTA that caused the guarantee obligations to be triggered.

5.1.3 Comparable Agreements to the CTA and Other Agreements under KIT's portfolio similar to the CTA

Based on our discussions with the Management and a search of publicly available databases and sources relating to Singapore's electricity generation companies, there may not be any publicly available agreements and/or arrangements that we may consider to be directly comparable to the CTA in respect of the contracted capacity, duration of the contract, profile of counterparty, certainty of cash flows and other relevant factors.

Notwithstanding the above, for the purposes of evaluating the terms of the CTA, we have considered similar agreements and/or arrangements with key terms that are available publicly, such as power purchase agreements ("**PPA(s)**"), that have been entered into by companies that purchase electricity from a power-producing asset, specifically from gas-powered or combined cycle power plants similar to the KMC Plant, and having similar geographic markets as KMC to get an indication of the typical terms of such arrangements and/or agreements ("**CTA Comparable Agreements**").

We have also considered similar agreements entered into by the concessions-based waste and water plants under KIT's portfolio with the National Environment Agency of Singapore ("**NEA**") and Public Utilities Board ("**PUB**"), Singapore's national water agency to get an indication of the typical terms of such arrangements and/or agreements ("**Other Comparable CTA Agreements under KIT**").

We wish to highlight that the CTA Comparable Agreements and Other Comparable CTA Agreements under KIT are not exhaustive and may not be identical to the CTA (including the Proposed CTA Amendments) in terms of, *inter alia*, the capacity of the assets, country of operations, risk profile, track record, competitive and regulatory environment and other relevant criteria. Accordingly, due to the aforementioned differences, we would not assess the financial terms of the CTA (including the Proposed CTA Amendments). The Audit Committee and the Relevant Directors should note that any comparison made with respect to the CTA (including the Proposed CTA Amendments) merely serves to provide an illustrative overview of the typical terms of contracts, arrangements or agreements similar to the CTA (including the Proposed CTA Amendments).

The salient terms of the CTA Comparable Agreements are set out below:

Company	Description	Power plant description, type of contract and counterparty	Overview of contract terms
Glow Energy Public Company Limited ("**Glow Energy**")	Glow Energy engages in the generation and supply of electricity, steam, and processed water to industrial customers. The company also generates and supplies electricity primarily to the Electricity Generating Authority of Thailand ("**EGAT**") and the provincial electricity authority.	<u>Power plant description:</u> Glow IPP Plant ("**Glow IPP**") is a natural gas-fired (main fuel) combined cycle power plant with a generation capacity of 713MW located in Thailand <u>Type of contract</u>: PPA <u>Counterparty</u>: EGAT	• The duration of the Glow IPP PPA is 25 years • EGAT will purchase the entire generation capacity of Glow IPP • The determination of the electricity price distributed to EGAT under the PPA of Glow IPP can be divided into 2 main components: ■ Availability payment relating to electricity fee paid to Glow IPP when it is ready for producing electricity as required; and ■ Energy payment which relates to energy fees that Glow IPP will receive when the electricity control center orders the power plants to supply electricity. • The availability payment is subject to downward adjustments for reduced availability, short notice of reduced capacity and dispatch failure • The availability payment also considers fixed O&M costs for each contract year and includes an inflation indexation mechanism

Company	Description	Power plant description, type of contract and counterparty	Overview of contract terms

Electricity Generating Public Company Limited ("**EGCO**")	EGCO generates and sells electricity to the government sector and industrial users primarily in Thailand, the Philippines, Australia, South Korea, Taiwan, the United States, Laos, and Indonesia. EGCO generates electricity from various resources, such as natural gas, liquefied natural gas, coal, biomass, hydro, solar, wind, geothermal, and fuel cell.	<u>Power plant description:</u>
		1. Khanom Electricity Generating Company Limited unit 4 ("**KEGCO KN4**") is a combined cycle power plant using natural gas with a generation capacity of 970MW located in Thailand;
		
		2. Gulf Power Generating Company Limited units 1 and 2 ("**GPG 1&2**") is a gas-fired power plant with a generation capacity of 1,510MW located in Thailand; and
		
		3. Paju Energy Services Company Limited ("**Paju**") is a gas-fired and fuel cell power plant with a generation capacity of 1,823MW located in Republic of Korea
		
		<u>Type of contract</u>: KEGCO KN4, GPG 1&2 and Paju have all entered into PPAs with their respective counterparties
		
		<u>Counterparties</u>:
		1. EGAT
		2. EGAT
		3. Korea Electric Power Corporation ("**KEPCO**") and subsequently to Korea Power Exchange ("**KPX**")
			In relation to the PPAs entered into by KEGCO KN4 and GPG 1&2:
			• The duration of the PPAs are 25 years respectively;
			• EGAT will purchase the entire generation capacity of KEGCO KN4 and GPG 1&2; and
			• The tariff rates paid by EGAT comprises availability/capacity payments and energy payments:
			  ■ Availability/capacity payments relating to monthly payments made by EGAT to the power plants to maintain the availability of the power plants regardless of whether EGAT purchases electricity; and
			  ■ Energy payments which relate to payments for the actual net electrical energy output and cover variable O&M expenses.
			
			In relation to the PPA entered into by Paju:
			• KEPCO will purchase the entire generation capacity of Paju
			• The tariff rates are computed based on two components:
			  ■ Capacity payment relating to the payment that Paju will receive from its available capacity. This tariff is a fixed rate and annually declared by KPX; and
			  ■ Scheduled energy payment which relates to the payment that Paju will receive from its energy output that is generated and dispatched by the KPX. This tariff is a variable rate and will fluctuate as per market demand. This payment covers the fuel cost of Paju

Company	Description	Power plant description, type of contract and counterparty	Overview of contract terms
RATCH Group Public Company Limited ("**Ratch**")	Ratch engages in the generation and sale of electricity in Thailand, Australia, and internationally. Ratch generates electricity through natural gas, coal, and fuel oil, as well as solar power, wind power, and biomass renewable projects.	Power plant description: 1. Ratchaburi Power Plant ("**RPP**") located in Thailand utilises natural gas as the primary fuel and has an installed capacity of 3,645MW; and 2. Ratchaburi Power's Power Plant ("**RPPP**") is a combined cycle power plant located in Thailand utilising natural gas as the primary fuel and has an installed capacity of 1,490MW Type of contract: Both RPP and RPPP entered into PPAs with their respective counterparties Counterparties: 1. EGAT 2. EGAT	• Both PPAs signed by RPP and RPPP with EGAT have a duration of 25 years • EGAT will purchase the entire generation capacity of RPP and RPPP • The fees generated by the PPAs largely consist of two components: ■ Availability payment relating to payments to cover the fixed operating costs, such as maintenance expenses and management expenses. The availability payment depends on the power plant's readiness to generate and distribute electricity as required by EGAT; and ■ Energy payment which relates to payments after electricity is generated and transmitted to EGAT's transmission system, comprising (i) fuel payment; and (ii) variable O&M payment

Company	Description	Power plant description, type of contract and counterparty	Overview of contract terms
SembCorp Industries Ltd ("**SembCorp**")	SembCorp engages in renewables, integrated urban solutions, conventional energy and other businesses in Singapore, the United Kingdom, China, India, the rest of Asia, the Middle East and internationally. SembCorp conventional energy segment sells energy molecules, including natural gas, steam, and electricity from various fossil fuels, such as natural gas and coal.	<u>Power plant description:</u> 1. Myingyan IPP is a 231MW combined cycle gas fired power plant located in Myanmar; 2. Phy My 3 Power Plant ("**Phy My 3**") is a 748MW combined cycle gas turbine facility located in Vietnam; 3. Sirajganj Unit 4 Power Plant ("**Sirajganj IPP**") is a 440MW dual-fired combined cycle power plant in India; 4. Salalah IWPP – a hybrid desalination plant with a 518MW gas-fired combined cycle power facility; and 5. Fujairah 1 IWPP – a hybrid desalination plant with an 893MW combined cycle power plant <u>Type of contract:</u> Long-term agreements (typically PPAs) with their respective counterparties	• SembCorp has signed the following long-term agreements with their respective counterparties: ■ Myingyan IPP – signed a PPA with EPGE for the supply of 225MW of power for 22 years; ■ Phy My 3 – signed a long-term agreement with the Electricity of Vietnam for the supply of 717MW of power for 23 years; ■ Sirajganj IPP – signed PPA with the BPDB for the supply of 414MW of power for 25 years; ■ Salalah IWPP – signed a Power & Water Purchase Agreement ("**PWPA**") with OPWPC for the supply of, *inter alia,* 445MW of power for 18 years; and ■ Fujairah 1 IWPP – signed a PWPA with EWEC for the supply of, *inter alia*, 760MW of power for 29 years

Company	Description	Power plant description, type of contract and counterparty	Overview of contract terms
		<u>Counterparties:</u> 1. Electric Power Generation Enterprise ("**EPGE**") 2. Electricity of Vietnam 3. Bangladesh Power Development Board ("**BPDB**") 4. Oman Power and Water Procurement Company ("**OPWPC**") 5. Emirates Water & Electricity Company ("**EWEC**")	

Source: Capital IQ, annual reports, company and public websites and public announcements of the respective companies

The salient terms of the Other Comparable CTA Agreements under KIT are set out below:

Asset/Location	KIT's Interest	Plant Description	Customer	Overview of Contract Terms
Senoko Waste-To-Energy ("**WTE**") Plant ("**Senoko WTE Plant**")/ Singapore	100% stake	• 2,310 tonnes/day waste incineration concession • Majority of income from fixed capacity payments • Also receives variable payment for refuse incineration service and electricity produced	NEA	• Incineration services agreement from 2009 to 2024 (i.e. duration of 15 years), which has been extended another 3 years until 2027 with an option for a further 1-year extension • Fixed capacity payments are received for the provision of incineration capacity • Variable payments for the provision of incineration services, electricity generation and payment for energy market charges
Keppel Seghers Tuas WTE Plant/Singapore	100% stake	• 800 tonnes/day waste incineration concession • Majority of income from fixed capacity payments • Also receives variable payment for refuse incineration service and electricity produced	NEA	• Incineration services agreement that has a 25-year duration valid from 2009 until 2034 • Fixed capacity payments are received for the provision of incineration capacity and electricity generation (regardless of whether the plant exports any electricity to the grid and do not vary with the volume) • Variable payments are payable for the variable costs in incinerating waste, electricity generation incentive payment and payment for energy market charges

Asset/Location	KIT's Interest	Plant Description	Customer	Overview of Contract Terms
Keppel Seghers Ulu Pandan NEWater Plant/ Singapore	100% stake	• 148,000 cmb/day NEWater concession • Capacity-based payments • Variable output payments	PUB, Singapore's national water agency	• NEWater agreement that has a 20-year duration from 2007 until 2027 • Fixed availability payments for the provision of production capacity (includes a fixed power payment from PUB) • Variable output payments for the volume of feed water treated are received • However, cash flows from this plant fluctuate as variable output payments include a power payment component. This component is based on power charges and fuel price index (fuel cost is a major component in Singapore electricity tariffs) and fluctuates
SingSpring Desalination Plant/Singapore	100% stake	• 136,380 cmb/day seawater desalination concession • Capacity-based payments • Variable output payments	PUB, Singapore's national water agency	• Water purchase agreement until 2025 • Fixed capacity payment for making available the output capacity of the plant (not affected by water supplied) • Variable output payment that is dependent on the actual volume of water supplied to PUB. This includes variable costs in supplying water and covers the variable operations & maintenance payments payable to the operations and maintenance operator

Source: Annual reports, investor presentations, information memorandum, announcements and website of KIT, and OCBC Credit Research dated 2 July 2019.

We observe the following based on the key terms of the CTA Comparable Agreements and Other Comparable CTA Agreements under KIT:

(a) The duration of the CTA Comparable Agreements ranges from 18 to 29 years, with the majority having a 25-year contract term, while the duration of the Other Comparable CTA Agreements under KIT generally ranges from 15 to 25 years term. Accordingly, given that the duration has an initial term of 15 years (and up to an overall duration of 25 years after taking into consideration the Proposed CTA Amendments), we note this to be in line with the CTA Comparable Agreements and Other Comparable CTA Agreements under KIT;

(b) Similar to the arrangement between the Toller and KMC under the CTA, all counterparties (i.e., the power purchasers) to the CTA Comparable Agreements and Other Comparable CTA Agreements have contracted for the entire (or in certain cases, a substantial portion of the) generation capacity of their respective power plants that have been made available to the power purchaser; and

(c) The CTA Comparable Agreements and Other Comparable CTA Agreements are typically structured to comprise at least two main components, (i) a capacity or availability fee for the capacity being made available to the purchaser and to cover the fixed costs of the power plant; and (ii) an energy payment or variable output payment that mainly pertains to the payment to be made upon actual production and supply of the electricity generated, and the coverage of variable costs for running the power plants.

We note that the Tolling Fees under the CTA, which comprises (i) an availability-based Capacity Fee; and (ii) a fixed O&M Fee, are of a similar nature to the capacity and/or availability fee and energy payments as observed in the CTA Comparable Agreements and Other Comparable CTA Agreements.

5.1.4 Other Relevant Factors

(a) The Group has been able to derive operational synergies from the CTA, whereby KE will be subject to market risks as the Toller and retailer of electricity to end users, while KMC remains the Owner of the KMC Plant. As such, it is in the interests of the Group in ensuring the continued operational and financial sustainability of KMC which will continue to generate the synergistic benefits arising from the CTA (taking into account the Proposed CTA Amendments).

(b) The Toller currently does not source electricity from another power plant as at the Latest Practicable Date. Save for the discussions to potentially toll power from the KSC Plant (as defined below)[14] which is only expected to start commercial operations in 2026, KE currently has no intention to seek another party with a similar asset to the KMC Plant that is willing to enter into a similar contractual agreement as the CTA. Further, other parties may potentially demand terms and conditions that are less favourable to the Toller than the current or proposed CTA terms.

(c) We note that KMC, being the Company's 49%-held associated company, has generated funds from operations[15] attributable to Group annually since FY2016, and net cash from operating activities annually since FY2018, which indicates that the CTA and the OMSA are commercially viable to sustain the operations of the KMC Plant.

(d) Save for the Proposed CTA Amendments as set out in paragraph 3.2 of the Circular, there are no other substantial amendments to the CTA.

5.2 Review of the Proposed OMSA Amendments

In our analysis and evaluation of the OMSA, and our opinion thereon, we have considered the following factors:

(a) Assessment of the Proposed OMSA Amendments and other observations;

(b) Historical financial performance of KMC O&M;

(c) Comparable OMSA Agreements entered by plants under KIT's portfolio; and

(d) Other relevant factors with respect to the Proposed OMSA Amendments.

5.2.1 Assessment of the Proposed OMSA Amendments

(a) The Service Fee, which covers the cost of the scope of work responsible by KMC O&M, mainly pertains to the costs of maintaining and operating the KMC Plant. We understand that the quantum of the Service Fee was negotiated on an arm's length basis, based on the historical and forecasted expenses in relation to the KMC Plant as at 2014, which was agreed between parties and was also approved by KIT's Unitholders at the KIT 2015 EGM.

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14 The Keppel Sakra Cogen Plant is Singapore's first hydrogen ready cogeneration plant located in the Sakra sector of Jurong Island ("**KSC Plant**"). The KSC Plant will be a 600MW state-of-the-art, advanced combined cycle gas turbine power plant and is expected to be in commercial operations in 2026.

15 Funds from operations means profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments.

The calculation of the Service Fee as set out in paragraph (1)(a) of Appendix B to the Circular shall be amended and replaced with the calculation as set out in paragraph 3 of Appendix B to the Circular. The revised Service Fee shall incorporate a newly defined term, known as the "Term Adjustment", which mirrors the amendments to the calculation of the O&M Fee to provide for the Capacity Adjustment Factor pursuant to the Proposed CTA Amendments. The "Term Adjustment" is defined separately for each period, (i) from 1 January 2015 ("**OMSA Start Date**") to 30 June 2032; and (ii) from 1 July 2032 to 31 December 2044 ("**OMSA End Date**"). The "Term Adjustment" shall be one during the first period (i.e., no adjustment to the terms of the existing OMSA), while the second period allows for an adjustment based on the Capacity Adjustment Factor as discussed in paragraph 5.1.1 of this IFA Letter.

We understand that the rationale for the inclusion of a "Term Adjustment" to the calculation of the Service Fee is to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively, in the event there is a reduction in their respective Original Generation Capacities. In particular, the "Term Adjustment" allows for a *pro rata* downward adjustment to the Service Fee for the reduction in the Original Generation Capacities, to reflect the lower costs to be incurred by KMC O&M due to its reduced scope of work (e.g., due to the retirement of the generating units in KMC I). Similarly, as mentioned in paragraph 5.1.1(c) of this IFA Letter, it is expected that KMC I and KMC II may be able to retain their Original Generation Capacities in the event they undertake the KMC Retrofitting, subject to the OEM's certification.

(b) In connection with the Proposed CTA Amendments, the OMSA End Date shall be extended by 10 years until 31 December 2044. The overall duration of the OMSA will be for a term of 30 years, spanning from 2015 through 2044.

We note that the duration of the OMSA is longer than that of the CTA, as it would be favourable to align the CTA with the remaining useful life of the KMC I and KMC II, which may well extend up to beyond 30 June 2040 (i.e., beyond its technical useful life) by undertaking the KMC Retrofitting, so that KMC will have access to the experienced personnel of KMC O&M to operate and maintain the KMC Plant for as long as possible. As such, the longer tenure of the OMSA will be able to provide KMC O&M with a consistent stream of revenue in relation to its provision of O&M services to the KMC Plant, which is an asset the team from KMC O&M is familiar with.

5.2.2 Observations of the Existing Principal Terms of the OMSA

(a) KMC O&M is integral to the operations of the KMC Plant as the team from KMC O&M has been the incumbent operator of the KMC Plant since 2007, and is familiar and experienced with the operations of the KMC Plant. The Proposed OMSA Amendments will ensure the continuous and reliable operations of KMC throughout the extended CTA period with minimal to no interruption.

In respect of the operational responsibilities of the KMC O&M, we note that these are comprehensively covered under the OMSA and are consistent with the terms of the CTA. The key operational responsibilities of KMC O&M (as the operator) cover, *inter alia*, (i) the preparation and updating of the proposed Annual Operation and Maintenance Plan ("**AOMP**"), which includes an annual outage plan with respect to the following contract year; (ii) the provision of monthly reports to the KMC pertaining to KMC O&M's performance and activities in respect of implementing each relevant AOMP. Other scope of work includes (i) the administration and management of all records and reports related to the operation and maintenance of the KMC Plant; (ii) the provision of administrative support to KMC to obtain and maintain KMC's licenses, permits and other governmental approvals; and (iii) invoicing the Toller for the fees and pass-through costs payable by the Toller to KMC pursuant to the billing procedures under the CTA.

(b) The OMSA is not a fixed-price agreement. In the event that KMC exceeds the amounts budgeted for in the AOMP and such excess amounts are most likely expected to arise from costs incurred for unplanned maintenance which is not due to the fault of KMC O&M, KMC O&M may seek reimbursement. However, cost control mechanisms have been included in the OMSA to limit the extent of such cost increases, including the requirement that nearly all reimbursable expenses meet the requirements of the defined term "Reimbursable Expenses Items", which, amongst others, excludes any cost caused by KMC O&M's negligence or breach of the OMSA.

Further, KMC O&M is only able to incur additional reimbursable expenses beyond the amounts under the AOMP with KMC's consent, subject to the following:

(i) KMC O&M may disclaim liability for outages or breakdowns if KMC does not meet unforeseen expenses outside KMC O&M's control, which can limit KMC's practical control over costs in certain situations; and

(ii) In the event KMC O&M exceeds the amount budgeted in the AOMP and KMC pays these costs, KMC's right of recourse to recover these amounts is subject to the Toller's agreement. KMC would have to pay KMC O&M substantially higher fees than received from the Toller in the event of significant unplanned maintenance (e.g., unexpected major equipment failure).

We understand that KMC O&M has not incurred any material additional expenses that exceed the amounts budgeted in the AOMP since the commencement of the OMSA that are not reimbursable from KMC.

(c) The OMSA comprises a guarantee clause whereby KIHPL unconditionally and irrevocably guarantees to KMC the full, due and punctual performance and observation by KMC O&M to pay amounts due to KMC under the OMSA. The Management has confirmed that there has not been any instance(s) since the inception of the OMSA that caused the guarantee obligations to be triggered.

5.2.3 Historical Financial Performance of KMC O&M

(a) KMC O&M currently only provides O&M services to KMC in relation to the KMC Plant, and KMC O&M's revenue was contributed solely by the Service Fee between 2015 to 2021. As such, we have assessed that the fees received by KMC O&M from KMC have been able to cover the operating costs incurred by KMC O&M based on its key historical financials, which are extracted below:

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue (S$'000)	13,671	13,603	13,539	13,627	13,677	13,759	14,043	32,926
Gross Profit (S$'000)	2,661	4,993	4,091	3,717	3,906	3,517	4,587	5,073
Net Profit (S$'000)	1,715	2,270	1,785	1,417	1,502	1,874	2,730	4,291
Net Profit Margin (%)	12.5%	16.7%	13.2%	10.4%	11.0%	13.6%	19.4%	13.0%

(b) We observe that KMC O&M has recorded a healthy net profit margin of between 10.4% and 19.4% since the commencement of the OMSA. This indicates that the Service Fees pursuant to the OMSA Agreement are able to provide a consistent stream of revenue and cover the costs and operating expenses of the KMC O&M to ensure that KMC O&M's business model is sustainable.

(c) We noted that there has been a substantial increase in the revenue for KMC O&M in 2022 which was mainly due to KMC O&M taking over the maintenance of the gas and steam turbine assemblies ("**Gas and Steam Turbines**") of KMC I from a third-party service provider, being the OEM of the Gas and Steam Turbines, following the expiration of the maintenance agreement pertaining to KMC I's Gas and Steam Turbines. The decision by KMC to entrust KMC O&M with additional scope, rather than continuing with a third-party service provider, was primarily due to (i) the familiarity and competencies of KMC O&M and in turn, their ability to effectively service the KMC Plant; and (ii) the cost-effectiveness as compared to a third-party maintenance provider. It is contemplated that KMC may consider appointing KMC O&M for such maintenance to KMC II's Gas and Steam Turbines in due course upon expiration of the existing maintenance agreement with the third-party service provider, which may further increase KMC O&M's revenue and profit.

5.2.4 Comparable Agreements to the OMSA entered into by plants under KIT's portfolio

Based on our discussions with the Management and a search of publicly available databases and sources relating to Singapore's electricity generation companies, there may not be any publicly available agreements and/or arrangements that we may consider to be directly comparable to the OMSA in respect of the nature of services provided, duration of the contract, profile of counterparty, certainty of cash flows and other relevant factors.

Notwithstanding the above, for the purposes of evaluating the terms of the OMSA and to get an indication of the typical terms of such agreements, we have considered similar agreements entered into by the concessions-based waste and water plants under KIT's portfolio with their respective operations and maintenance ("**O&M**") operators ("**Comparable OMSA Agreements under KIT**") to operate, maintain and repair the plants in return for fixed O&M fees and variable O&M fees.

The salient terms of the Comparable OMSA Agreements under KIT are set out below:

Asset/Location	KIT's Interest	Current O&M Operator	Contract Terms
Senoko WTE Plant/ Singapore 2,310 tonnes/day waste incineration concession	100% stake	Keppel Seghers Engineering Singapore Pte. Ltd. ("**Keppel Seghers**"), a subsidiary of KIHPL, the Sponsor of KIT	• The O&M agreement and the incineration services agreement with NEA will run concurrently (i.e. for the initial 15-year term until 2024 and the extension for another 3 years until 2027 with an option for a further 1-year extension) • The fixed O&M fees payable to Keppel Segher will be covered by the fixed O&M cost component of the fixed capacity payments under the incineration services agreement • The variable O&M fees payable to Keppel Segher will be covered by the variable O&M cost component of the variable payments • Adjustments for inflation to the fixed O&M cost component of the fixed capacity payments and variable O&M cost component of the variable payments under the incineration services agreement will lead to corresponding adjustments to the fixed and variable O&M fees payable under the Senoko O&M agreement

Asset/Location	KIT's Interest	Current O&M Operator	Contract Terms
Keppel Seghers Tuas WTE Plant/ Singapore 800 tonnes/day waste incineration concession	100% stake	Keppel Seghers, a subsidiary of KIHPL, the Sponsor of KIT	• The O&M agreement and the incineration services agreement with NEA will run concurrently for the same 25-year term from 2009 until 2034 • The fixed O&M fees payable to Keppel Segher will be covered by the fixed O&M cost components of the fixed capacity payment under the incineration services agreement. The variable O&M fees payable to Keppel Segher will be covered by the variable O&M cost component of the variable payments under the incineration services agreement • Adjustments for inflation to the fixed O&M cost components of the fixed capacity payments and variable O&M cost component of the variable payments under the incineration services agreement will lead to corresponding adjustments to the fixed and variable O&M fees payable under the O&M agreement
Keppel Seghers Ulu Pandan NEWater Plant/Singapore 148,000 cbm/day NEWater concession	100% stake	Keppel Seghers, a subsidiary of KIHPL, the Sponsor of KIT	• The O&M agreement and the NEWater agreement with PUB will run concurrently for the same 20-year term from 2007 until 2027 • The O&M fees payable to Keppel Segher will be covered by the fixed O&M cost component of the availability payments and the variable O&M cost component of the output payments under the NEWater agreement • Adjustments for inflation at the end of every year to the fixed O&M cost component of the availability payments and variable O&M cost component of the output payments under the NEWater agreement will lead to corresponding adjustments to the fixed and variable O&M fees payable under the O&M agreement

Asset/Location	KIT's Interest	Current O&M Operator	Contract Terms
SingSpring Desalination Plant ("SingSpring Plant")/Singapore 136,380 cmb/day seawater desalination concession	100% stake	NewSpring O&M Pte. Ltd. ("**NewSpring**"), a subsidiary of KIHPL, the Sponsor of KIT	• Variable output payment under the water purchase agreement that is dependent on the actual volume of water supplied to PUB, includes variable costs in supplying water and covers the variable operations and maintenance payments payable to the O&M operator • NewSpring took over the provision of the O&M services from Hyflux Engineering Pte Ltd, upon the completion of the acquisition of the remaining 30% stake in SingSpring Desalination Plant by KIT in June 2022

Source: Cityspring Infrastructure Trust circular dated 2 April 2015, OCBC Credit Research dated 2 July 2019, and annual reports, Investor presentations, information memorandum and announcements of KIT.

We observe the following based on the key terms of Comparable OMSA Agreements under KIT:

(a) The duration of the Comparable OMSA Agreements under KIT generally coincides with the respective incineration services agreement and water purchase agreement. However, we note that the overall duration of the OMSA of 30 years is five years longer than that of the CTA of 25 years (after taking into consideration the Proposed OMSA Amendments and Proposed CTA Amendments) primarily due to the rationale as set out in paragraph 5.2.1(b) of this IFA Letter; and

(b) Under the Comparable OMSA Agreements, the O&M fees payable to the O&M operator are generally covered by the respective capacity agreements with NEA or PUB, mainly through two main components, (i) a capacity or availability fee for the capacity being made available to the purchaser and to cover the fixed costs of running the plant; and (ii) variable payment mainly pertaining to coverage of variable costs for running the plants and/or the payment to be made based on the actual output. This is similar to the arrangement between the Toller and KMC under the CTA, whereby KMC's operating costs for maintenance, consumables, and fuel are all passed through to KE, through a combination of the fixed O&M fee and costs to be directly reimbursed in accordance with the CTA.

5.2.5 Other relevant factors

(a) As illustrated in paragraph 5.2.3(c) of this IFA Letter, the experience and knowledge of undertaking the O&M services of the KMC Plant by KMC O&M will be transferrable to other assets within the Group. In particular, we note that KMC O&M is expected to undertake a similar role in relation to the KSC Plant when it commences commercial operations in 2026.

(b) Save for the Proposed OMSA Amendments as set out in paragraph 4.2 of the Circular, there are no other substantial amendments to the OMSA.

6. REVIEW OF THE PROPOSED KIT SUBSCRIPTION

As set out in paragraph 1.6 of the Circular, assuming the KIT Equity Fund Raising is fully subscribed, the KIT Equity Fund Raising is expected to raise estimated gross proceeds of up to S$500.0 million, which assumes a maximum number of 1,061,571,125 new KIT Units, at an illustrative issue price of S$0.471 per new KIT Unit (the "**Illustrative Issue Price**"). We note that the Illustrative Issue Price is purely illustrative and the actual new KIT Units to be issued pursuant to the KIT Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price, and the actual gross proceeds raised from the KIT Equity Fund Raising may be lower than or equal to S$500.0 million. The KIT Trustee-Manager will determine the exact structure of the KIT Equity Fund Raising closer to the launch of such offering, having regard to, among others, the market conditions at such time.

As such, for the purposes of assessing the Proposed KIT Subscription, our analysis will assume that the issue price of KIT Placement and KIT Preferential Offering will be based on the Illustrative Issue Price.

In our analysis and evaluation of the Proposed KIT Subscription we have considered and/or conducted:

(a) The rationale and benefits of the Proposed KIT Subscription;

(b) Analysis of KIT's historical financial performance, NAV per KIT Unit and distribution per KIT Unit;

(c) Evaluation of the Illustrative Issue Price against the historical KIT Unit price performance;

(d) Historical Price-to-NAV ("**P/NAV**") ratio of the KIT Units;

(e) Precedent Placements and Preferential Offerings by KIT;

(f) Valuation ratios of selected business trusts listed on the SGX-ST;

(g) Precedent Placements by business trusts and real estate investment trusts ("**REITs**"); and

(h) Other relevant factors.

6.1 Rationale for and Benefits of the Proposed KIT Subscription

The full text of the information relating to the rationale for the Proposed KIT Subscription can be found in paragraph 5.2 of the Circular and has been reproduced in italics below.

"5.2 <u>Rationale for and Benefits of the Proposed KIT Subscription</u>

*As at the Latest Practicable Date, the Company, through KIHPL's direct unitholding in KIT, is the single largest direct KIT Unitholder and sponsor of KIT. Additionally, its indirect, wholly-owned subsidiary, Keppel Infrastructure Fund Management Pte. Ltd., is the trustee-manager of KIT ("**KIT Trustee-Manager**").*

Keppel has been receiving recurring income from KIT via regular cash distributions which have increased due to various DPU-accretive investments in recent years. The average distribution yield of KIT stands at 8% over the past nine (9) years from 2015. According to the KIT Ventura Announcement, KIT expects its proposed acquisition to drive cash flow generation to support overall DPU accretion of 3.4% based on the DPU declared for FY2023 and increase KIT's assets under management from approximately S$8.1 billion as at 2 January 2024 to approximately S$8.7 billion upon completion of the proposed acquisition.[16]

Through the KIT Trustee-Manager, the Group also receives management fees which are paid by KIT. For FY2023, the KIT Trustee-Manager received approximately S$56.6 million in management fees from KIT[17]. KIT thus provides a multi-fold fee income stream to Keppel directly, via the management fees and cash distributions, and indirectly, via a myriad of mutual economic benefits through the sponsor relationship, such as the monetization of assets and opportunities for long-term contractual arrangements to operate these assets on an arms' length basis.

In supporting the growth of KIT through its continued 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 the KIT Trustee-Manager. Such continued investment is also aligned with Keppel's ambition to accelerate the growth of Keppel both as a global asset manager and operator through the horizontal partnership between KIT and Keppel's infrastructure operating division.

KIHPL's participation in the Proposed KIT Subscription would also avoid or mitigate the extent to which the Group's interests in KIT through KIHPL would be diluted as a result of the KIT Equity Fund Raising, thus preserving the strategic and financial benefits to the Group as outlined above."

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16 *KIT's 5 February 2024 announcement titled "Proposed Acquisition of Ventura Bus Lines", which is accessible on SGXNet at **www.sgx.com**.*

17 *Please refer to the condensed consolidated interim financial statements and distribution announcement for the six (6) months and financial year ended 31 December 2023 released by KIT on SGXNet at **www.sgx.com** on 31 January 2024 for further details on the management fees paid by KIT to the KIT Trustee-Manager.*

6.2 Analysis of KIT's historical financial performance and its NAV per KIT Unit

6.2.1 Historical financial performance of KIT

For the purpose of evaluating the Proposed KIT Subscription, we have considered KIT's audited consolidated financial statements for FY2021, FY2022 and unaudited financial statements for FY2023. A summary of the statement of comprehensive income of KIT for FY2021, FY2022 and FY2023 is set out in the table below. The following summary of the statement of comprehensive income should be read in conjunction with the full text of the respective audited financial statements set out in KIT's annual reports and unaudited financial results announcements in respect of the relevant financial years or periods including the notes thereto.

KIT's business segments and assets are reported under three core operating segments, namely:

(a) Energy transition segment ("**Energy Transition Segment**"), which includes infrastructure investments that support the transition to a low-carbon economy;

(b) Environmental services segment ("**Environmental Services Segment**"), which includes infrastructure investments that provide essential services which protect human health and safeguard the environment; and

(c) Distribution and storage segment ("**Distribution and Storage Segment**"), which includes infrastructure investments that support the circular economy and economic growth.

Selected items from statements of comprehensive income			
S$'000	**FY2021 (Audited)**	**FY2022 (Audited)**	**FY2023 (Unaudited)**
Revenue	1,575,019	2,005,946	2,035,920
Profit before income tax ("**PBT**")	39,757	23,484	112,752
PBT Margin	*2.5%*	*1.2%*	*5.5%*
Profit/(Loss) after income tax ("**PAT**")	(138,053)	(2,829)	90,927
PAT Margin	*(8.8)%*	*(0.1)%*	*4.5%*
Profit/(Loss) attributable to unitholders of the Trust	(128,806)	868	96,772
Profit margin (excluding non-controlling interests)	*(8.2)%*	*0.0%*	*4.8%*

Revenue breakdown by business segments			
S$'000	**FY2021 (Audited)**	**FY2022 (Audited)**	**FY2023 (Unaudited)**
Energy Transition	453,627	548,297	579,228
% of revenue	*28.8%*	*27.3%*	*28.5%*
Environmental Services	91,932	124,017	229,498
% of revenue	*5.8%*	*6.2%*	*11.3%*
Distribution and Storage	1,029,460	1,333,632	1,227,194
% of revenue	*65.4%*	*66.5%*	*60.3%*

Source: KIT's annual reports for FY2021, FY2022 and KIT's FY2023 unaudited financial result announcements and PPCF computations

Revenue has increased by approximately 1.5% from approximately S$2.01 billion in FY2022 to S$2.04 billion in FY2023 due to higher contributions from City Energy Trust ("**City Energy**") and distribution income from Aramco Gas Pipelines Company ("**AGPC**"), coupled with the contribution of revenue in FY2023 from Eco Management Korea Holdings Co., Ltd. ("**EMK**") following the completion of the acquisition in October 2022.

The Energy Transition Segment increased by approximately S$30.9 million from approximately S$548.3 million in FY2022 to approximately S$579.2 million in FY2023 due to increased distributions from AGPC and higher gas sales from City Energy.

The Environmental Services Segment increased by approximately S$105.5 million from approximately S$124.0 million in FY2022 to S$229.5 million in FY2023 due to the contribution of revenue from EMK. The increased sales revenue from EMK is attributed to higher steam and electricity unit prices and higher volume due to new contracts secured from blue chip customers.

The Distribution and Storage Segment decreased by approximately S$106.4 million from approximately S$1.33 billion to S$1.23 billion mainly due to lower contract manufacturing volumes, lower commodity prices and unfavorable exchange rate fluctuations of the Australian dollar.

6.2.2 Historical financial position of KIT and NAV per KIT Unit

The unaudited statement of financial position of KIT as at 31 December 2023 is set out in the table below. The following statement of financial position of KIT should be read in conjunction with the full text of the unaudited financial results announcement of KIT for FY2023.

S$'000	As at 31 Dec 2023 (Unaudited)	Contribution to Total Assets or Liabilities
Non-current assets		
Property, plant and equipment	1,566,005	28.0%
Right-of-use assets	90,096	1.6%
Investment properties	2,448	0.0%
Intangibles	1,496,030	26.7%
Investment in joint venture	424,051	7.6%
Loan receivable from joint venture	263,677	4.7%
Service concession receivables	93,044	1.7%
Finance lease receivables	38,587	0.7%
Derivative financial instruments	44,424	0.8%
Investment in financial assets	363,695	6.5%
Other assets	90,097	1.6%
Total non-current assets	**4,472,154**	**79.8%**
Current assets		
Cash and bank deposits	482,584	8.6%
Investment in financial assets	24	0.0%
Trade and other receivables	308,528	5.5%
Service concession receivables	39,560	0.7%
Finance lease receivables	12,300	0.2%
Derivative financial instruments	3,442	0.1%
Inventories	241,328	4.3%
Other assets	41,206	0.7%
Total current assets	**1,128,972**	**20.2%**
Total assets	**5,601,126**	

S$'000	As at 31 Dec 2023 (Unaudited)	Contribution to Total Assets or Liabilities
Current liabilities		
Borrowings	107,500	2.8%
Trade and other payables	382,721	10.0%
Provisions	31,524	0.8%
Derivative financial instruments	4,721	0.1%
Lease liabilities	13,087	0.3%
Income tax payable	13,394	0.3%
Total current liabilities	552,947	14.4%
Non-current liabilities		
Borrowings	2,609,511	68.2%
Notes payable to NCI	245,000	6.4%
Loan from a related party	45,054	1.2%
Derivative financial instruments	3,555	0.1%
Other payables	203,542	5.3%
Provisions	17,698	0.5%
Lease liabilities	60,373	1.6%
Defined benefit obligation	1,389	0.0%
Purchase commitments for minority interests' shares	17,164	0.4%
Deferred tax liabilities	71,996	1.9%
Total non-current liabilities	**3,275,282**	**85.6%**
Total liabilities	**3,828,229**	
Net assets	**1,772,897**	

S$'000	As at 31 Dec 2023 (Unaudited)	Contribution to Total Assets or Liabilities
Represented by:		
Units in issue	2,923,863	
Hedging reserve	16,882	
Translation reserve	(59,753)	
Capital reserve	26,452	
Defined benefit plan reserve	7,310	
Share based payment reserve	176	
Accumulated losses	(2,040,502)	
Total Unitholders' Funds	**874,428**	
Perpetual securities	597,658	
Total Equity holders' Funds	**1,472,086**	
Non-controlling interests	300,811	
	1,772,897	
NAV per unit		
NAV attributable to Unitholders (S$'000)	874,428	
Number of issued units as at Latest Practicable Date	5,625,785,886	
NAV per unit (S$)	**0.155**	
Premium of Illustrative Issue Price over NAV per unit	203.0%	

Source: KIT's FY2023 unaudited financial result announcements and PPCF computations

Based on a total number of 5,626,785,886 KIT Units as at the Latest Practicable Date and KIT's NAV of approximately S$874.4 million, the NAV per KIT Unit is approximately S$0.155. The Illustrative Issue Price represents a premium of S$0.316 or approximately 203.0% to the latest reported NAV per KIT Unit as at 31 December 2023.

6.2.3 Distribution per KIT Unit

We have considered the historical distribution per KIT Unit ("**DPU**") and annualised yield of KIT for the last five financial years and compared them with the historical yield of Nikko AM STI ETF which tracks the STI Index as set out below:

Period	DPU (cents)	KIT Annualised Yield[(1)] (%)	Nikko AM STI ETF Annualised Yield[(1)] (%)
2023	6.19	12.3	4.0
2022	3.82	6.9	3.2
2021	3.78	7.0	3.3
2020	3.72	7.1	4.5
2019	3.72	7.4	3.6
Average	**4.25**	**8.1**	**3.7**

Source: S&P Capital IQ, Bloomberg L.P., financial results and distribution announcements of KIT and PPCF calculations

Note:

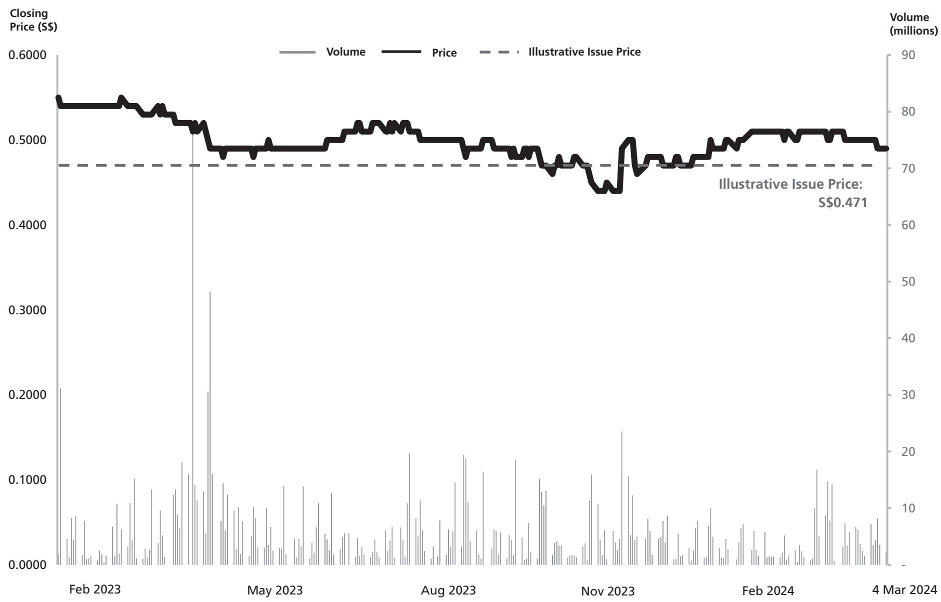
(1) Annualised yield is computed based on the total distribution or dividends declared for the financial year divided by the average closing price for that corresponding financial year.

We note that KIT has provided consistent returns to its unitholders, recording an average DPU of 4.25 cents and annualised returns of 8.1% over the last five financial years. We further note that the annualised returns generated by KIT have, on average, yielded higher returns than the Nikko AM STI ETF over the last five financial years.

6.3 Evaluation of Illustrative Issue Price against the historical KIT Unit price performance

We highlight that under ordinary circumstances, the market valuation of a unit or share traded on a recognised stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given period in time. KIT Unitholders should also note that the past trading performance of the KIT Units should not be relied upon as a guide to their future trading performance. Further, we assumed that the KIT Equity Fund Raising will be at the Illustrative Issue Price. Therefore, our analysis below is purely for illustrative purposes only.

Closing Price and Trading Volume of KIT Units for the 1-year period prior to the Latest Practicable Date



Source: S&P Capital IQ

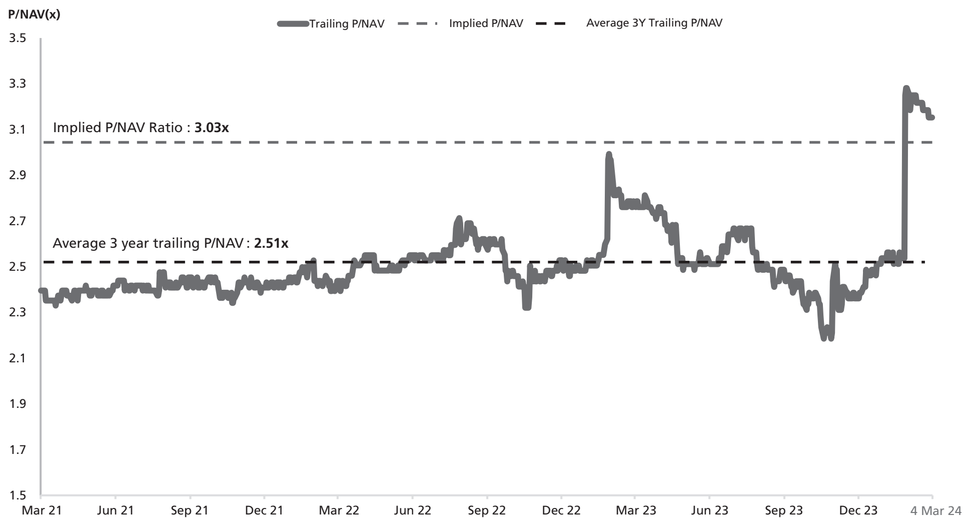
We note that during the last 1-year period to the Latest Practicable Date, the closing price of the KIT Units ranged between a low of S$0.44 and a high of S$0.55 and that the Illustrative Issue Price of S$0.471 is within the historical 1-year price range.

We further note that the Illustrative Issue Price of S$0.471 represents (i) a discount of approximately 4.2% to the volume weighted average price (**"VWAP"**) as at the Latest Practicable Date of S$0.4915; and (ii) a discount of approximately 3.9% to the last traded price on the Latest Practicable Date of S$0.490.

6.4 Historical P/NAV ratio of the KIT Units

For illustrative purposes, we compare the P/NAV ratio implied by the Illustrative Issue Price of 3.03 times (“**Implied P/NAV Ratio**”) with the historical P/NAV ratio of the KIT Units over the last three years leading up to and including the Latest Practicable Date as follows:

Historical Trailing 3-year P/NAV per KIT Unit



Source: Bloomberg L.P. and PPCF computations

Note:

(1) The Implied P/NAV Ratio is computed based on the unaudited financial results for FY2023 (excluding the perpetual securities and without adjusting for distribution payable to unitholders). The trailing P/NAV ratios are computed based on the corresponding NAV (excluding the perpetual securities and without adjusting for distribution payable to unitholders) as reported by KIT in its interim and full-year financial results announcements.

We also set out below the historical average trailing P/NAV ratio of the KIT Units for the three years preceding and up to the Latest Practicable Date:

Historical trailing P/NAV Ratios of the KIT Units	
3-year period prior to and including the Latest Practicable Date	**Average trailing P/NAV ratio for the period (times)**
3-year	2.51
2-year	2.56
1-year	2.58
6-month	2.56
3-month	2.76
1-month	3.21
As at Latest Practicable Date	3.15

Source: Bloomberg L.P. and PPCF computations

Based on the above, we note that:

(a) for the 3-month, 6-month, 1-year, 2-year and 3-year periods prior to and including the Latest Practicable Date, the Implied P/NAV Ratio of 3.03 times is above the average historical trailing P/NAV of the Shares of 2.76 times, 2.56 times, 2.58 times, 2.56 times and 2.51 times respectively;

(b) the Implied P/NAV Ratio of 3.03 times is slightly lower than the trailing P/NAV ratio for the KIT Units for the 1-month period preceding and up to the Latest Practicable Date, and as at the Latest Practicable Date of 3.21 times and 3.15 times respectively; and

(c) save for the 1-month period preceding and up to the Latest Practicable Date, the historical trailing P/NAV ratio generally traded below the Implied P/NAV Ratio over the 3-year period prior and up to the Latest Practicable Date, within the range of 2.19 times and 2.99 times.

6.5 Precedent Placements and Preferential Offerings by KIT

We have also considered the issue prices of completed placements and preferential offerings undertaken by KIT ("**KIT Precedent Funding Exercises**") as set out below:

Date of Announcement of Results of Placement and Preferential Offering	Total Proceeds Raised (S$'million)	Placement Issue Price (S$)	Placement Issue Price Discount to VWAP (%)	Preferential Offering Issue Price (S$)	Preferential Offering Issue Price Discount to VWAP (%)
15 March 2019	300.0	0.441	9.82[(1)]	0.441	9.82[(1)]
19 April 2023	183.0	0.477	7.40[(2)]	0.467	9.34[(2)]
	Based on the Illustrative Issue Price	**0.471**	**4.17**[(3)]	**0.471**	**4.17**[(3)]

Source: KIT's announcements

Notes:

(1) The discount is calculated based on the issue price against the VWAP which is computed based on the VWAP of all trades of the KIT Units on the SGX-ST for the full market day on 12 March 2019 and on 13 March 2019 up to 3.03pm.

(2) The discount is calculated based on the issue price against the VWAP which is computed based on the VWAP of all trades of the KIT Units on the SGX-ST on 17 April 2023, being the market day preceding the signing of the management and underwriting agreement.

(3) The discount is calculated based on the Illustrative Issue Price of S$0.471 against the VWAP of the KIT Units as at the Latest Practicable Date.

We note that:

(a) the discount of the Illustrative Issue Price against the VWAP based on the Latest Practicable Date to be lower than the discount of the issue price of KIT Precedent Funding Exercise;

(b) the discount of the issue prices of KIT Precedent Funding Exercises are not more than 10.0% to the VWAP, which is in line with the requirements under the Listing Manual; and

(c) KIHPL had participated in both the KIT Precedent Funding Exercises in 2019 and 2023, whereby (i) there was an equity fund raising exercise comprising a placement and/or a preferential offering, the structure and pricing of which were determined at a date closer to the launch of the equity fundraising; (ii) the purpose of the equity fund raising exercise was for the acquisition of assets, specifically Ixom Holdco Pty Ltd and three green infrastructure assets in 2019 and 2023 respectively; and (iii) new KIT Units to be issued for the placement and preferential offering in the KIT Precedent Funding Exercises may be offered at different issue prices.

6.6 Valuation ratios of selected business trusts listed on the SGX-ST

In assessing the Proposed KIT Subscription, we have also compared the Implied P/NAV Ratio against the P/NAV ratios of selected business trusts listed on the SGX-ST.

Based on our discussions with Management and a search on available databases for comparable business trusts listed on the SGX-ST, we recognise that there is no particular listed business trust that we may consider to be directly comparable to KIT in terms of, *inter alia*, asset categories, size, scale of operations, risk profile and geographical spread of activities. Notwithstanding, we have extracted the following publicly available information on business trusts listed on the SGX-ST with a market capitalisation of more than S$500.0 million as at the Latest Practicable Date ("**Selected Business Trusts**") in order to compare the P/NAV ratio of such Selected Business Trusts against the Implied P/NAV Ratio and price-to-earnings ("**P/E**") ratio of KIT.

Selected Business Trusts	Description	Market Capitalisation (S$'million)	P/NAV as per Latest Practicable Date	P/E (LTM) (times)
Hutchison Port Holdings Trust ("**HPT**")	HPT invests in, develops, operates, and manages deep-water container ports in Guangdong Province of the People's Republic of China, Hong Kong, and Macau. It also invests in other types of port assets, including river ports; and undertakes various port ancillary services, such as freight forwarding, supply chain management, warehousing, and distribution services.	1,567.5	0.36	38.77
CapitaLand Ascott Trust ("**CLAS**")	CLAS is the largest lodging trust in Asia Pacific with an asset value of S$8.7 billion as at 31 December 2023.	3,379.6	0.77	14.67

Selected Business Trusts	Description	Market Capitalisation (S$'million)	P/NAV as per Latest Practicable Date	P/E (LTM) (times)
CDL Hospitality Trusts ("**CDL**")	CDL is one of Asia's leading hospitality trusts with assets under management of about S$2.9 billion as at 31 December 2021.	1,209.9	0.64	9.90
Far East Hospitality Trust ("**FEHT**")	FEHT is a Singapore-focused Hotel and Serviced Residence Hospitality Trust listed on SGX-ST. FEHT has a portfolio of 13 properties totaling over 3,000 hotel rooms and serviced residence units.	1,213.1	0.65	9.31
Frasers Hospitality Trust ("**FHT**")	FHT is the first global hotel and serviced residence trust listed in Singapore on 14 July 2014. It is established with the principal strategy of investing globally, on a long-term basis, in income-producing real estate assets used primarily for hospitality purposes. FHT's geographically diversified portfolio of 15 quality assets are in prime locations across 9 key cities in Asia, Australia and Europe.	876.4	0.69	9.48
CapitaLand India Trust ("**CLINT**")	CLINT, formerly known as Ascendas India Trust, is the first Indian property trust in Asia. Its principal objective is to own income-producing real estate used primarily as business space in India.	1,378.6	0.89	8.73
NetLink NBN Trust ("**NetLink**")	NetLink designs, builds, and operates the passive fibre network infrastructure for residential homes and non-residential premises, and non-building address point connections in mainland Singapore and its connected islands.	3,273.5	1.27	28.97

Selected Business Trusts	Description	Market Capitalisation (S$'million)	P/NAV as per Latest Practicable Date	P/E (LTM) (times)
	High	3,379.6	1.27	38.77
	Low	876.4	0.36	8.73
	Mean	1,842.6	0.75	17.12
	Median	1,378.6	0.69	9.90
	KIT	**2,756.6**	**3.15 (Latest Practicable Date)** **3.03 (as implied by the Illustrative Issue Price)**	**27.22 (Latest Practicable Date)** **27.38 (as implied by the Illustrative Issue Price)**

Source: Capital IQ and PPCF computations

Based on the information above, we note that based on the Illustrative Issue Price:

(a) the Implied P/NAV Ratio of approximately 3.03 times is above the range of P/NAV ratios of the Selected Business Trusts of 0.36 times to 1.27 times as at the Latest Practicable Date; and

(b) the implied P/E ratio of 27.38 times is within the range of P/E ratios of the Selected Business Trusts of 8.73 times to 38.77 times and above the mean and median P/E ratios of the Selected Business Trusts of 17.12 times and 9.90 times respectively.

6.7 Precedent Placements by business trusts and REITs

As part of our analysis, we have also considered the details of other completed placements undertaken by REITs or business trusts listed on the SGX-ST, where there was a placement of units or stapled securities, which may include placements to an interested person (the "**Precedent Placements**").

We set out below, for illustrative purposes only, examples of Precedent Placements for the period commencing on 1 January 2019 up to the Latest Practicable Date. The Precedent Placements might differ from the KIT Equity Fund Raising in terms of size of proceeds, investor base, market risks, future prospects, operating history and other factors. There are no placements under the Precedent Placements that may be considered identical to the KIT Equity Fund Raising. We wish to highlight that the list of Precedent Placements shown below is by no means exhaustive.

Precedent Placements on SGX-ST				
Precedent Placements	**Date of Announcement**	**Total Proceeds Raised ('million)**	**Issue Price**	**Discount to VWAP/ Adjusted VWAP[1] (%)**
Digital Core REIT	Feb-24	US$120.0	US$0.625	1.62[2]
Frasers Centrepoint Trust	Jan-24	S$200.0	S$2.180	2.88[2]
CapitaLand Ascott Trust	Aug-23	S$200.0	S$1.043	3.85[2]
AIMS APAC REIT	May-23	S$70.0	S$1.214	6.69[2]
Mapletree Industrial Trust	May-23	S$204.8	S$2.212	1.51[2]
CapitaLand Ascendas REIT	May-23	S$500.0	S$2.727	3.00[2]
Mapletree Logistics Trust	Mar-23	S$200.0	S$1.649	1.49[2]
ESR-LOGOS REIT	Feb-23	S$150.0	S$0.330	4.54[2]
Ascott Residence Trust	Aug-22	S$170.0	S$1.120	3.68[2]
Lendlease Global Commercial REIT	Mar-22	S$400.0	S$0.725	7.69[2]
Mapletree Logistics Trust	Nov-21	S$400.0	S$1.880	2.79[2]
Ascendas Real Estate Investment Trust	May-21	S$420.0	S$2.944	3.47[2]
Mapletree Logistics Trust	Oct-20	S$500.0	S$2.027	1.18[2]
Frasers Centerpoint Trust	Sep-20	S$575.0	S$2.350	4.95[2]
Dasin Retail Trust	Jun-20	S$94.0	S$0.780	3.51[2]
SPH REIT	Nov-19	S$164.5	S$1.050	4.30[3]

Precedent Placements on SGX-ST				
Precedent Placements	**Date of Announcement**	**Total Proceeds Raised ('million)**	**Issue Price**	**Discount to VWAP/ Adjusted VWAP[(1)] (%)**
Mapletree Logistics Trust	Oct-19	S$250.0	S$1.617	1.49[(2)]
Keppel Pacific Oak US REIT	Oct-19	US$75.6	US$0.725	2.29[(2)]
Mapletree Commercial Trust	Oct-19	S$458.0	S$2.280	2.91[(3)]
Manulife US REIT	Sep-19	US$80.0	US$0.876	2.00[(2)]
Mapletree Industrial Trust	Sep-19	S$400.0	S$2.265	1.50[(2)]
Keppel DC REIT	Sep-19	S$235.4	S$1.744	1.50[(2)]
Dasin Retail Trust	Sep-19	S$68.8	S$0.836	0.91[(2)]
CapitaLand Retail China Trust	Aug-19	S$154.3	S$1.469	2.70[(2)]
Frasers Logistics & Industrial Trust	Jul-19	S$258.1	S$1.173	1.20[(2)]
CapitaLand Commercial Trust	Jul-19	S$220.0	S$2.095	1.50[(2)]
Cromwell European REIT	Jun-19	€150.0	€0.460	5.90[(2)]
ESR REIT	Jun-19	S$100.0	S$0.515	6.70[(2)]
Fraser Centrepoint Trust	May-19	S$369.6	S$2.382	1.50[(2)]
Manulife US REIT	Apr-19	US$94.0	US$0.824	3.40[(2)]
Suntec REIT	Apr-19	S$200.0	S$1.800	2.50[(2)]
Mapletree Industrial Trust	Feb-19	S$201.0	S$1.945	3.34[(2)]
			High	**7.69**
			Low	**0.91**
			Mean	**3.08**
			Median	**2.84**
			Based on the Illustrative Issue Price	**4.17[(4)]**

Source: Respective REITs or business trusts' circulars and announcements

Notes:

(1) Adjusted VWAP is computed based on the VWAP of all trades in the units on the SGX-ST for the preceding market day up to the time when the placement agreement was signed, and subtracting the estimated advanced distribution.

(2) The discount is calculated based on the Adjusted VWAP.

(3) The discount is calculated based on the VWAP of all trades in the units on the SGX-ST for the preceding market day up to the time when the placement agreement was signed.

(4) The discount is calculated based on the Illustrative Issue Price of S$0.471 against the VWAP of the KIT Units as at the Latest Practicable Date.

Based on our review, we noted that the discount of approximately 4.17% of the Illustrative Issue Price to the VWAP of the KIT Units as at the Latest Practicable Date is within the range of 0.91% and 7.69% and higher than the mean and median discount of approximately 3.08% and 2.84% respectively, as computed by their respective issue price over the VWAP or the Adjusted VWAP of the units with respect to the Precedent Placements.

6.8 Other relevant factors

In both of the KIT Precedent Funding Exercises in 2019 and 2023, KIHPL had participated in the respective placements and subscribed for its *pro rata* entitlements in the respective preferential offerings to maintain its percentage unitholding in KIT.

Similarly, for the Proposed KIT Subscription, KIHPL will participate in the KIT Placement and/or subscribe for its *pro rata* entitlement under the KIT Preferential Offering to maintain its current percentage unitholding, which should not materially change the risk profile of KIHPL with respect of its exposure to KIT.

7. OPINION

Proposed Transactions

In arriving at our opinion with respect to the Proposed Transactions, we have reviewed and considered the factors we regard to be relevant to our assessment, which are based on, *inter alia*, representations by Directors and Management, and as discussed in the earlier sections of this IFA Letter as follows:

(a) the rationale for and benefits of the Proposed Transactions;

(b) the details of the Proposed Transactions;

(c) the review of the CTA in its entirety (taking into consideration the terms of the Proposed CTA Amendments), which includes our assessment of the Proposed CTA Amendments, our observations of the existing principal terms of the CTA, our observations of the CTA relative to the CTA Comparable Agreements and/or Other Comparable CTA Agreements under KIT, and other factors which we consider to be relevant and to have a significant bearing on our assessment of the CTA; and

(d) the review of the OMSA in its entirety (taking into consideration the terms of the Proposed OMSA Amendments), which includes our assessment of the Proposed OMSA Amendments, our observations of the existing principal terms of the OMSA, our observations to the historical financial performance of KMC O&M, our observations of the OMSA relative to the Comparable OMSA Agreements under KIT, and other factors which we consider to be relevant and to have a significant bearing on our assessment of the OMSA.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transactions and the CTA (taking into account the terms of the Proposed CTA Amendments as set out in paragraph 3 of the Circular) and OMSA (taking into account the terms of the Proposed OMSA Amendments as set out in paragraph 4 of the Circular) are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Proposed KIT Subscription

In arriving at our opinion with respect to the Proposed KIT Subscription, we have reviewed and considered the factors we regard to be relevant to our assessment, which are based on, *inter alia*, representations by Directors and Management, and as discussed in the earlier sections of this IFA Letter as follows:

(a) the rationale for and benefits of the Proposed KIT Subscription;

(b) analysis of KIT's historical financial performance, NAV per KIT Unit and distribution per KIT Unit;

(c) evaluation of the Illustrative Issue Price against the historical KIT Unit price performance;

(d) historical P/NAV ratio of the KIT Units;

(e) the KIT Precedent Funding Exercises;

(f) valuation ratios of the Selected Business Trusts;

(g) Precedent Placements by business trusts and REITs; and

(h) other factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed KIT Subscription.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed KIT Subscription are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This letter is issued pursuant to Rule 921(4) of the Listing Manual as well as addressed to the Audit Committee and the Relevant Directors for their benefit and for the purposes of their consideration of the Proposed Transactions and the Proposed KIT Subscription. The recommendation made by the Audit Committee and the Relevant Directors in respect of the Proposed Transactions and the Proposed KIT Subscription shall remain the sole responsibility of the Audit Committee and the Relevant Directors.

Whilst a copy of this letter may be reproduced in Appendix C to the Circular and for any matter in relation to the Proposed Transactions and the Proposed KIT Subscription, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case except for the purposes of the EGM of the Company to be held on 19 April 2024 in relation to Proposed Transactions and the Proposed KIT Subscription. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Mark Liew
Chief Executive Officer and Executive Director

Pang Xu Xian
Associate Director, Corporate Finance

Notice of Extraordinary General Meeting

KEPPEL LTD.
UEN 196800351N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Keppel Ltd. (the "**Company**") will be convened and held on **Friday, 19 April 2024 at 5.00 p.m. (Singapore time) (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. (Singapore time) on the same day and at the same venue)** at **Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593** ("**EGM**"), for the purpose of considering and, if thought fit, passing the following resolutions. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Company's Circular to Shareholders dated 4 April 2024 in relation to the Proposed Transactions and the Proposed KIT Subscription (the "**Circular**").

ORDINARY RESOLUTION 1

THE PROPOSED TRANSACTIONS, INCLUDING:

(1) 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

(2) 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.

That:

(1) the Proposed Transactions (as defined in the Circular), including:

   (a) the amendment and extension of the capacity tolling agreement entered into between Keppel Merlimau Cogen Pte Ltd ("**KMC**"), Keppel Electric Pte Ltd ("**KE**"), and Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**") (as amended or modified from time to time) (the "**CTA**"), pursuant to the terms and conditions set out in the proposed supplemental agreement to be entered into between KMC, KE, and KIHPL (the "**CTA Supplemental Agreement**"), as described in the Circular, be approved and authorised; and

   (b) the amendment and extension of the Operations and Maintenance Services Agreement entered into between KMC, KMC O&M Pte. Ltd. ("**KMC O&M**") and KIHPL (the "**OMSA**"), pursuant to the terms and conditions set out in the proposed supplemental agreement to be entered into between KMC, KMC O&M, and KIHPL (the "**OMSA Supplemental Agreement**"), as described in the Circular, be approved and authorised;

(2) each of the CTA Supplemental Agreement, OMSA Supplemental Agreement, or any other document to be executed in connection with the foregoing or the Proposed Transactions, be approved, confirmed and ratified; and

(3) the Directors and/or any one of them be and are hereby authorised to do all acts and things and to execute all such documents as they, he or she may consider necessary or expedient to give effect to the transactions contemplated and/or authorised by this resolution.

ORDINARY RESOLUTION 2

THE PROPOSED SUBSCRIPTION OF NEW UNITS IN KEPPEL INFRASTRUCTURE TRUST BY KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD. PURSUANT TO THE KIT EQUITY FUND RAISING (AS DEFINED BELOW)

That:

(1) the acquisition by KIHPL of up to such number of new units ("**KIT Units**") in Keppel Infrastructure Trust ("**KIT**") pursuant to the proposed issue of new KIT Units by KIT (the "**KIT Equity Fund Raising**") by way of either (a) a private placement of new KIT Units to institutional and other investors (the "**KIT Placement**"); or (b) the KIT Placement and a non-renounceable preferential offering of new KIT Units to eligible unitholders of KIT on a *pro rata* basis, in each case, so as to maintain KIHPL's percentage unitholding in KIT (or as closely thereto, as may be determined by the Company or KIHPL), as described in the Circular, be approved and authorised (the "**Proposed KIT Subscription**");

(2) the Directors and/or any one of them be and are hereby authorised to do all acts and things and to execute all such documents as they, he or she may consider necessary or expedient to give effect to the Proposed KIT Subscription or to otherwise facilitate KIHPL's participation in the KIT Equity Fund Raising, including but not limited to determining the issue price (or if appropriate, price range) at which KIHPL may subscribe (or undertake to subscribe) for such new KIT Units, and the exact number of new KIT Units which KIHPL may subscribe (or undertake to subscribe), as described in the Circular; and

(3) the Directors and/or any one of them be and are hereby authorised to do all acts and things and to execute all such documents as they, he or she may consider necessary or expedient to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Karen Teo/Samantha Teong
Company Secretaries
4 April 2024

Notes:

(1) The EGM will be held, in a wholly physical format, at **Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593** on **Friday, 19 April 2024 at 5.00 p.m. (Singapore time) (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. (Singapore time) on the same day and at the same venue). There will be no option for Shareholders to participate virtually.** Printed copies of this Notice of EGM and the accompanying Proxy Form will be sent by post to members. These documents will also be published on the Company's website at **https://www.keppel.com/en/investors/agm-egm** and the SGXNet at **www.sgx.com**.

(2) (a) A member entitled to attend, speak and vote at a meeting of the Company, and who is not a Relevant Intermediary (as defined below), is entitled to appoint one or two proxies to attend, speak and vote instead of him/her/it. Where a member appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/passport number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed.

(c) "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 ("**Companies Act**").

(3) Arrangements relating to:

(a) attendance at the EGM by Shareholders, including investors who hold Shares of the Company through the Central Provident Fund ("**CPF**") or the Supplementary Retirement Scheme ("**SRS**", and such investors, "**CPFIS Members**" or "**SRS Investors**" respectively);

(b) submission of questions to the Chairman of the Meeting by Shareholders, including CPFIS Members or SRS Investors, in advance of, or at, the EGM, and addressing of substantial and relevant questions in advance of, or at, the EGM; and

(c) voting at the EGM by Shareholders, including CPFIS Members or SRS Investors, or (where applicable) their duly appointed proxy(ies),

are set out in the accompanying announcement dated 4 April 2024. This announcement may be accessed at the Company's website at **https://www.keppel.com/en/investors/agm-egm** and the SGXNet at **www.sgx.com**.

A member can appoint the Chairman as his/her/its proxy, but this is not mandatory.

(4) **Submission of Proxy Forms**: Shareholders who wish to appoint a proxy(ies) or the Chairman as proxy to attend, speak and vote at the EGM on their behalf must submit a Proxy Form for the appointment of such proxy(ies). A proxy need not be a member of the Company. The Proxy Form must be submitted to the Company in the following manner:

(a) by post to the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

(b) by email to keppel@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed Proxy Form in PDF),

in either case to be received no later than **5.00 p.m. (Singapore time) on Tuesday, 16 April 2024**, being 72 hours before the time appointed for the holding of the EGM.

A Shareholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Printed copies of the Proxy Form will be sent by post to Shareholders. Proxy Forms can also be downloaded from the Company's website at **https://www.keppel.com/en/investors/agm-egm** or the SGXNet at **www.sgx.com**.

In the case of Shareholders whose Shares in the Company are entered against their names in the Depository Register, the Company may reject any Proxy Form submitted if such Shareholders are not shown to have Shares in the Company entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001) as at 72 hours before the time appointed for holding the EGM, as certified by the CDP to the Company.

(5) **Voting by Investors (including CPFIS Members and SRS Investors):** The Proxy Form is **not** valid for use by investors holding Shares of the Company through Relevant Intermediaries ("**Investors**") (including CPFIS Members and SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

CPFIS Members or SRS Investors may appoint the Chairman as proxy to attend, speak and vote on his/her behalf at the EGM, in which case he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit their voting instructions by **5.00 p.m. (Singapore time) on 9 April 2024.**

Investors (other than a CPFIS Member or SRS Investor) who wish to vote at the EGM should approach their respective relevant intermediaries as soon as possible to specify their voting instructions or make the necessary arrangements to be appointed as proxy.

(6) **Submission of Questions:** All Shareholders (including CPFIS Members or SRS Investors) may submit questions relating to the business of the EGM in advance of the EGM or at the EGM itself.

Submission of Questions in Advance: All Shareholders (including CPFIS Members or SRS Investors) can submit questions relating to the business of the EGM up till **5.00 p.m. (Singapore time) on Thursday, 11 April 2024** ("**Q&A Submission Deadline**") in the following manner:

(a) by email to investor.relations@keppel.com; or

(b) by post addressed to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 HarbourFront Avenue, Keppel Bay Tower #14-07, Singapore 098632.

When sending in questions, the following details should be provided for verification purposes: the Shareholder's full name, address, telephone number and email address, and the manner in which such Shareholder holds Shares in the Company (e.g. if you hold Shares of the Company directly, please provide your CDP account number; otherwise, please state if you hold Shares of the Company through CPF or SRS).

Addressing Questions: The Company will endeavour to address all substantial and relevant questions relating to the business of the EGM received from Shareholders (i) prior to the Q&A Submission Deadline, through publication on the SGXNet at **www.sgx.com** and the Company's corporate website at **https://www.keppel.com/en/investors/agm-egm** by **5.00 p.m. (Singapore time) on 14 April 2024**, and (ii) after the Q&A Submission Deadline or at the EGM, during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

(7) The Circular, Proxy Form and this Notice of EGM and information relating to the business of this EGM have been, or will be, published on SGXNet at **www.sgx.com** and/or the Company's website at **https://www.keppel.com/en/investors/agm-egm**. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

(8) Any reference to a time of day is made by reference to Singapore time.

(9) **Personal Data Privacy:** By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) represents and warrants that he/she/it has obtained the prior consent of the individuals appointed as proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

Proxy Form

Keppel Ltd.
UEN 196800351N
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. **This EGM (as defined below) will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 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). There will be no option for Shareholders to participate virtually.** Printed copies of the Notice of EGM and this Proxy Form will be sent by post to shareholders ("**Shareholders**") of the Company (as defined below). These documents will also be published on the Company's website at **https://www.keppel.com/en/investors/agm-egm** and the SGXNet at **www.sgx.com**.
2. Arrangements relating to attendance at the EGM by Shareholders, including investors who hold shares of the Company ("**Shares**") through the Central Provident Fund ("**CPF**") or the Supplementary Retirement Scheme ("**SRS**" and such investors, "**CPF/SRS Investors**"), submission of questions to the Chairman of the Meeting by Shareholders, including CPF/SRS Investors, in advance of, or at, the EGM, and addressing of substantial and relevant questions in advance of, or at, the EGM, and voting at the EGM by Shareholders, including CPF/SRS Investors, or (where applicable) their duly appointed proxy(ies), are set out in the accompanying announcement dated 4 April 2024. This announcement may be accessed at the Company's website at **https://www.keppel.com/en/investors/agm-egm** and the SGXNet at **www.sgx.com**.
3. This Proxy Form is not valid for use by investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS Investor) who wishes to vote should refer to the instructions set out in the Notice of EGM and the announcement by the Company dated 4 April 2024.
4. **Personal Data Privacy:** By submitting this proxy form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxies to vote on his/her/its behalf at the EGM.**

EXTRAORDINARY GENERAL MEETING

I/We ______________________________ (Name(s)) ____________________ (NRIC/Passport Number/Co Reg Number)
of ____ (Address)
being a member or members of KEPPEL LTD. (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (Ordinary Shares)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Ordinary Shares)	
			No. of Shares	%

or failing him/her, or if no persons are named above, the Chairman of the Extraordinary General Meeting ("**Chairman**") as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") 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)** at **Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the meeting as indicated hereunder. **If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion on any matter arising at the meeting and at any adjournment thereof.**

Ordinary Resolutions	For*	Against*	Abstain*
Ordinary Resolution 1: To approve the Proposed Transactions (as defined in the Company's Circular to Shareholders dated 4 April 2024), including: (i) the proposed amendment and extension of the capacity tolling agreement between Keppel Merlimau Cogen Pte Ltd ("**KMC**"), Keppel Electric Pte Ltd, and Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**"); and (ii) the proposed amendment and extension of the operations and maintenance services agreement between KMC, KMC O&M Pte. Ltd., and KIHPL			
Ordinary Resolution 2: To approve the proposed subscription of new units in KIT by KIHPL pursuant to the KIT Equity Fund Raising, as described in the Company's Circular to Shareholders dated 4 April 2024			

* You may tick (√) within the relevant box to vote for or against, or abstain from voting, in respect of all of your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box.

Dated this ______ day of ____________________ 2024

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)

Important: Please read the notes overleaf before completing this Proxy Form.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Notes:

1. A member of the Company should insert the total number of Shares held in the proxy form. If a member only has Shares entered against his/her/its name in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001), he/she/it should insert that number of Shares. If he/she/it only has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. However, if he/she/it has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by the member (in both the Register of Members and the Depository Register).

2. (a) A member entitled to attend, speak and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend, speak and vote instead of him/her/it. Where a member appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/passport number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank or SRS Operator who intends to appoint CPF/SRS Investors as its proxies shall comply with this Note.

   (c) "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 ("**Companies Act**").

3. Completion and return of the proxy form shall not preclude a member from attending and voting in person at the meeting. Any appointment of a proxy or proxies will be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form, to the meeting.

fold along this line (1)

Affix
Postage
Stamp

Keppel Ltd.
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
Keppel Bay Tower #14-07
Singapore 098632

fold along this line (2)

4. The proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-07 Singapore 098632; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed proxy form in PDF),

   in either case to be received no later than **5.00 p.m. on Tuesday, 16 April 2024**, being 72 hours before the time appointed for the holding of the meeting.

   A Shareholder who wishes to submit the proxy form must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The proxy form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised in writing. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

6. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.

7. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the meeting as certified by The Central Depository (Pte) Limited to the Company.

8. Any reference to a time of day is made by reference to Singapore time.

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