

CIRCULAR DATED 8 OCTOBER 2019

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred your units in Keppel Infrastructure Trust (“KIT”), you should immediately forward this Circular (as defined herein), together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained and opinions expressed in this Circular.

Keppel Infrastructure Trust

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

Managed by:

KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.

(Company Registration No. 200803959H)
(as Trustee-Manager of Keppel Infrastructure Trust)

Independent Financial Adviser to the Independent Directors of the Trustee-Manager



PROVENANCE CAPITAL PTE. LTD.

(Company Registration No. 200309056E)

CIRCULAR TO UNITHOLDERS IN RELATION TO:

**THE PROPOSED DISPOSAL OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF
DATACENTRE ONE PTE. LTD.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	21 October 2019 at 10.30 a.m.
Date and time of Extraordinary General Meeting	23 October 2019 at 10.30 a.m.
Place of Extraordinary General Meeting	Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4 Sands Expo and Convention Centre 10 Bayfront Avenue, Singapore 018956

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IMPORTANT NOTICE

General. The value of units in KIT (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of KIT is not necessarily indicative of the future performance of KIT.

Circular not an Offering Document. This Circular is issued to Unitholders solely for the purpose of convening the extraordinary general meeting (“EGM”) and seeking the approval of Unitholders for the resolution to be proposed at the EGM. This Circular does not constitute an offering document for the offer of any securities and no offer of any securities is being made in this Circular.

Forward-looking Statements. This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of known and unknown risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar infrastructure assets, shifts in expected levels of availability, changes in operating expenses, and governmental and public policy changes. Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager’s current view of future events.

Disclaimers. Nothing in this Circular constitutes, or shall be construed as legal, business, financial or tax advice. Unitholders should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if they are in any doubt as to the action they should take.

Certain Restrictions. The distribution of this Circular in certain jurisdictions may be restricted by law. KIT and the Trustee-Manager require persons whose possession this Circular comes into to inform themselves about and to observe any such restrictions at their own expense and without liability to KIT and the Trustee-Manager. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein in breach of any applicable laws and regulations nor permit or cause the same to occur.

CORPORATE INFORMATION

Directors of Keppel Infrastructure Fund Management Pte. Ltd. as Trustee-Manager of KIT	:	Mr Koh Ban Heng (<i>Independent Director and Chairman of the Board</i>) Mr Thio Shen Yi (<i>Independent Director</i>) Mr Mark Andrew Yeo Kah Chong (<i>Independent Director</i>) Mr Daniel Cuthbert Ee Hock Huat (<i>Independent Director</i>) Mr Kunnasagaran Chinniah (<i>Independent Director</i>) Ms Christina Tan Hua Mui (<i>Non-Executive and Non-Independent Director</i>) Ms Cindy Lim Joo Ling (<i>Non-Executive and Non-Independent Director</i>)
Registered Office of the Trustee-Manager	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Legal Adviser to the Trustee-Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Independent Financial Adviser	:	Provenance Capital Pte. Ltd. 96 Robinson Road #13-01 SIF Building Singapore 068899
Proxy Agent, Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Trustee-Manager's discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced by the Trustee-Manager.

Event	Date and Time
Last date and time for lodgement of Proxy Form	: 21 October 2019 at 10.30 a.m.
Date and time of EGM	: 23 October 2019 at 10.30 a.m.
If approval for the KIT Disposal (as defined herein) is obtained at the EGM	
Completion of the Transaction (as defined herein)	: To be determined and announced in due course

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise:

“2018 Valuation Report”	:	A valuation report of the Property by the Independent Valuer dated 31 December 2018
“Adjusted Net Asset Value”	:	Total assets less total liabilities of DataCentre One adjusted on the basis that the value of the Property is fixed at the Agreed Property Value and taking into account the following adjustments, <ul style="list-style-type: none">(a) the net book value of the Property will be adjusted to the Agreed Property Value;(b) 50.0% of the net deferred tax liability shall be excluded from the computation of the Adjusted Net Asset Value;(c) provision for demolition and restatement costs shall be excluded from the computation of the Adjusted Net Asset Value;(d) receivables relating to rental straight-lining adjustments shall be excluded for purposes of the computation of the Adjusted Net Asset Value; and(e) capitalised upfront fees and capitalised debt financing costs shall be excluded from the computation of the Adjusted Net Asset Value
“Agreed Property Value”	:	S\$200.2 million, being the agreed value to be attributed to the Property (together with the Plant and Equipment), for the purposes of computing the Adjusted Net Asset Value
“Announcement”	:	The announcement dated 16 September 2019 made by the Trustee-Manager in relation to the KIT Disposal
“Audit and Risk Committee”	:	The audit and risk committee of the Trustee-Manager (comprising Mr Mark Andrew Yeo Kah Chong, Mr Koh Ban Heng and Mr Daniel Cuthbert Ee Hock Huat)
“BTA”	:	The Business Trusts Act, Chapter 31A of Singapore, (including all subsidiary legislation made thereunder) as modified, supplemented or amended from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CIS Code”	:	The Code on Collective Investment Schemes issued by the MAS

“Circular”	:	This circular to Unitholders dated 8 October 2019 in relation to the KIT Disposal
“Completion”	:	Completion of the Transaction
“Completion Date”	:	The day on which Completion takes place
“Conditions Precedent Long Stop Date”	:	21 November 2019
“Controlling Unitholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Units (unless the SGX-ST has determined such person not to be a Controlling Unitholder); or (b) in fact exercises control over KIT
“DataCentre One”	:	DataCentre One Pte. Ltd., a company incorporated in the Republic of Singapore
“Desktop Valuation Report”	:	A desktop valuation report of the Property by the Independent Valuer dated 4 September 2019
“Directors”	:	The directors of the Trustee-Manager, as at the date of this Circular
“EGM”	:	The extraordinary general meeting of KIT to be held at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, on 23 October 2019 at 10.30 a.m., notice of which is given in the Notice of EGM set out on pages D-1 and D-2 of this Circular (or any adjournment thereof)
“GST”	:	The Tax imposed on supplies under the Goods and Services Tax Act, Chapter 117A of Singapore, and any regulations or rulings made thereunder
“IFA”	:	Provenance Capital Pte. Ltd.
“Independent Directors”	:	Directors who are considered independent of the KIT Disposal
“Independent Valuer”	:	Savills Valuation And Professional Services (S) Pte. Ltd., a company incorporated in the Republic of Singapore
“JTC”	:	JTC Corporation, a body incorporated in the Republic of Singapore under the Jurong Town Corporation Act, Chapter 150 of Singapore

“KCHPL”	:	Keppel Capital Holdings Pte. Ltd., a company incorporated in the Republic of Singapore
“KCL”	:	Keppel Corporation Limited, a company incorporated in the Republic of Singapore
“KDCRM”	:	Keppel DC REIT Management Pte. Ltd., a company incorporated in the Republic of Singapore, acting in its personal capacity
“Keppel DC REIT”	:	Keppel DC REIT, a real estate investment trust constituted in the Republic of Singapore
“Keppel T&T”	:	Keppel Telecommunications & Transportations Ltd, a company incorporated in the Republic of Singapore
“KIFM”	:	Keppel Infrastructure Fund Management Pte. Ltd., a company incorporated in the Republic of Singapore, acting in its personal capacity
“KIHPL”	:	Keppel Infrastructure Holdings Pte. Ltd., a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of KCL
“KIT”	:	Keppel Infrastructure Trust, a business trust constituted in the Republic of Singapore and registered with MAS
“KIT Disposal”	:	The proposed disposal of 51% of the issued and paid-up share capital of DataCentre One by the KIT Seller to the Purchaser
“KIT Group”	:	KIT and its subsidiaries
“KIT Seller”	:	CityDC Pte. Ltd., a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of KIT
“Latest Practicable Date”	:	25 September 2019, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as modified, supplemented or amended from time to time
“MAS”	:	The Monetary Authority of Singapore
“Material Damage”	:	The damage to or destruction of the Property and/or the Plant and Equipment or any part thereof such that (1) the Property is rendered unsafe or cannot be lawfully used, in each case for its current use, or (2) such damage causes or results in a reduction of the Agreed Property Value of the Property by 7.5% or more solely by reason of such damage as determined by a valuer to be jointly appointed by the Sellers and the Purchaser

“Notice of EGM”	:	The notice of EGM which is set out on pages D-1 and D-2 of this Circular
“NTA”	:	Net tangible assets, calculated as total assets of the KIT Group less the total liabilities of the KIT Group, in each case excluding intangible assets and goodwill, before minority interest
“Ordinary Resolution”	:	The Ordinary Resolution in relation to the KIT Disposal
“Plant and Equipment”	:	The plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the Property (excluding those owned by the tenant and/or other occupier(s) at the Property)
“Property”	:	The data centre located at 18 Riverside Road, Singapore 739088
“Purchaser”	:	Perpetual (Asia) Limited, a company incorporated in the Republic of Singapore, acting in its capacity as trustee of Keppel DC REIT
“Property Funds Appendix”	:	Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts
“Register”	:	The register of Unitholders kept in accordance with the Trust Deed
“Temasek”	:	Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore
“Transaction”	:	The proposed disposal of 100% of the issued and paid-up share capital of DataCentre One by the Sellers to the Purchaser
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Sellers”	:	The KIT Seller and WDC
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholding Proportion”	:	In respect of each of the KIT Seller and WDC, means the shareholding proportion specified in Section 3.1 (<i>Overview</i>)
“Shares”	:	Ordinary shares in the capital of DataCentre One
“SSA”	:	The share sale agreement dated 16 September 2019 entered into between the Sellers and the Purchaser

“Substantial Unitholder”	:	A person who has an interest or interests in Units representing not less than 5% of the total voting rights of all the Unitholders
“Tax”	:	Taxes on income, profits and gains, and all other taxes, levies, duties, imposts, charges and withholdings in the nature of taxation, including any business profits, excise, customs, import, property, capital, value added, goods and services, sales, transfer, documentary, registration, stamp, real estate transfer, franchise and payroll, fringe benefits, approved issuer levy, accident compensation levies and any national insurance, superannuation or social security contributions, together with all penalties, charges and interest in connection with any of the foregoing including any late or incorrect return in respect of any of them
“Trust Deed”	:	The trust deed dated 5 January 2007 constituting KIT, as amended and restated by an Amendment and Restatement Deed dated 18 May 2015, and further amended and restated by a first supplemental deed dated 17 April 2018
“Trustee-Manager”	:	Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT
“Unit”	:	An undivided interest in KIT, as provided for in the Trust Deed
“Unitholders”	:	Persons who are registered as holders of Units in the Register including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholders” shall, in relation to such Units, mean the persons named as depositors in the Depository Register and whose Securities Account are credited with Units
“WDC”	:	WDC Development Pte. Ltd., a company incorporated in Singapore and a wholly owned subsidiary of Shimizu Corporation, a company incorporated in Japan

Currencies and Units of Measurement

“SGD” or “S\$”	:	Singapore dollars, being the lawful currency of Singapore
“%”	:	Per centum or percentage

All references to (1) the **“Trustee-Manager”** are to it acting in its capacity as trustee-manager of KIT (2) **“KIT”** are to it acting through the Trustee-Manager and (3) **“KIFM”** are to it acting in its personal capacity.

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the BTA or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the BTA or the Listing Manual or such modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

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

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO UNITHOLDERS

KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to
a trust deed dated 5 January 2007 (as amended))

Board of Directors:

Mr Koh Ban Heng (*Independent Director and
Chairman of the Board*)
Mr Thio Shen Yi (*Independent Director*)
Mr Mark Andrew Yeo Kah Chong (*Independent Director*)
Mr Daniel Cuthbert Ee Hock Huat (*Independent Director*)
Mr Kunnasagaran Chinniah (*Independent Director*)
Ms Christina Tan Hua Mui (*Non-Executive and
Non-Independent Director*)
Ms Cindy Lim Joo Ling (*Non-Executive and
Non-Independent Director*)

Registered Office:

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

8 October 2019

To: The Unitholders of Keppel Infrastructure Trust

Dear Sir/Madam,

THE PROPOSED DISPOSAL OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DATACENTRE ONE PTE. LTD. (“DATACENTRE ONE”)

1. INTRODUCTION

1.1 The Transaction

On 16 September 2019, Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the “**Trustee-Manager**”), announced that CityDC Pte. Ltd., a wholly-owned subsidiary of KIT (the “**KIT Seller**”) and WDC Development Pte. Ltd. (“**WDC**”, together with the KIT Seller, the “**Sellers**”) have entered into a conditional share sale agreement (the “**SSA**”) with Perpetual (Asia) Limited, acting in its capacity as trustee of Keppel DC REIT (the “**Purchaser**”), whereby the Purchaser has agreed to purchase, and the Sellers have agreed to sell, all 1,000,000 ordinary shares in the capital of DataCentre One (the “**Shares**”) (the “**Transaction**”). Under the SSA, the KIT Seller has agreed to sell 510,000 Shares (representing 51% of the issued and paid-up share capital of DataCentre One) to the Purchaser (the “**KIT Disposal**”) and WDC has agreed to sell 490,000 Shares (representing 49% of the issued and paid-up share capital of DataCentre One) to the Purchaser.

The consideration for the Transaction (the “**Purchase Consideration**”) is payable in cash and is based primarily on the Adjusted Net Asset Value (as defined below) as at the date of completion of the Transaction (the “**Completion Date**”). The Purchase Consideration is estimated to be S\$201.8 million, subject to the adjustment as described in Section 3.3 (*Purchase Consideration for the Transaction*) of the Circular at completion of the Transaction (“**Completion**”). The consideration shall be apportioned between the Sellers in their respective Shareholding Proportion (as defined below). Please refer to Section 3.3 (*Purchase Consideration for the Transaction*) and Section 3.4 (*Method of Payment of Purchase Consideration*) for more details on the payments to be made by the Purchaser to the Sellers.

The completion of the Transaction is conditional upon, *inter alia*, the approval of the unitholders of KIT (“**Unitholders**”), as noted further in Section 1.2 (*Interested Person Transaction*) and Section 7 (*KIT Disposal as an Interested Person Transaction*) below.

1.2 Interested Person Transaction

The KIT Seller, a wholly-owned subsidiary of KIT, is an entity at risk under the Listing Manual.

As at 25 September 2019, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), Keppel Corporation Limited (“**KCL**”), through its wholly-owned subsidiary Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”), holds an aggregate interest in 909,048,658 Units, which is equivalent to approximately 18.20% of the total number of Units in issue, and is therefore regarded as an indirect Controlling Unitholder of KIT. Accordingly, each of KIHPL and KCL is regarded as an interested person under the Listing Manual.

As at the Latest Practicable Date, Temasek Holdings (Private) Limited (“**Temasek**”) has a more than 20% interest in KCL. Further as at the Latest Practicable Date, Temasek, through KCL and through its other subsidiaries and associated companies, is deemed interested in an aggregate of 1,593,202,726 Units, which is equivalent to 31.89% of the total number of Units in issue, and is therefore also regarded as an indirect Controlling Unitholder of KIT. Accordingly, Temasek is regarded as an interested person under the Listing Manual.

In addition, as at the Latest Practicable Date, the Trustee-Manager is wholly owned by Keppel Capital Holdings Pte. Ltd. (“**KCHPL**”) which in turn is a wholly-owned subsidiary of KCL. Temasek, through KCL, is also deemed interested in all the shares in the capital of the Trustee-Manager. Each of KCHPL, KCL and Temasek is therefore also regarded as a controlling shareholder of the Trustee-Manager and accordingly, an interested person under the Listing Manual.

Concomitantly, as at the Latest Practicable Date, KCL through Keppel Telecommunications & Transportation Ltd (“**Keppel T&T**”) and KCHPL holds an aggregate interest in 340,976,639 units in Keppel DC REIT, which is equivalent to approximately 22.93% of the total number of units in Keppel DC REIT in issue. As at the Latest Practicable Date, Temasek, through KCL and its other subsidiaries and associated companies, also holds an aggregate interest in 349,833,399 units in Keppel DC REIT, which is equivalent to approximately 23.52% of the total number of units in Keppel DC REIT in issue. Each of KCL and Temasek is therefore regarded as a controlling unitholder of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix.

In addition, as at the Latest Practicable Date, Keppel DC REIT Management Pte. Ltd. (“**KDCRM**”), the manager of Keppel DC REIT, is owned by Keppel T&T through Keppel Data Centres Pte. Ltd. and by KCHPL in equal proportions, each of which is in turn a subsidiary of KCL. Temasek, through KCL, is also deemed interested in the shares in the capital of KDCRM. Each of Temasek and KCL is therefore similarly regarded as a controlling shareholder of KDCRM under both the Listing Manual and the Property Funds Appendix. Accordingly, KDCRM, as an associate of each of KCL and Temasek, is an interested person under the Listing Manual.

Accordingly, in the interest of good corporate governance and due to the KIT Disposal's materiality pursuant to Rule 906(1)(a) of the Listing Manual, KIT will be obtaining Unitholders' approval for the KIT Disposal with each of Temasek, KCL and KIHPL and their respective associates (as defined in the Listing Manual) ("**Interested Persons**") abstaining.¹ Further details are also set out in Section 7 (*KIT Disposal as an Interested Person Transaction*) below.

2. INFORMATION ON KIT

KIT is a business trust listed on the SGX-ST with the principal objective of investing in businesses and assets that provide Unitholders with long-term, regular and predictable distributions and the potential for long-term capital growth. KIT's strategy is to invest in businesses and assets in the infrastructure sector or businesses and assets that provide infrastructure-like characteristics.

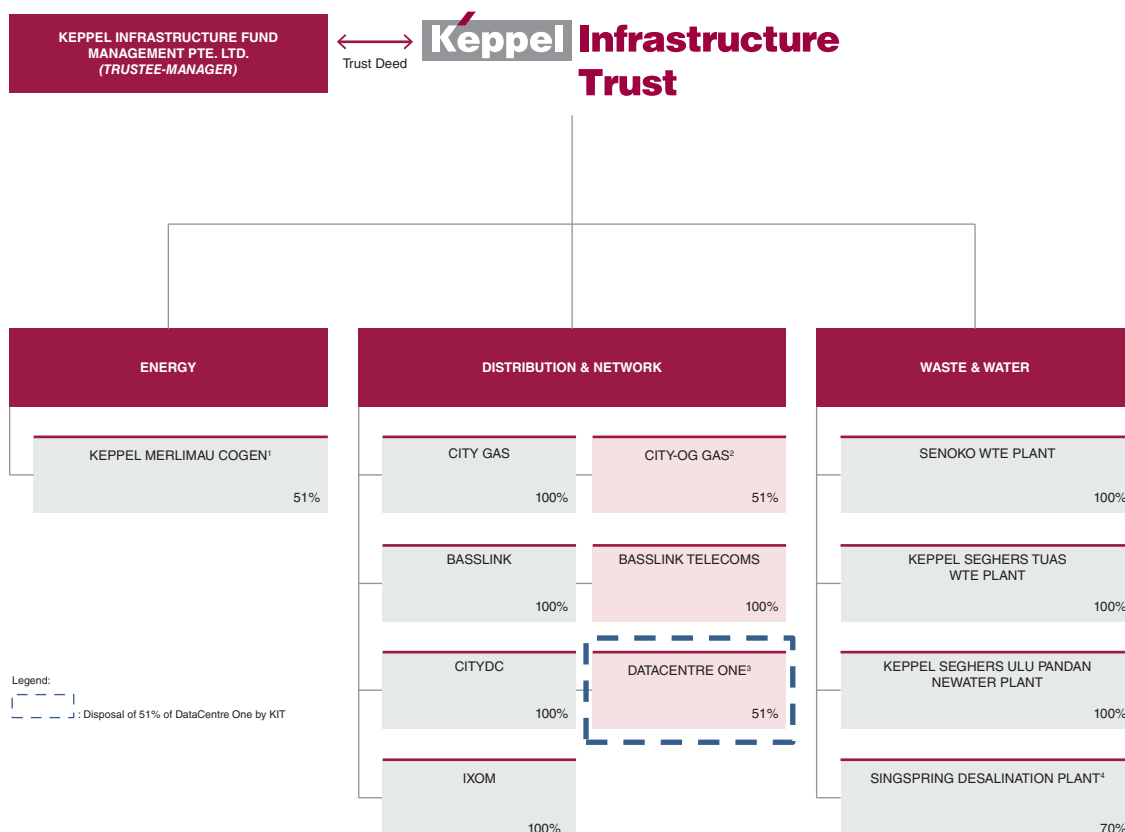
As at the Latest Practicable Date, KIT's portfolio comprises nine assets and businesses in the three core segments of (i) Distribution & Network, (ii) Energy and (iii) Waste & Water. These include the Ixom Group ("**IXOM**"), City Gas, the Basslink Interconnector ("**Basslink**"), DataCentre One, the Keppel Merlimau Cogen Plant ("**Keppel Merlimau Cogen**"), the Senoko Waste-to-Energy Plant ("**Senoko WTE Plant**"), the Keppel Seghers Tuas Waste-to-Energy Plant ("**Keppel Seghers Tuas WTE Plant**"), the Keppel Seghers Ulu Pandan NEWater Plant and the SingSpring Desalination Plant. An overview of KIT's existing portfolio is set out below:

	Businesses	Description	Customer and Contract Terms	Primary Source of Cash Flows
Distribution & Network	IXOM Australia	Industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals	Over 8,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms.
	City Gas Singapore	Sole producer and retailer of piped town gas	Over 840,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer
	Basslink Australia	Basslink subsea interconnector that transmits electricity and telecoms between Victoria and Tasmania in Australia	Service agreement with Hydro Tasmania (owned by Tasmania state government) until 2031, with option for 15-year extension	Fixed payments for availability of Basslink subsea cable for power transmission
	DataCentre One Singapore	Data centre	Lease agreement with 1-Net (100% subsidiary of MediaCorp) until 2036, with option for another approximate 8-year extension	Contractual lease revenue
Energy	Keppel Merlimau Cogen Singapore	1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030 with option for 10-year extension (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets
Water & Waste	Senoko WTE Plant Singapore	Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2024	Fixed payments for availability of incineration capacity
	Keppel Seghers Tuas WTE Plant Singapore	Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2034	Fixed payments for availability of incineration capacity
	Keppel Seghers Ulu Pandan NEWater Plant Singapore	One of Singapore's largest NEWater plants, capable of producing 148,000m ³ /day ⁽¹⁾	PUB, Singapore government agency – concession until 2027	Fixed payments for the provision of NEWater production capacity
	SingSpring Desalination Plant Singapore	Singapore's first large-scale seawater desalination plant, capable of producing 136,380m ³ /day of portable water	PUB, Singapore government agency – concession until 2025 (land lease till 2033)	Fixed payments for availability of output capacity

1. Ulu Pandan has an overall capacity of 162,800m³ of which, 14,800m³ is undertaken by Keppel Seghers Engineering Singapore

The diagram below shows the assets which KIT currently owns and will own following the KIT Disposal:

¹ Although the KIT Disposal will not constitute an interested person transaction under the Listing Manual as the Purchaser is not an interested person under the Listing Manual, as KDCRM (which, being the manager of Keppel DC REIT, is strictly speaking not party to the SSA) is an interested person under the Listing Manual, KIT will be obtaining Unitholders' approval for the KIT Disposal in the interest of good corporate governance.



Notes:

1. Keppel Energy Pte. Ltd. holds the remaining 49% equity interest in Keppel Merlimau Cogen.
2. Osaka Gas Singapore Pte. Ltd. holds the remaining 49% equity interest in City-OG Gas Energy Services Pte. Ltd.
3. WDC holds the remaining 49% equity interest in DataCentre One.
4. Hyflux Ltd holds the remaining 30% equity interest in SingSpring Trust.

3. THE TRANSACTION

3.1 Overview

DataCentre One was formed as a joint venture company on 5 June 2014 by the KIT Seller and WDC, a wholly-owned subsidiary of Shimizu Corporation which is listed on, amongst others, the Tokyo Stock Exchange. DataCentre One is owned by the KIT Seller and WDC in the proportion of 51% and 49% respectively (the “**Shareholding Proportion**”). Accordingly, DataCentre One is a 51%-owned subsidiary owned by the KIT Seller and KIT.

DataCentre One owns the data centre building which is located at 18 Riverside Road, Singapore 739088 (“**Property**”) and is a purpose-built five-storey data facility featuring approximately 213,815 square feet of floor area across four floors of data centre halls and one floor of office and ancillary space. The building received its temporary occupation permit on 7 April 2016 and has a leasehold of 70 years and five months commencing from 1 March 1974.

A lease agreement to lease the Property was also entered into between DataCentre One and 1-Net Singapore Pte. Ltd. (the “**Tenant**”), a wholly-owned subsidiary of MediaCorp Pte Ltd, on 12 April 2016 (the “**Lease Agreement**”). The Tenant is also a data centre operator based in Singapore. The lease is for a period of 20 years commencing from 12 April 2016, with an option by the Tenant to extend the lease from 12 April 2036 to 31 October 2043. Accordingly, the lease has approximately 17 years remaining and the Tenant has an option to renew the lease for another 7.6 years at a rental amount to be mutually agreed between DataCentre One and the Tenant. In the event that DataCentre One and the Tenant are unable to agree on such rental amount, the lease may be renewed at the existing rental amount payable prior to the exercise of the option. The rental payable is approximately S\$17.0 million to S\$21.0 million yearly, with the rental payable monthly. Under the Lease Agreement, the Tenant has to pay certain fees which includes rent for the five-storey data centre and all mechanical and electrical equipment installed by DataCentre One.

The funds from operations (“**FFO**”)² attributable to DataCentre One for each of the financial years ended 31 December 2016, 2017 and 2018, based on the KIT Seller’s 51% shareholding in DataCentre One, is S\$2.9 million, S\$6.0 million and S\$7.4 million respectively, which comprises 1.6%, 3.4% and 4.6% of the KIT Group’s FFO for such periods respectively. For the six months ended 30 June 2019, the FFO attributable to DataCentre One, based on the KIT Seller’s 51% of DataCentre One, is S\$3.8 million, which comprises 3.3% of the KIT Group’s FFO for such period.

In June 2019, the Sellers appointed an independent agent, Cushman & Wakefield to launch a tender process, on a non-exclusive basis, for the purposes of the sale of DataCentre One. The bids received were evaluated holistically based on multiple criteria, and the Purchaser was selected as the preferred bidder by the Sellers.

The terms of the SSA were also negotiated on arm’s length basis with full participation of the Sellers and the Purchaser. WDC is unrelated to the KIT Seller and the Purchaser and participated fully in the negotiations of the terms of the SSA.

Under the SSA, the Sellers have agreed to sell and the Purchaser has agreed to purchase the Shares, free from any charge, mortgage, lien, option, equity, pledge, power of sale, hypothecation, restriction, security interest, title retention, right of pre-emption, right of first refusal, other third party right or any agreement, arrangement or obligation to create any of the above (the “**Encumbrances**”).

Further, pursuant to the SSA, the Purchaser may nominate an entity which is wholly-owned by Keppel DC REIT to acquire some of the Shares from the KIT Seller, with the Purchaser acquiring the balance of the Shares.

At Completion, the Sellers shall assign and transfer the rights, title and interest in their respective loans advanced by themselves (as creditor) to DataCentre One (as debtor) (the “**Shareholder Loans**”) free from all Encumbrances, and the Purchaser shall accept the assignment and transfer of the rights, title and interest in the Shareholder Loans, in accordance with a deed of assignment to be entered into between each Seller and the Purchaser.

KIT will make an announcement on the gain on disposal upon completion of the KIT Disposal.

² FFO means funds from operations, calculated as profit after tax adjusted for reduction in concession or lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments.

3.2 Valuation of the Property

Based on a desktop valuation report of the Property dated 4 September 2019 (the “**Desktop Valuation Report**”) conducted by an independent valuer, Savills Valuation And Professional Services (S) Pte. Ltd. (the “**Independent Valuer**”), the market value of the un-expired leasehold interest³ in the Property, subject to the existing lease arrangement, was S\$190.0 million as at 4 September 2019. The desktop valuation is premised on the information as contained in the full valuation report of the Property dated 31 December 2018 by the Independent Valuer (the “**2018 Valuation Report**”) commissioned by DataCentre One for corporate reporting purpose. Based on the 2018 Valuation Report, the market value of the un-expired leasehold interest³ in the Property, subject to the existing lease arrangement, was S\$187.0 million as at 31 December 2018.

The Desktop Valuation Report was commissioned by the Trustee-Manager. A copy of each of the Desktop Valuation Report and the 2018 Valuation Report is set out in Appendix B and Appendix C to this Circular respectively.

3.3 Purchase Consideration for the Transaction

The Purchase Consideration is payable in cash and is based primarily on the Adjusted Net Asset Value of DataCentre One as at Completion Date. The estimated Purchase Consideration payable on the Completion Date is S\$201.8 million, subject to the adjustment from the estimated Adjusted Net Asset Value as at 31 October 2019 to the actual Adjusted Net Asset Value as at Completion Date (the “**Completion Adjustment**”). The estimated Purchase Consideration is calculated based on the *pro forma* statement of the estimated Adjusted Net Asset Value. Such amount is based on the projected values of the Adjusted Net Asset Value as at 31 October 2019, pursuant to the SSA, and is subject to the Completion Adjustment.

The projected values of the Adjusted Net Asset Value as at 31 October 2019 is based on the continued business operations of DataCentre One under the Lease Agreement, current accounting policies and certain adjustments provided for in the SSA⁴ and taking into account certain assumptions, including the termination value of interest rate swaps entered into between DataCentre One and its external lenders.

The Purchase Consideration shall be apportioned between the KIT Seller and WDC in their respective Shareholding Proportion. Accordingly, the estimated aggregate amount of the Purchase Consideration attributable to each of the KIT Seller and WDC is S\$102.9 million and S\$98.9 million respectively, subject to the Completion Adjustment. Such estimated Purchase Consideration is derived from:

- (i) S\$200.2 million, being the agreed value of the Property; less

³ The Property has a leasehold of 70 years and five months commencing from 1 March 1974. The un-expired leasehold interest refers to un-expired term of such leasehold interest as provided in the Desktop Valuation Report or 2018 Valuation Report, as the case may be.

⁴ Such adjustments are,

- (a) the net book value of the Property will be adjusted to the Agreed Property Value;
- (b) 50.0% of the net deferred tax liability shall be excluded from the computation of the Adjusted Net Asset Value;
- (c) provision for demolition and restatement costs shall be excluded from the computation of the Adjusted Net Asset Value;
- (d) receivables relating to rental straight-lining adjustments shall be excluded for purposes of the computation of the Adjusted Net Asset Value; and
- (e) capitalised upfront fees and capitalised debt financing costs shall be excluded from the computation of the Adjusted Net Asset Value.

- (ii) S\$32.2 million, being the adjustments for DataCentre One's adjusted net liabilities (excluding the carrying value of the Property) as at the Completion Date; plus
- (iii) the Shareholder Loans of S\$33.8 million owed by DataCentre One to the Sellers.

The Purchase Consideration is payable on the Completion Date and is subject to the Completion Adjustment.

3.4 Method of Payment of Purchase Consideration

The Purchaser has paid the Sellers a sum of S\$1,000,000 as deposit (the "**Deposit**") in full, which was apportioned between the Sellers in their respective Shareholding Proportion. Accordingly, the KIT Seller and WDC each received S\$510,000 and S\$490,000 of the Deposit respectively.

On Completion, the Purchaser shall pay the Purchase Consideration (less the Deposit) to the Sellers or as directed by the Sellers. Part of the Purchase Consideration will be applied towards repayment of the Shareholder Loans, repayment of DataCentre One's external loans and termination of interest rate swaps entered into between DataCentre One and its external lenders. Accordingly, the estimated net proceeds to be received by the KIT Seller (excluding the repayment of the portion of the Shareholder Loans owed to it) is S\$51.3 million, subject to the Completion Adjustment.

In the event that the Purchaser does not fulfill, among others, its obligations to pay the Purchase Consideration and the SSA is terminated by the Sellers, the Sellers are entitled to retain the entire Deposit.

3.5 Completion and Conditions Precedent

Completion is conditional on the following conditions being satisfied on or before 21 November 2019 (the "**Conditions Precedent Long Stop Date**"):

- (i) the approval of the Unitholders for the KIT Disposal;
- (ii) the approval by the unitholders of Keppel DC REIT at a general meeting of Keppel DC REIT in relation to the acquisition of the Shares; and
- (iii) the consent of JTC Corporation ("**JTC**") for the sale and transfer of the Shares by the Sellers to the Purchaser (the "**JTC Consent**") being obtained, if required, on terms which are not materially adverse to either the Sellers or the Purchaser, and there being no revocation of or amendment (which is materially adverse to either the Seller or the Purchaser) to the JTC Consent,

(together, the "**Conditions Precedent**").

If any of the Conditions Precedent is not satisfied by the Conditions Precedent Long Stop Date, the Purchaser or the Sellers may, in its or their sole discretion, terminate the SSA. As at the Latest Practicable Date, the above Conditions Precedent have not been satisfied.

The Sellers and Purchaser also agree that any sale levy, consent fee or other similar charge imposed on the Sellers or DataCentre One as a term and/or condition for granting the JTC Consent shall be borne by the Sellers. It is not uncommon for these fees to be borne by the Sellers in particular for the KIT Disposal since the title document provides for JTC to impose such cost on the owner of the Property and the Purchaser will expect the Sellers to bear these costs. If any of the terms and conditions of the JTC Consent include the imposition of a sale levy, consent fee or other similar charge on the Sellers or DataCentre One which exceeds the sum of S\$6,050,000 (excluding GST), the Sellers shall be entitled to determine that such term and/or condition is acceptable, and if such term and/or condition is unacceptable to the Sellers, the Sellers shall serve on the Purchaser, on or before the date falling 3 business days after the date of the JTC Consent, a written notice to terminate the SSA.

For the avoidance of doubt, if the sale levy, consent fee or other similar charge on the Sellers or on DataCentre One is equal to or less than the sum of S\$6,050,000, the Sellers do not have a right to terminate the SSA.

Completion is scheduled to take place on a date falling 10 business days after notice for the satisfaction of the last of the Conditions Precedent is provided, save that the Completion shall take place no later than 16 December 2019 (or such subsequent date as may be agreed between the Purchaser and the Sellers in writing provided that such subsequent date shall not be later than 30 December 2019).

Either the Sellers or the Purchaser shall be entitled, at their or its discretion, by written notice to the other party, to:

- (i) defer Completion to a date not more than 10 business days after the date set for Completion, provided that such deferred date shall not be later than 30 December 2019; or
- (ii) terminate the SSA,

if such other party has not fulfilled or procured the fulfilment of certain customary obligations set out in the SSA by or on the Completion Date.

3.6 Terms of the Transaction

The SSA contains customary provisions relating to the Transaction, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business, limitations of the Sellers' liabilities and warranties and other commercial terms.

In addition, save in certain circumstances set out in the SSA (for instance, if there is any compulsory acquisition or intended compulsory acquisition for the acquisition of 5.0% or more of the land area of the Property or if any Material Damage occurs), neither the Sellers nor the Purchaser is entitled to terminate or rescind (as the case may be) the SSA. Following such termination or rescission (as the case may be), save in certain circumstances set out in the SSA, the Purchaser will be entitled to the refund of the entire Deposit.

4. INFORMATION ON THE PURCHASER

The Purchaser is the trustee of Keppel DC REIT. Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre REIT listed in Asia on SGX-ST. Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets with an initial focus on Asia-Pacific and Europe.

Please refer to Section 1.2 (*Interested Person Transaction*) for more details on the relationship between the KIT Seller and the Purchaser.

5. RATIONALE FOR THE KIT DISPOSAL

KIT's objective is to deliver sustainable returns to its Unitholders by investing in, and proactively managing, a large and well-diversified portfolio of highly defensive infrastructure or infrastructure-like businesses and assets that provide or produce essential products and services, thereby supporting long-term stable distributions and capital growth.

KIT is of the view that the KIT Disposal will allow KIT to realise the remaining lease value in DataCentre One upfront, thus benefitting Unitholders. The KIT Disposal will also provide KIT with strategic opportunities to redeploy capital into quality acquisitions that will strengthen KIT's portfolio, for refinancing purposes and/or for working capital needs.

6. USE OF PROCEEDS

The proceeds will be used by KIT towards (a) financing acquisitions and/or investments of the KIT Group, (b) financing general working capital purposes and/or capital expenditure requirements of the KIT Group and/or (c) refinancing the borrowings of the KIT Group.

7. KIT DISPOSAL AS AN INTERESTED PERSON TRANSACTION

Under Chapter 9 of the Listing Manual, where KIT proposes to enter into a transaction with an interested person (as defined in the Listing Manual) 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, entered into with the same interested person during the same financial year) is of a value equal to, or more than, 5.0% of KIT's latest audited consolidated net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

The estimated aggregate amount of the Purchase Consideration attributable to KIT through the KIT Seller, a 51% owner of DataCentre One, is approximately S\$102.9 million (19.3% of KIT's NTA⁵ as at 31 December 2018). Accordingly, the estimated aggregate amount of the Purchase Consideration attributable to KIT through the KIT Seller exceeds 5.0% of the NTA of KIT as at 31 December 2018.

For the reasons set out in Section 1.2 (*Interested Person Transaction*), in the interest of good corporate governance and due to the materiality of the KIT Disposal pursuant to Rule 906(1)(a) of the Listing Manual, KIT will be obtaining approval of Unitholders (with the Interested Persons abstaining) and the Transaction is conditional upon such approval from Unitholders.

⁵ Based on KIT's audited consolidated financial statements for FY2018, the NTA of KIT as at 31 December 2018 was S\$533.7 million.

8. IFA ADVICE

8.1 Summary of IFA Advice

The directors of the Trustee-Manager (“**Directors**”) who are considered independent of the KIT Disposal (the “**Independent Directors**”) have appointed Provenance Capital Pte. Ltd. as an independent financial adviser (“**IFA**”) to advise them on whether the terms of the KIT Disposal:

- (i) are on normal commercial terms; and
- (ii) are prejudicial to the interests of KIT and minority Unitholders.

The advice from the IFA to the Independent Directors (“**IFA Advice**”) is set out in Appendix A (*Letter from IFA to Independent Directors*) to this Circular. Set forth below is an extract of the IFA Advice from Appendix A (*Letter from IFA to Independent Directors*). Capitalised terms used but not defined in the below extract shall have the same meaning given in the IFA Advice set out in Appendix A (*Letter from IFA to Independent Directors*):

“In arriving at our opinion in respect of the KIT Disposal, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the KIT Disposal;
- (b) independent valuation and Agreed Property Value of the Property;
- (c) assessment of the terms of the KIT Disposal;
- (d) financial effects of the KIT Disposal; and
- (e) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the KIT Disposal is on normal commercial terms and is not prejudicial to the interests of KIT and its Minority Unitholders.”

Please read and consider the IFA Advice in its entirety as set out in Appendix A (*Letter from IFA to Independent Directors*) to this Circular.

8.2 Audit and Risk Committee’s Opinion

The Audit and Risk Committee currently comprises Mr Mark Andrew Yeo Kah Chong, Mr Koh Ban Heng and Mr Daniel Cuthbert Ee Hock Huat. Each of Mr Mark Andrew Yeo Kah Chong and Mr Daniel Cuthbert Ee Hock Huat is an Independent Director and shares the same view as the IFA, namely that the terms of the KIT Disposal:

- (i) are on normal commercial terms; and
- (ii) are not prejudicial to the interests of KIT and minority Unitholders.

Mr Koh Ban Heng is a director of KIHPL. Accordingly, Mr Koh Ban Heng has abstained from providing an opinion to the Audit and Risk Committee in respect of the KIT Disposal.

9. FINANCIAL EFFECTS OF THE KIT DISPOSAL

The KIT Disposal is expected to increase the KIT Group's earnings per Unit for the current financial year. An estimated gain of S\$50.7 million is expected as a result of the KIT Disposal based on the projected values of the Adjusted Net Asset Value as at 31 October 2019. The KIT Disposal is not expected to have a material impact on the KIT Group's NTA, FFO and distribution per Unit for the current financial year.

10. DIRECTORS' AND SUBSTANTIAL UNITHOLDERS' INTERESTS

10.1 Directors' Interests

As at the Latest Practicable Date, the Directors' direct or deemed interests in the Units are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Units	% ¹	Number of Units	% ¹
Koh Ban Heng	101,859	0.0020	93	n.m. ²
Thio Shen Yi	72,397	0.0014	–	–
Daniel Cuthbert Ee Hock Huat	78,692	0.0016	–	–
Kunnasagaran Chinniah	638,283	0.0128	471,064	0.0094
Mark Andrew Yeo Kah Chong	80,363	0.0016	–	–
Christina Tan Hua Mui	–	–	–	–
Cindy Lim Joo Ling	–	–	–	–

Notes:

1. As at the Latest Practicable Date, there are 4,994,391,069 Units in issue.
2. Not meaningful

In addition, as at the Latest Practicable Date, (i) Mr Thio Shen Yi has a direct interest in 2,200 shares in KCL, (ii) Mr Daniel Cuthbert Ee Hock Huat has a direct interest in 10,000 shares in KCL, (iii) Ms Christina Tan Hua Mui has a direct interest in 210,132 shares in KCL and has been granted a contingent award of 625,000 shares in KCL under the KCL performance share plan and a contingent award of 89,613 shares in KCL under the KCL restricted share plan; Ms Christina Tan Hua Mui also has a direct interest in 50,000 units in Keppel DC REIT and (iv) Ms Cindy Lim Joo Ling has 33,000 share options in KCL and has been granted a contingent award of 310,000 shares in KCL under the KCL performance share plan and a contingent award of 28,877 shares in KCL under the KCL restricted share plan.

10.2 Substantial Unitholders' Interests in Units

As at the Latest Practicable Date, the Substantial Unitholders' direct or deemed interests in the Units are as follows:

Substantial Unitholders	Direct Interest		Deemed Interest	
	Number of Units	% ¹	Number of Units	% ¹
KIHPL	909,048,658	18.20	–	–
KCL ²	–	–	909,048,658	18.20
Bartley Investments Pte. Ltd.	428,333,293	8.57	–	–
Tembusu Capital Pte. Ltd. ³	–	–	684,153,868	13.69
Temasek Holdings (Private) Limited ⁴	–	–	1,593,202,726	31.89

Notes:

1. As at the Latest Practicable Date, there are 4,994,391,069 Units in issue.
2. KCL is deemed to have interest in the Units which its wholly-owned subsidiary, KIHPL, has interest.
3. Tembusu Capital Pte. Ltd. is deemed to have an interest in the Units in which its subsidiaries have interests.
4. Temasek Holdings (Private) Limited is deemed to have an interest in the Units in which the KCL group and other subsidiaries and associated companies of Temasek Holdings (Private) Limited hold or have deemed interests.

11. EGM

11.1 Information on the EGM

The EGM will be held on 23 October 2019 at 10.30 a.m. for the purpose of (i) providing Unitholders with information pertaining to the KIT Disposal, including the IFA Advice and (ii) considering and, if thought fit, passing with or without modifications, the ordinary resolution (“**Ordinary Resolution**”) set out in the Notice of EGM.

The EGM, notice of which is set out on pages D-1 and D-2 of this Circular, will be held at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956.

11.2 Ordinary Resolution

In the interest of good corporate governance and due to the fact that the KIT Disposal is of a value more than 5.0% of the KIT Group's NTA, for the purposes of Chapter 9 of the Listing Manual, KIT is seeking the approval of Unitholders for the KIT Disposal. At the EGM, the Ordinary Resolution will be proposed for the approval of Unitholders for the KIT Disposal on the terms set out in this Circular. Further details are also set out in Section 1.2 (*Interested Person Transaction*) and Section 7 (*KIT Disposal as an Interested Person Transaction*).

If the Ordinary Resolution is not approved by Unitholders at the EGM, this will result in one of the Conditions Precedent not being satisfied and accordingly, the Transaction will not be completed.

12. ABSTENTION FROM VOTING

By virtue of their interest in the KIT Disposal, each of Temasek, KCL and KIHPL will abstain and has undertaken to ensure that each of its associates (as defined in the Listing Manual) will abstain from voting on the Ordinary Resolution. Each of Temasek, KCL and KIHPL will also decline to accept appointment as proxy for any Unitholder to vote on the Ordinary Resolution unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the Ordinary Resolution. Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on the Ordinary Resolution by Temasek, KCL and KIHPL and their associates (as defined in the Listing Manual). Please refer to Section 10.2 (*Substantial Unitholders' Interests in Units*) above for the relevant Substantial Unitholders' direct or deemed interests in the Units as at the Latest Practicable Date.

Mr Koh Ban Heng is a director of KIHPL. Mr Kunnasagaran Chinniah is an investment committee member of one of the subsidiaries of KCHPL. Ms Christina Tan Hua Mui is the Chief Executive Officer of KCHPL and a director of several other companies within the KCL group, including KCHPL and KDCRM. Ms Cindy Lim Joo Ling is Director (Group Corporate Development) at KCL and a director of several other companies within the KCL group. Accordingly, each of Mr Koh Ban Heng, Mr Kunnasagaran Chinniah, Ms Christina Tan Hua Mui and Ms Cindy Lim Joo Ling and their associates (as defined in the Listing Manual) will abstain from voting on the Ordinary Resolution, and will also decline to accept appointment as proxy for any Unitholder to vote on the Ordinary Resolution unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution. Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on the Ordinary Resolution by Mr Koh Ban Heng, Mr Kunnasagaran Chinniah, Ms Christina Tan Hua Mui and Ms Cindy Lim Joo Ling and their associates (as defined in the Listing Manual). Please refer to Section 10.1 (*Directors' Interests*) above for the relevant Directors' direct or deemed interests in the Units as at the Latest Practicable Date.

Save as disclosed in this Circular, none of the Directors or Controlling Unitholders has any direct or indirect interest in the KIT Disposal.

13. INDEPENDENT DIRECTORS' RECOMMENDATION

The Independent Directors are Mr Thio Shen Yi, Mr Mark Andrew Yeo Kah Chong and Mr Daniel Cuthbert Ee Hock Huat.

Having considered the relevant factors, including the rationale for the KIT Disposal, the Independent Directors are of the opinion that the KIT Disposal is in the best interests of KIT. Accordingly, the Independent Directors recommend that Unitholders vote in favour of the Ordinary Resolution as set out in the Notice of EGM.

14. ACTION TO BE TAKEN BY UNITHOLDERS

14.1 Appointment of Proxies

Unitholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at KIT's Proxy Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 10.30 a.m. on 21 October 2019. The completion and return of a Proxy Form by a Unitholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

Persons who have an interest in the approval of the Ordinary Resolution must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the Ordinary Resolution.

14.2 When Depositor regarded as Unitholder

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

15. IFA CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto and (ii) the IFA Advice as set out in Appendix A (*Letter from IFA to Independent Directors*) to this Circular as summarised in Section 8.1 (*Summary of IFA Advice*), in the form and context in which they appear in this Circular.

16. INDEPENDENT VALUER CONSENT

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto and (ii) the Desktop Valuation as set out in Appendix B (*Desktop Valuation Report by Independent Valuer*) and (iii) the Valuation Report as set out in Appendix C (*2018 Valuation Report by Independent Valuer*) to this Circular, each of which is summarised in Section 3.2 (*Valuation of the Property*), in the form and context in which they appear in this Circular.

17. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Trustee-Manager (prior appointment with the Trustee-Manager will be required) at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Circular up to the date falling three months from the date of the Announcement:

- (i) the SSA;
- (ii) the Trust Deed;
- (iii) the IFA Advice;
- (iv) the Desktop Valuation Report;
- (v) the 2018 Valuation Report; and
- (vi) the letter of consent by the IFA referred to in Section 15 (*IFA Consent*) above;
- (vii) the letter of consent by the Independent Valuer referred to in Section 16 (*Independent Valuer Consent*) above.

18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular 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 KIT Disposal and KIT and its subsidiaries which are relevant to the KIT Disposal, 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, 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.

Yours faithfully

Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration No. 200803959H)
(as Trustee-Manager of Keppel Infrastructure Trust)

Mr Koh Ban Heng
Chairman of the Board

APPENDIX A

LETTER FROM IFA TO INDEPENDENT DIRECTORS

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

8 October 2019

To: The Independent Directors of Keppel Infrastructure Fund Management Pte. Ltd. (as the Trustee-Manager of Keppel Infrastructure Trust) who are deemed to be independent in respect of the KIT Disposal

Mr Thio Shen Yi	(Independent Director)
Mr Mark Andrew Yeo Kah Chong	(Independent Director)
Mr Daniel Cuthbert Ee Hock Huat	(Independent Director)

Dear Sirs,

THE PROPOSED DISPOSAL OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DATACENTRE ONE PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms used in this letter (“Letter”) have the same meanings as defined in the circular to the unitholders of Keppel Infrastructure Trust (“Unitholders”) dated 8 October 2019 (“Circular”).

1. INTRODUCTION

- 1.1 Keppel Infrastructure Trust (“KIT” and with its subsidiaries, “Group”) is a business trust listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

On 16 September 2019, Keppel Infrastructure Fund Management Pte. Ltd. (“KIFM”), acting in its capacity as the trustee-manager (“Trustee-Manager”) of KIT announced that CityDC Pte. Ltd (“CityDC” or “KIT Seller”), a wholly-owned subsidiary of KIT, and WDC Development Pte. Ltd. (“WDC”, and together with CityDC, the “Sellers”), had, on that date, entered into a conditional share sale agreement (“SSA”) with Perpetual (Asia) Limited, acting in its capacity as trustee for Keppel DC REIT (“Purchaser”) for the sale of their entire respective shareholding interests in DataCentre One Pte. Ltd. (“DataCentre One”) to the Purchaser (“Transaction”).

Pursuant to the SSA, the KIT Seller has agreed to sell its 510,000 Shares (representing 51% of the issued and paid-up share capital of DataCentre One) to the Purchaser (“KIT Disposal”), and WDC has agreed to sell 490,000 Shares (representing 49% of the issued and paid-up share capital of DataCentre One) to the Purchaser.

WDC is an indirect wholly-owned subsidiary of Shimizu Corporation which is listed on, amongst others, the Tokyo Stock Exchange.

The purchase consideration for the Transaction (“Purchase Consideration”) which is payable in cash is based primarily on the Adjusted Net Asset Value as at the Completion Date and which is estimated to be S\$201.8 million, subject to the Completion Adjustment. The Purchase Consideration shall be apportioned between the Sellers in their respective Shareholding Proportion. Details and definitions of the above are set out in Section 3 of the Circular and in Sections 3 and 4 of this Letter.

The completion of the Transaction is conditional upon, *inter alia*, the approval of the Unitholders.

1.2 The KIT Seller is an entity at risk under the listing manual of the SGX-ST (“**Listing Manual**”).

Keppel Corporation Limited (“**KCL**”), through its wholly-owned subsidiary, Keppel Infrastructure Holdings Pte. Ltd (“**KIHPL**”), is the controlling Unitholder with an aggregate interest of 18.20% of the total number of Units in issue. KCL, through its wholly-owned subsidiary, Keppel Capital Holdings Pte Ltd (“**KCHPL**”), also holds 100% shareholding interest in the Trustee-Manager. Temasek Holdings (Private) Limited (“**Temasek**”) is regarded as an indirect controlling Unitholder as it has more than 20% interest in KCL, and through KCL and its other subsidiaries and associated companies, holds an aggregate interest of 31.89% of the total number of Units in issue. In addition, Temasek, through KCL, is deemed interested in all the shares of the Trustee-Manager.

Keppel DC REIT is a real estate investment trust listed on the SGX-ST. KCL, through its various entities in the group, holds an aggregate interest of 22.93% of the total number of units in Keppel DC REIT, and 100% of Keppel DC REIT Management Pte. Ltd (“**KDCRM**”), the manager of Keppel DC REIT. Temasek, through KCL and its other subsidiaries and associated companies, is deemed to have an aggregate interest of 23.52% of the units in Keppel DC REIT, and, through KCL, is deemed to have a controlling interest in KDCRM. Temasek and KCL are each regarded as controlling unitholders of Keppel DC REIT under the Listing Manual and the Property Funds Appendix (as defined in the Circular). Accordingly, KDCRM, as an associate of each of KCL and Temasek, is an interested person (“**Interested Person**”).

Accordingly, Temasek, KCL, KCHPL and KIHPL, and their respective associates are regarded as Interested Persons of KIT under the Listing Manual in relation to the KIT Disposal.

In view of the Interested Persons, in the interest of good corporate governance and as the value of the KIT Disposal is more than 5% of the latest audited net tangible assets (“**NTA**”) of the Group, KIT is seeking Unitholders’ approval for the KIT Disposal as an interested person transaction (“**IPT**”) at the extraordinary general meeting (“**EGM**”) to be convened.

Each of Temasek, KCL, KIHPL and their associates as Interested Persons will abstain from voting on the KIT Disposal at the EGM. The KIT Disposal will therefore be voted on by the independent Unitholders (“**Minority Unitholders**”).

We note that Keppel DC REIT will be seeking its unitholders’ approval for the purchase of the Shares. The approval of unitholders of Keppel DC REIT is one of the conditions precedent for the KIT Disposal.

1.3 The directors of the Trustee-Manager are as follows:

- (i) Mr Koh Ban Heng, independent director and chairman of the Board
- (ii) Mr Thio Shen Yi, independent director
- (iii) Mr Mark Andrew Yeo Kah Chong, independent director
- (iv) Mr Daniel Cuthbert Ee Hock Huat, independent director
- (v) Mr Kunnasagaran Chinniah, independent director
- (vi) Ms Christina Tan Hua Mui, non-executive and non-independent director
- (vii) Ms Cindy Lim Joo Ling, non-executive and non-independent director

Mr Koh Ban Heng is a director of KIHPL.

Mr Kunnasagaran Chinniah is an investment committee member of one of the subsidiaries of KCHPL.

Ms Christina Tan Hua Mui is the Chief Executive Officer of KCHPL and a director of several other companies within the KCL group, including KCHPL and KDCRM.

Ms Cindy Lim Joo Ling is Director (Group Corporate Development) at KCL and a director of several other companies within the KCL group.

Accordingly, Mr Koh Ban Heng, Mr Kunnasagaran Chinniah, Ms Christina Tan Hua Mui and Ms Cindy Lim Joo Ling are deemed interested in the KIT Disposal and will abstain from making any recommendation to the Unitholders in relation to the KIT Disposal, and will also abstain from voting on the KIT Disposal at the EGM.

KIT has confirmed that the remaining three Directors, Mr Thio Shen Yi, Mr Mark Andrew Yeo Kah Chong and Mr Daniel Cuthbert Ee Hock Huat are deemed as independent directors (“**Independent Directors**”) for the purpose of the KIT Disposal.

As at the Latest Practicable Date, the Audit and Risk Committee comprises Mr Mark Andrew Yeo Kah Chong (Chairman), Mr Koh Ban Heng (member) and Mr Daniel Cuthbert Ee Hock Huat (member). For the purpose of the KIT Disposal, Mr Koh Ban Heng will also abstain from providing an opinion to the Audit and Risk Committee in respect of the KIT Disposal in view of his directorship in KIHPL.

- 1.4 Pursuant to Section 1.2 above, Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has been appointed as the independent financial adviser (“**IFA**”) to advise the Independent Directors on whether the KIT Disposal is on normal commercial terms and not prejudicial to the interests of KIT and its Minority Unitholders.

This Letter is issued pursuant to Rule 921(4)(a) of the Listing Manual, as well as addressed to the Independent Directors, on the basis that KIT is seeking Unitholders’ approval for the KIT Disposal as an IPT in the interest of good corporate governance. This Letter sets out, *inter alia*, our evaluation and opinion on the KIT Disposal and forms part of the Circular which provides, *inter alia*, the details of the Transaction, KIT Disposal and the recommendation of the Independent Directors.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors in respect of the KIT Disposal, on the basis that KIT is seeking Unitholders’ approval for the KIT Disposal as an IPT in the interest of good corporate governance. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the KIT Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors and the Trustee-Manager to propose the KIT Disposal or to obtain the approval of the Unitholders for the KIT Disposal, and we do not, by this Letter, warrant the merits of the KIT Disposal, other than to express an opinion on whether the KIT Disposal is on normal commercial terms and is not prejudicial to the interests of KIT and its Minority Unitholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the KIT Disposal or to compare their relative merits vis-à-vis alternative transactions previously considered by KIT or the Trustee-Manager (if any) or that may otherwise be available to KIT or the Trustee-Manager currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Trustee-Manager (“**Management**”) although we may draw upon the views of the Directors and Trustee-Manager or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representation made to us, both written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made

such reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Directors and Management are accurate. They have also confirmed that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the KIT Disposal, KIT and the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the KIT Disposal, KIT and the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the KIT Disposal have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the KIT Disposal, KIT and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of KIT and/or the Group at any time or as at 25 September 2019, being the Latest Practicable Date referred to in the Circular. We have nevertheless have made reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of KIT and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of KIT and/or the Group after the KIT Disposal. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from KIT and/or the Group any projection of the future performance including financial performance of KIT and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of KIT and/or the Group.

In addition, we are not expressing any view as to the prices at which the Units may trade or the future value, financial performance or condition of KIT and/or the Group, upon or after completion of the KIT Disposal or if the KIT Disposal is not effected.

We have not made an independent evaluation or appraisal of the assets and liabilities of DataCentre One, in particular, its investment property located at 18 Riverside Road Singapore 739088 ("**Property**"), for the purpose of the KIT Disposal.

We note that DataCentre One had commissioned the independent valuer, Savills Valuation and Professional Services (S) Pte. Ltd. ("**Savills**" or "**Valuer**"), to carry out an independent market valuation of the Property on the un-expired leasehold interest of the property as at 31 December 2018 for corporate reporting purpose.

For the purpose of the KIT Disposal, the Trustee-Manager had commissioned the Valuer to carry out a desktop valuation to provide an update of the market valuation of the Property for the un-expired leasehold interest in the Property.

A copy of each of Savills' full valuation report dated 31 December 2018 ("**Valuation Report**") and Savills' desktop valuation report dated 4 September 2019 ("**Desktop Valuation Report**") were furnished to us and are attached as Appendices C and B to the Circular respectively.

We are not experts in the evaluation or appraisal of the asset concerned and we have placed sole reliance on the Valuation Report and Desktop Valuation Report for such appraisals and have not made any independent verification of the content thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Report and Desktop Valuation Report or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Trustee-Manager, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Unitholders should take note of any announcement relevant to the KIT Disposal which may be released by the Trustee-Manager after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder or any specific group of Unitholders. As each Unitholder may have different investment objectives and profiles, we recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

KIT and the Trustee-Manager have been advised by their own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter and the extract of our opinion in the Circular).

Neither KIT, the Trustee-Manager nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes without the prior written consent of Provenance Capital other than (i) the reproduction of this Letter in the Circular, (ii) at the forthcoming EGM or (iii) for the purpose of the KIT Disposal.

We have prepared this Letter pursuant to Rule 921(4)(a) of the Listing Manual, as well as for the use of the Independent Directors in connection with their consideration of the KIT Disposal and their advice to the Unitholders, on the basis that KIT is seeking Unitholders' approval for the KIT Disposal as an IPT in the interest of good corporate governance. The recommendation made to the Unitholders in relation to the KIT Disposal remains the responsibility of the Independent Directors.

Our opinion in relation to the KIT Disposal should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON KIT AND DATACENTRE ONE

3.1 KIT

KIT is a business trust registered with the Monetary Authority of Singapore and domiciled in Singapore. KIT was constituted by a trust deed dated 5 January 2007 and is regulated by the Business Trusts Act, Chapter 31A.

KIT was established with the principal objective of investing in infrastructure assets and providing Unitholders with regular and predictable distributions and the potential for long term capital growth.

KIT is listed on the Mainboard of the SGX-ST.

KIT's stable base of strategic infrastructure assets provides essential products and services to a wide multitude of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers. Its assets are segmented into 3 categories, namely Energy, Distribution & Network and Waste & Water. The business operation of DataCentre One comes under the Distribution & Network segment.

KIT is managed by the Trustee-Manager, which is ultimately wholly-owned by KCL.

As at the Latest Practicable Date, KIT has 4,994,391,069 outstanding Units in issue. Based on the above outstanding number of Units and the last traded Unit price of S\$0.525 on the Latest Practicable Date, the market capitalisation of KIT is approximately S\$2.6 billion.

Further details on KIT and the Group are set out in Section 2 of the Circular.

3.2 DataCentre One

DataCentre One was formed as a joint venture company on 5 June 2014 by CityDC (a subsidiary of KIT) and WDC (a subsidiary of the Shimizu Corporation group) to develop and lease the Property as a data centre. Shimizu Corporation is listed on, amongst others, the Tokyo Stock Exchange. DataCentre One is owned by CityDC and WDC in the proportion of 51% and 49% respectively ("**Shareholding Proportion**").

The Property is located at 18 Riverside Road Singapore 739088 and is a purposed built 5-storey data facility, featuring approximately 213,815 square feet of floor area across 4 floors of data centre halls and one floor of office and ancillary space. A lease agreement to lease the Property was also entered into between DataCentre One and 1-Net Singapore Pte. Ltd. ("**Tenant**"), a wholly-owned subsidiary of MediaCorp Pte Ltd, on 12 April 2016 ("**Lease Agreement**"). The lease has approximately 17 years remaining and the Tenant has an option to renew the lease for another approximately 7.6 years at a rental amount to be mutually agreed between DataCentre One and the Tenant. In the event that DataCentre One and the Tenant are unable to agree on such rental amount, the lease may be renewed at the existing rental amount payable prior to the exercise of the option. Under the Lease Agreement, the Tenant has to pay certain fees which includes rent for the five-storey data centre and all mechanical and electrical equipment installed by DataCentre One.

The terms of the sale of DataCentre One were the result of a tender process in June 2019, on a non-exclusive basis, conducted by Cushman & Wakefield, as an independent agent appointed by the Sellers for the purpose of the sale of DataCentre One. Under the tender process, the Purchaser was selected as the preferred bidder by the Sellers. In addition, the Purchaser has agreed to pay and had paid a deposit of S\$1 million ("**Deposit**"), which was apportioned between KIT Seller and WDC in their respective Shareholding Proportion of S\$510,000 and S\$490,000 respectively.

4. SALIENT TERMS OF THE SSA

Details of the terms of the SSA are set out in Section 3 of the Circular. A summary of the salient terms of the SSA is set out below for your reference.

4.1 Salient terms of the SSA

The terms of the SSA were negotiated on arm's length basis with full participation of the Sellers and the Purchaser.

Pursuant to the SSA, the Sellers have agreed to sell and the Purchaser has agreed to purchase the Shares free of any Encumbrances as defined therein, at completion of the SSA ("**Completion**"). At Completion, the Sellers will assign their shareholders' loans ("**Shareholders' Loans**") which they had extended to DataCentre One to the Purchaser pursuant to a deed of assignment to be entered into between each Seller and the Purchaser.

The Purchase Consideration for the Transaction is payable in cash and is based primarily on the adjusted net asset value of DataCentre One ("**Adjusted Net Asset Value**") as at the Completion Date and shall be apportioned between the Sellers in their respective Shareholding Proportion.

The parties to the SSA have agreed for the following main adjustments in determining the Adjusted Net Asset Value:

- (a) that the value of the Property to be S\$200.2 million ("**Agreed Property Value**"). The Property is the main asset of DataCentre One; and
- (b) other adjustments items ("**Agreed Adjustment Items**") as follows:
 - 50% of the net deferred tax liability to be excluded
 - provision for demolition and reinstatement costs for the property to be excluded
 - receivables relating to rental straight-lining adjustments to be excluded
 - capitalised upfront fees and capitalised debt financing costs to be excluded.

Based on KIT's projections of the pro forma statement of DataCentre One, the Adjusted Net Asset Value of DataCentre One is S\$100.5 million as at 31 October 2019.

DataCentre One has existing loans from external lenders that are secured over its assets and business undertakings, and existing interest rate swaps in relation to these loans. Parties to the SSA have agreed for these bank loans and interest rate swaps to be fully settled upon Completion, and therefore part of the Purchase Consideration will be applied towards repayment of these bank loans and termination of interest rate swaps. The bank loans and the payment for the termination of the interest rate swaps are projected to be S\$63.5 million and S\$4.0 million as at 31 October 2019 respectively.

The Sellers have extended Shareholders' Loans to DataCentre One in their respective Shareholding Proportion. At Completion, the outstanding amount of these Shareholders' Loans are to be assigned to the Purchaser for cash, and therefore part of the Purchase Consideration will also be applied towards the assignment of the Shareholders' Loans. The Shareholders' Loans are projected to be S\$33.8 million as at 31 October 2019.

Following from the above, the estimated Purchase Consideration is S\$201.8 million, subject to the Completion Adjustment. Accordingly, the estimated Purchase Consideration attributable to the KIT Seller and WDC is S\$102.9 million and S\$98.9 million respectively.

As disclosed in Section 3.3 of the Circular, the estimated Purchase Consideration of S\$201.8 million is derived from:

- (i) S\$200.2 million, being the Agreed Property Value;

- (ii) Less: S\$32.2 million, being the adjusted net liabilities of DataCentre One (excluding the carrying value of the Property) as at the Completion Date; and
- (iii) Add: the Shareholders' Loans of S\$33.8 million owed by DataCentre One to the Sellers.

As the Purchaser had already paid the Deposit of S\$1,000,000 in cash to the Sellers, on Completion, the Purchaser will pay the Purchase Consideration (less the Deposit) to the Sellers or as directed by the Sellers.

In the event that the Purchaser does not fulfill, among others, its obligations to pay the Purchase Consideration, and the SSA is terminated by the Sellers, the Sellers are entitled to retain the entire Deposit.

4.2 Conditions Precedent

Completion of the SSA is subject to various conditions precedent ("**Conditions Precedent**") including, *inter alia*, the following:

- (i) approval of the Unitholders for the KIT Disposal at the EGM;
- (ii) approval of the unitholders of Keppel DC REIT at its EGM in relation to the acquisition of the Shares; and
- (iii) consent from JTC Corporation ("**JTC**") for the sale and transfer of the Shares by the Sellers to the Purchaser being obtained, if required, on terms which are not materially adverse to either the Sellers or the Purchaser, and there being no revocation of or amendment (which is materially adverse to either the Seller or the Purchaser) to the consent from JTC.

Further details of the Conditions Precedent are set out in Section 3.5 of the Circular.

As at the Latest Practicable Date, the above Conditions Precedent have not been satisfied.

5. SALIENT FINANCIAL INFORMATION ON DATACENTRE ONE

5.1. Financial performance of DataCentre One

We set out below a summary of the financial results of DataCentre One for the last three financial years ended 31 December 2016 ("**FY2016**"), 31 December 2017 ("**FY2017**") and 31 December 2018 ("**FY2018**").

S\$'million	FY2016	FY2017	FY2018
Revenue	8.2	15.7	18.3
Profit after tax	1.4	5.3	7.5

Source: Audited financial statements of DataCentre One for FY2017 and FY2018

Revenue of DataCentre One is derived mainly from rental income of the Property which is leased on a long term basis of a 20 year lease (with an option to extend another approximately 8 years) to the Tenant which had commenced on 12 April 2016. Rental escalation during the lease period pursuant to the lease agreement with the Tenant also contributed to the increase in revenue during this period.

Profit after tax has increased over the period as a result of the increase in revenue in the respective periods, after deducting depreciation expense and finance costs which accounted for approximately 87% to 89% of its total expenses.

5.2 Financial position of DataCentre One

A summary of the audited financial position of DataCentre One as at 31 December 2018 is set out below:

S\$'million	Audited as at 31 December 2018
Current assets	7.6
Non-current assets	106.2
Total assets	113.8
Current liabilities	(6.9)
Non-current liabilities	(68.0)
Total liabilities	(74.9)
Total equity/ Net Asset Value ("NAV")	38.8*

* does not add up due to rounding.

Source: Audited financial statements of DataCentre One for FY2018

The principal activity of DataCentre One is to develop and lease the Property as a data centre. The Property is therefore the main asset of DataCentre One and represents more than 90% of the total assets of DataCentre One. The Property was financed mainly by bank loans and Shareholders' Loans.

The Property, regarded as an investment property, is recorded at cost less accumulated depreciation and any accumulated impairment losses pursuant to the accounting policies of DataCentre One. The useful life of the leasehold land on which the Property is situated is 28 years. In accordance with its accounting policies, DataCentre One commissions an independent valuation of the Property to determine the fair value of the Property as at the end of each of the financial year. The last valuation being done for corporate reporting purposes was carried out by Savills as at 31 December 2018 for the audited accounts for FY2018. The fair value of the Property as at 31 December 2018 was S\$187.0 million, compared to the carrying value of the Property of S\$106.2 million as at 31 December 2018, resulting in a revaluation surplus of S\$80.8 million.

As at 31 December 2018, the NAV of DataCentre One was S\$38.8 million. As DataCentre One has no intangible assets, its NAV is the same as its NTA.

Of the total assets of S\$113.8 million, the net book value of the Property (S\$106.2 million) accounted for 93.3% of the total assets of DataCentre One.

Of the total liabilities of S\$74.9 million, bank borrowings (\$65.8 million) accounted for 87.9% of the total liabilities, and is secured by a first ranking charge over DataCentre One's assets and business undertakings.

Total equity which is equivalent to the NAV, consists of mainly the issued and paid-up capital of S\$1.0 million and Shareholders' Loans. As at 31 December 2018, Shareholders' Loans amounted to S\$38.2 million, accounting for 98.4% of the total equity. The Shareholders' Loans are advances made by KIT Seller and WDC in the respective Shareholding Proportion and are classified as deemed capital contribution. They are unsecured, non-interest bearing and there is no contractual obligation to repay its shareholders given that the eventual return of the capital contribution is at the discretion and ability of DataCentre One.

5.3 Independent Valuation of the Property

For the purpose of the KIT Disposal, the Trustee-Manager had commissioned Savills, as the Valuer, to carry out a desktop valuation of the Property to provide an update of the market valuation of the Property for the un-expired leasehold interest in the property. The balance un-expired interest is about 24.9 years. The desktop valuation is set out in the Desktop Valuation Report prepared by Savills dated 4 September 2019.

The Property comprises a 5-storey Tier 3 data centre with a total data hall space of approximately 8,000 sq m located on the 2nd to 5th storeys. The temporary occupation permit was issued on 7 April 2016.

Based on the Desktop Valuation Report, the property is leased to the Tenant for a lease term of 20 years commencing on 12 April 2016 with an option to renew from 12 April 2036 until 9 months before 31 July 2044. The current passing rent is S\$17.9 million per annum. There is a 4% rental escalation for every 2 years from year 5 onwards for shell lease rent. The tenant is responsible for all property outgoing expenses including maintenance and repair of the property, all utilities charges, insurance and property tax.

Basis of valuation

The Valuer had carried out the desktop valuation of the Property of the un-expired leasehold interest of the property, on an as-is basis and subject to the existing lease arrangement. The desktop valuation is premised on the information contained in its Valuation Report dated 31 December 2018.

The valuation is made on the basis of Market Value which is intended to mean:

“the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The Valuer had used the income capitalisation method, discounted cash flow (“**DCF**”) analysis and direct comparison method as its valuation approaches.

The income capitalisation method involves the capitalising the net income at an appropriate market capitalisation rate which reflects both the risk and benefits of the subject property as an investment. Reference were made from comparable yields derived from similar properties’ transactions and capitalisation rates adopted by major REITs and funds in their portfolio valuation for similar asset type.

The DCF analysis is based on the discounted cash flow analysis over a 10-year time frame during which rental growth patterns can be reasonably projected and using certain assumptions to derive the market valuation.

The direct comparison method compares the property with sales of similar properties in the subject or comparable localities. Adjustments are made for differences in location, size, tenure, age/condition, facilities provided and date of sale, before arriving at the value of the subject property.

The Valuer had assessed the market value of the un-expired leasehold interest of the Property to be S\$190 million as at 4 September 2019.

Based on the projected net book value of the Property of S\$102.1 million as at 31 October 2019, the independent valuation gives rise to a revaluation surplus on the Property of S\$87.9 million.

Pursuant to the SSA, the Sellers and the Purchaser have agreed for the value of the Property to be fixed at S\$200.2 million. This would result in a higher surplus above the estimated net book value of the Property as at 31 October 2019 by S\$98.1 million, which is S\$10.2 million higher than the revaluation surplus based on the independent valuation by the Valuer.

Confirmation by the Trustee-Manager

In our evaluation of the financial terms of the KIT Disposal, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of DataCentre One as at 31 December 2018, and whether there are any factors which have not been otherwise disclosed in the financial statements of DataCentre One that are likely to impact significantly the NAV of DataCentre One as at 31 December 2018.

In respect of the above, the Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, and save as disclosed above:

- (a) there are no material differences between the realisable value of the DataCentre One's assets and their respective book values as at 31 December 2018 which would have a material impact on the NAV of DataCentre One;
- (b) other than that already provided for or disclosed in DataCentre One's financial statements as at 31 December 2018, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the DataCentre One as at the Latest Practicable Date;
- (c) there are no litigation, claim or proceeding pending or threatened against DataCentre One or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of DataCentre One taken as a whole;
- (d) there are no intangible assets which ought to be disclosed in the statement of financial position of DataCentre One in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have a material impact on the overall financial position of DataCentre One; and
- (e) there are no material acquisitions and disposals of assets by DataCentre One between 31 December 2018 and the Latest Practicable Date, and DataCentre One does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of DataCentre One's business.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of DataCentre One. We are not experts in the evaluation or appraisal of the asset concerned and we have placed sole reliance on the Valuation Report and Desktop Valuation Report for such appraisals and have not made any independent verification of the content thereof.

5.4 Estimated Adjusted Net Asset Value

The pro forma NAV of DataCentre One as at 31 October 2019 is projected to be an amount of S\$33.3 million. As the Shareholders' Loans will be assigned to the Purchaser for cash, it will be deducted from the projected pro forma NAV to arrive at the estimated Adjusted Net Asset Value.

As set out above, the Agreed Property Value will give rise to a revaluation surplus of S\$98.1 million above the projected carrying value of the Property as at 31 October 2019. In addition, the Agreed Adjustment Items will result in a net increase of S\$3.0 million in the estimated Adjusted Net Asset Value of DataCentre One.

After taking into consideration of the above, the estimated Adjusted Net Asset Value of DataCentre One as at 31 October 2019 is as follows:

	S\$'million
Projected pro forma NAV of DataCentre One as at 31 October 2019	33.3
Add: surplus arising from the Agreed Property Value	98.1
Add: net effect of the Agreed Adjustment Items	3.0
Less: Shareholders' Loans which will be assigned to the Purchaser	(33.8)
Estimated Adjusted Net Asset Value of DataCentre One as at 31 October 2019	100.5*

* does not add up due to rounding.

Following from the above, the estimated agreed value for the sale of the Shares is S\$100.5 million. KIT Seller's estimated share of the consideration for the disposal of its 510,000 Shares would be S\$51.3 million, being 51% of S\$100.5 million.

In addition, KIT Seller will receive full repayment of its respective proportion of the Shareholders' Loans, projected to be S\$17.2 million as at 31 October 2019.

Hence, in total KIT Seller will receive S\$68.5 million from the KIT Disposal and S\$68.0 million after deducting its share of the Deposit of S\$510,000.

The breakdown of the estimated amount to be received by KIT Seller is summarised below:

KIT Seller	S\$'million
Consideration for the value of the 510,000 Shares (51% of S\$100.5 million)	51.3
Add: Repayment of the Shareholders' Loans attributable to KIT Seller	17.2
Gross proceeds	68.5
Less: Deposit received by KIT Seller	(0.5)
Net proceeds	68.0

5.5 Estimated Purchase Consideration

In summary, the estimated Purchase Consideration for the Transaction comprises the following:

	S\$'million
Estimated Adjusted Net Asset Value of DataCentre One as at 31 October 2019 (Agreed value of the Shares)	100.5
Add: payment of bank loans	63.5
payment for termination of interest rate swaps	4.0
repayment of Shareholders' Loans	33.8
Estimated total Purchase Consideration for the Transaction as at 31 October 2019	201.8

KIT Seller's share of the above Purchase Consideration is therefore S\$102.9 million, being 51% of S\$201.8 million.

However, as noted in Section 5.4 above, as the amount payable for the external bank loans and termination of the interest rate swaps are paid to the banks, such amounts would not be retained by KIT Seller.

6. EVALUATION OF THE KIT DISPOSAL

In our evaluation of the KIT Disposal, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the KIT Disposal;
- (b) independent valuation and Agreed Property Value of the Property;
- (c) assessment of the terms of the KIT Disposal;
- (d) financial effects of the KIT Disposal; and
- (e) other relevant considerations.

6.1 Rationale for the KIT Disposal

It is not within our terms of reference to comment or express an opinion on the merits of the KIT Disposal or the future prospects of KIT and/or the Group after the KIT Disposal. Nevertheless, we have reviewed KIT's rationale for the KIT Disposal as set out in Section 5 of the Circular and reproduced in *italics* below.

"KIT's objective is to deliver sustainable returns to its Unitholders by investing in, and proactively managing, a large and well-diversified portfolio of highly defensive infrastructure or infrastructure-like businesses and assets that provide or produce essential products and services, thereby supporting long-term stable distributions and capital growth.

KIT is of the view that the KIT Disposal will allow KIT to realise the remaining lease value in DataCentre One upfront, thus benefitting Unitholders. The KIT Disposal will also provide KIT with strategic opportunities to redeploy capital into quality acquisitions that will strengthen KIT's portfolio, for refinancing purposes and/or for working capital needs."

6.2 Independent Valuation and Agreed Property Value of the Property

As set out in Section 5.3 of this Letter, the Agreed Property Value is higher than the independent market valuation of the Property prepared by the Valuer.

The Valuer had determined the Market Value of the Property for the un-expired leasehold interest to be S\$190 million as at 4 September 2019. The Agreed Property Value of S\$200.2 million therefore represents a premium of 5.3% above the Market Value of the Property as at 4 September 2019.

As DataCentre One's principal activity is the development and lease of the Property as a data centre, the Property constitutes the main asset of the entity and hence the value of the Shares.

6.3 Assessment of the terms of the KIT Disposal

The estimated agreed value for the sale of the Shares is based on the Adjusted Net Asset Value of the Shares which takes into consideration the revaluation surplus arising from the Agreed Property Value. As an asset backed company, a revalued NAV approach is reasonable given that DataCentre One is a special purpose vehicle which was formed to develop and lease the Property as a data centre.

In addition, the Sellers will be repaid in full their Shareholders' Loans.

Further, the Purchaser will also fully settle the existing bank loans and the termination of the interest rate swaps which will eventually be paid to the external banks from the Purchase Consideration.

The Agreed Adjustment Items are commercial terms negotiated between the Purchaser and the Sellers and in this case would result in an estimated increase of S\$3.0 million to the Adjusted Net Asset Value of the Shares based on the projected pro forma statement of DataCentre One as at 31 October 2019, representing 3.0% of the Adjusted Net Asset Value.

As the terms of the SSA applies equally to the Sellers in their respective Shareholding Proportion, the KIT Disposal is therefore on normal commercial basis and is not prejudicial to the interests of KIT and the Minority Unitholders.

6.4 Financial effects of the KIT Disposal

As set out in Section 9 of the Circular, the KIT Disposal is expected to increase the Group's earnings per Unit for the current financial year. An estimated gain of S\$50.7 million is expected as a result of the KIT Disposal based on the projected values of the Adjusted Net Asset Value as at 31 October 2019. The KIT Disposal is not expected to have a material impact on the Group's NTA, funds from operations ("FFO") and distribution per Unit for the current financial year.

6.5 Other relevant considerations

6.5.1 Tender process for the sale of DataCentre One

The sale of DataCentre One was carried out *via* an independent tender process, on a non-exclusive basis.

The tender process was conducted by an independent agent, Cushman & Wakefield, who was appointed by the Sellers.

6.5.2 Terms of the SSA apply equally to the unrelated third party, WDC

The terms of the SSA were negotiated on arm's length basis with full participation of the Sellers and the Purchaser. The terms of the Transaction apply equally to KIT Seller as well as to WDC, who is unrelated to KIT Seller and the Purchaser.

7. OUR OPINION

In arriving at our opinion in respect of the KIT Disposal, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the KIT Disposal;
- (b) independent valuation and Agreed Property Value of the Property;
- (c) assessment of the terms of the KIT Disposal;
- (d) financial effects of the KIT Disposal; and
- (e) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the KIT Disposal is on normal commercial terms and is not prejudicial to the interests of KIT and its Minority Unitholders.

Our opinion, as disclosed in this letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of future financial performance of KIT and/or the Group after the completion of the KIT Disposal. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the KIT Disposal.

Our opinion is issued pursuant to Rule 921(4)(a) of the Listing Manual, as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the KIT Disposal, on the basis that KIT is seeking Unitholders' approval for the KIT Disposal as an IPT in the interest of good corporate governance. The recommendation to be made by them to the Unitholders shall remain their responsibility. Neither KIT, the Trustee-Manager nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes without the prior written consent of Provenance Capital, other than (i) the reproduction of this Letter in the Circular, (ii) at the forthcoming EGM or (iii) for the purpose of the KIT Disposal.

Our 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 faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.



Wong Bee Eng
Chief Executive Officer

APPENDIX B

DESKTOP VALUATION REPORT BY INDEPENDENT VALUER



Our Ref : 2019/2213/CORP/AQ

4 September 2019

Keppel Infrastructure Fund Management Pte Ltd
(as trustee-Manager of Keppel Infrastructure Trust)
1 Harbourfront Avenue
Level 2, Keppel Bay Tower
Singapore 098632

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

Dear Sirs

DESKTOP VALUATION OF 18 RIVERSIDE ROAD, SINGAPORE 739088 (THE "PROPERTY")

In accordance with the instructions of Keppel Infrastructure Fund Management Pte Ltd (as trustee-Manager of Keppel Infrastructure Trust)("Client") for us to carry a desktop valuation of the Property, we have made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the un-expired leasehold interest in the Property, subject to the existing lease arrangement.

This valuation is premised on the information as contained in our valuation report dated 31 December 2018 (Ref: 2018/2669/CORP/AQ) carried out for DataCentre One Pte. Ltd. Accordingly, the desktop valuation is carried out without the benefit of site inspection and we have assumed that there is no material change in the property and the surroundings. No title searches and legal requisitions have been carried out.

This valuation has been prepared for divestment purpose and can be relied upon by the Client and their independent financial adviser only. Use by, or reliance upon this report by anyone other than the Client and their independent financial adviser is not authorised by Savills and Savills is not liable for any unauthorised use or reliance. Our report should not be produced without our prior written consent.

The valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers Valuation Standards and Guidelines.

Our valuation is on the basis of Market Value which is intended to mean "the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Our valuation has been made on the assumption that the Property is sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the value of the Property.

Savills Valuation and Professional Services (S) Pte Ltd has relied upon the property data supplied by the Client which we assume to be true and accurate. Savills Valuation and Professional Services (S) Pte Ltd takes no responsibility for inaccurate data supplied by the owner and subsequent conclusions related to such data.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinion and conclusion.



We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Property and the valuers undertaking the valuation are authorised to practise as valuers and have the necessary expertise and experience in valuation of such type of Property.

In arriving at our opinion of Market Value, we have adopted the Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method.

Our opinion of Market Value is summarised in the attached Valuation Summary.

Yours faithfully,
For and on behalf of
Savills Valuation And Professional Services (S) Pte Ltd




Kamal Hamdi
Licensed Appraiser No. AD041-2006388F
Executive Director


Angus Quek
Licensed Appraiser No. AD041-2009188F
Director (Corporate Specialist)

AQ/KH/ha



VALUATION SUMMARY

Property Address	18 Riverside Road, Singapore 739088
Client	Keppel Infrastructure Fund Management Pte Ltd (as trustee – Manager of Keppel Infrastructure Trust)
Purpose of Valuation	Divestment
Legal Description	Lot 6144M Mukim 13
Tenure	Leasehold 70 years 5 months commencing on 1 March 1974 (we are instructed to value based on balance un-expired interest of about 24.9 years)
Registered Lessee	DataCentre One Pte. Ltd.
Brief Description	<p>The subject property is located at the western junction of Riverside Road and Marsiling Road, within Marsiling Industrial Estate. It comprises a 5-storey Tier 3 Data Centre with a total Data Hall space of approximately 8,000 sm located on the 2nd to 5th storeys. The Temporary Occupation Permit was issued on 7 April 2016.</p> <p>Some of the M&E services and general facilities featured within the subject property include:-</p> <ul style="list-style-type: none"> • Two sets of 22kV incoming feeds (expandable to four) from Power Grid • 22/0.4kV 2.5 MVA silicon oil transformers • Diesel Rotary Uninterrupted Power Supply ('DRUPS') units • Generator set of 1.25MVA • Provision for 6 x 600KVA Uninterrupted Power Supply and batteries per N in each UPS room • N+2 Redundancy for Computer Room Air Conditioning Units ("CRAC") in each Data Hall • Chiller plant consisting of 2 x 600RT and 2 x 1200RT Water Cooled Chillers, cooling towers, water pumps and accessories. There is provision for another future 1200RT chiller • Building Monitoring System/ Security system/ Access Control System • Fire protection system which include pre-action sprinkler system, gas suppression system, Very Early Fire Detection System and fire alarm system equipped with smoke detectors
Site Area	8,538.0 sm or thereabouts, subject to government's re-survey
Gross Floor Area	Approximately 19,864.088 sm, based on the surveyor's certificate dated 6 October 2017 prepared by Lee Boon Haw Registered Surveyor as provided by Client
Tenancy Brief	The property is leased to 1-Net Singapore Pte. Ltd. ("Tenant") for a lease term of 20 years commencing on 12 April 2016 with an option to renew from 12 April 2036 until 9 months before 31 July 2044. The current passing rent is \$17,908,443 p.a. There is a fixed 4.0% rental escalation for every 2 years from Year 5 onwards for Shell Lease rent. The Tenant is responsible for all property outgoings expenses including maintenance and repair of the property, all utilities charges, insurance and property tax.
Annual Value	\$7,154,000
Master Plan (2014)	Business 2 with a plot ratio of 2.5
Land Rent (pa)	Land premium paid
Permitted Use	Sole use as a Data Centre only
Basis Of Valuation	As-Is basis and subject to the existing lease arrangement
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Date of Valuation	4 September 2019
Capitalisation Rate	8.00%
Terminal Capitalisation Rate	8.50%
Discount Rate	9.00%
Rate of Gross Floor Area	\$9,565 psm
Recommended Market Value	\$190,000,000 (Singapore Dollars One Hundred And Ninety Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.
Prepared by	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Kamel Hamdi Licensed Appraiser No. AD041-2006388F Savills Valuation And Professional Services (S) Pte Ltd </div> <div style="text-align: center;">  Angus Quek Licensed Appraiser No. AD041-2009188F Savills Valuation And Professional Services (S) Pte Ltd </div> </div>

This valuation amount is exclusive of GST

To any party relying on this report we advise that this valuation summary should not be relied upon in isolation for finance or any other purposes.

AQ/KH/ha

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX C

2018 VALUATION REPORT BY INDEPENDENT VALUER



18 Riverside Road
Singapore 739088

Prepared for
DataCentre One Pte. Ltd.
230 Victoria Street
#05-08 Bugis Junction Towers
Singapore 188024

31 December 2018

Savills
Valuation Report

savills.com.sg/valuations

Savills Valuation And
Professional Services (S) Pte Ltd
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1 Introduction

1.1 Instructions

We have been instructed by DataCentre One Pte. Ltd. ["Client"] to provide the market value of the subject property subject to existing lease arrangement. This valuation has been prepared for corporate reporting purpose and can be only relied upon by the Client. This valuation report is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout this report and also the limiting conditions herein.

1.2 Qualifications of Valuer

We confirm that the valuer who has undertaken this valuation:

- a) is suitably qualified to carry out such valuations and has at least 15 years' appropriate experience and in particular has the necessary expertise and experience in valuing properties of this type and in the relevant area;
- b) is not aware of any conflict of interest that would interfere with the valuer's ability to give an independent and professional valuation of the Property; and
- c) is not a related corporation of or has a relationship with the Client.

1.3 Extension of Liability

This report may be only relied upon by the Client for the specific purpose to which it refers. Use by, or reliance upon this report by anyone other than the Client is not authorised by Savills and Savills is not liable for any unauthorised use or reliance. This report should not be produced without our prior written consent.



1.4 Basis of Valuation

We have assessed the valuation on an As-Is basis, subject to the existing lease arrangement and free from all encumbrances.

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report.

In preparing this valuation, we have relied on information as provided by your goodselves. Should the information be changed subsequently or different upon final survey, a revaluation may be necessary.

1.5 Market Value Definition

Our valuation is conducted according to the Singapore Institute of Surveyors and Valuers guidelines which supports the definition of market value as follows:

“Market Value is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

1.6 Date of Inspection

28 November 2018

1.7 GST

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.



2 Location

The subject property is located at the western junction of Riverside Road and Marsiling Road, and approximately 24 kilometres from the City Centre.

It lies within Marsiling Industrial Estate and the immediate surrounding comprises a mixture of purpose-built factories and terrace workshops. Some of the notable developments nearby include SKM Industrial Building, Lamsoon@Marsiling, Okamoto, Storhub Woodlands, Republic Polytechnic and Woodlands Checkpoint, amongst others.

Labour supply is readily available from the nearby Marsiling and Woodlands HDB estates.

The property is within close proximity to surrounding amenities and transport facilities such as Seletar/Bukit Timah Expressways, Woodlands MRT Station and the future Woodlands North MRT Station.

3 Site Description

3.1 Site Area

Based on our brief title search from Singapore Land Authority, the site area is approximately 8,538.0 sm, subject to government's re-survey.

3.2 Description

The site comprises a near rectangular shaped land with a splayed corner at its north-eastern tip. It is slightly elevated above access road level and has a frontage of approximately 61 metres (scaled) onto Riverside Road, a splayed corner of about 8 metres (scaled) and a return frontage of about 115 metres (scaled) onto Marsiling Road.



3.3 Environmental Issues

In the absence of an environmental site assessment relating to the subject site, we have assumed that the site is not contaminated. Our visual inspections of the subject property and immediate surrounding properties revealed no obvious signs of site contamination.

However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject site and recommend that an environmental audit report to be carried out.

We reserve the right to amend this valuation should an environmental audit report show otherwise.

4 Title Particulars

4.1 Legal Description

Lot 6144M Mukim 13

4.2 Tenure

Leasehold 70 years 5 months commencing on 1 March 1974 (we are instructed to value based on balance un-expired interest of about 25.6 years)

4.3 Registered Proprietor(s)

DataCentre One Pte. Ltd.



4.4 Easements/Encumbrances

The subject property is mortgaged to DBS Bank Ltd.

We have assumed for the purpose of this valuation that easements and encumbrances, do not adversely affect the value of the subject property. As we are not experts in this area, should subsequent legal advice find to the contrary, we reserve the right to amend our valuation.

5 Town Planning

5.1 Zoning and Development Guidelines

Particulars	Description
Planning Authority	Urban Redevelopment Authority
Planning Instrument	Master Plan (2014)
Zoning	Business 2
Gross Plot Ratio	2.5

5.2 Public Scheme(s)

The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

5.3 Permitted Use

Sole use as a Data Centre only.

5.4 Services

Essential public utilities and tele-communication services are connected.

6 Improvements

6.1 General Description

The subject property comprises a 5-storey Tier 3 Data Centre with a Data Hall space of approximately 8,000 sm located on the 2nd to 5th storeys.

Vertical access is provided via 2 passenger lifts, 2 goods lifts, a fire lift and supplemented with reinforced concrete staircases.

Other site improvements include loading/unloading bays, 27 car parking lots, 9 lorry parking lots and bin centre.

Some of the M&E services and general facilities featured within the subject property include the following:-

- Two sets of 22kV incoming feeds (expandable to four) from Power Grid
- 22/0.4kV 2.5 MVA silicon oil transformers
- Diesel Rotary Uninterrupted Power Supply ('DRUPS') units
- Generator set of 1.25MVA
- Underground diesel storage which comprises of 5 x 60,000 litres double walled FRP fuel tanks which could provide up to 24 hours backup on full load condition
- Provision for 6 x 600KVA Uninterrupted Power Supply ("UPS") and batteries per N in each UPS room
- N+2 Redundancy for Computer Room Air Conditioning Units ("CRAC") in each Data Hall
- Chiller plant consisting of 2 x 600RT and 2 x 1200RT Water Cooled Chillers, cooling towers, water pumps and accessories. There is provision for another future 1200RT chiller
- Building Monitoring System
- Fire protection system which include pre-action sprinkler system, gas suppression system, Very Early Fire Detection System and fire alarm system equipped with smoke detectors
- Security system and Access Control System



Based on information provided to us, the floor loading and ceiling height are as follows:-

Description	Floor Loading (KN/sm)	Storeys	Finished Floor-To-Floor Height (m)
Data Hall	12.5	1 st	6.0
Office	5.0	2 nd to 5 th	5.5

6.2 General Construction and Finishes

The construction and finishes of the building comprise the following:-

Floors	Reinforced concrete
Columns	Reinforced concrete
External Walls	Rendered and painted concrete block/glass curtain wall system/aluminium cladding and louvred facade
Roof	Reinforced concrete flat roof

6.3 Accommodation

Briefly, the main accommodation within the development includes the following:-

1st Storey	Entrance lobby, reception counter, lift lobbies, security room, locker room, command & customer service centre, conference room, meeting rooms, admin office, UPS room, battery room, stores, Fire Command Centre, pantries, locker room, male/female toilets, switch rooms, substation, Gas Suppression Tank room, transformer rooms, MDF rooms, pump rooms, network equipment rooms and loading/unloading bays
2nd & 3rd Storey (Typical per level)	Lift lobbies, 2 Data halls and male/female/handicapped toilets generally
4th & 5th Storeys (Typical per level)	Lift lobbies, Data hall, electrical plant room, battery room, CRAC room, UPS room and male/female/handicapped toilets generally
Roof	Chiller plant, back-up generators, lift motor room and Dynamic Rotary UPS generally



6.4 Gross Floor Area

19,864.088 sm, based on the surveyor's certificate dated 6 October 2017 prepared by Lee Boon Haw Registered Surveyor as provided by Client

6.5 Year of Completion

The Temporary Occupation Permit was issued on 7 April 2016.

7 Tenancy Details

We have summarised the broad parameters of the lease arrangement as follows:

Summary	
Tenant	1-Net Singapore Pte. Ltd.
Lease Term	20 years commencing from 12 April 2016
Option Term	From 12 April 2036 and expiring 9 months before 31 July 2044
Current Passing Rent	\$17,908,443 per annum
Rent Reviews	Fixed 4.0% rental escalation for every 2 years from Year 5 onwards for Shell Lease rent
Lease Condition	The tenant is responsible for all property outgoings expenses including maintenance and repair of the property (which the tenant has engaged the landlord under a Facility Management Agreement), all utilities charges, insurance and property tax.

8 Property Tax

The property is currently assessed by IRAS at an annual value of \$7,154,000. Property tax is payable at 10.00% per annum of the assessed annual value.

9 Land Rent

We understand that land premium has been paid for the land. The annual land rent is waived until such time as the Lessor/Head Lessor may determine otherwise and if so determined shall be subject to revision by the Lessor/Head Lessor.

10 Valuation Methodology

We have assessed the valuation on an As-Is basis and subject to the existing lease arrangement.

In assessing the value of the subject property we have considered the Income Capitalisation Method, Discounted Cashflow Analysis and Direct Comparison Method, each is being used as a check against the other.

10.1 Income Capitalisation Method

We have also considered the Income Capitalisation Method in determining the market value of the subject property. Under this approach, the net income is capitalised at an appropriate market capitalisation rate which reflects both the risk and benefits of the subject property as an investment. Reference has been made from comparable yields derived from similar properties' transactions and capitalisation rates adopted by major REITs and funds in their portfolio valuation for similar asset type.

10.2 Discounted Cash Flow (DCF) Analysis

A DCF Analysis has been prepared taking into account the ability of the property to generate income over a 10-year period based on certain assumptions. The DCF Analysis relates to a 10-year time frame during which rental growth patterns can be reasonably projected.

Each year's net operating income during the period is discounted to arrive at the present value of expected future cash flows. The subject property's anticipated sale price at the end of the period (i.e. its terminal value) is also discounted to its present value and added to the discounted income stream to arrive at the total present market value of the property.



We assume the subject property will be sold after the end of Year 10 at a price based upon the forecast income. Costs associated with the disposal such as legal fees and sales commission at the end of the investment period have also been accounted for.

The DCF Analysis is performed on the assumption of a cash purchase. No allowance for interest and other funding costs has been made.

10.3 Direct Comparison Method

In this method, a comparison is made with sales of similar properties in the subject or comparable localities. Adjustments are made for differences in location, size, tenure, age/condition, facilities provided and date of sale, etc., before arriving at the value of the subject property.

There are limited transactions for data centres in Singapore recently therefore, we have also referred to sales in the past few years and made the necessary adjustments. Below is a summary of the main sales we have relied on in assessing the value of the subject property.

Property	Land Area (sm)	Approx. Floor Area (sm)	Sale Price	Floor Area Rate (\$/sm)	Sale Date	Tenure
13 Sunview Way	7,741.6	19,323.3	\$298,080,808	15,425	May 2018	30 yrs wef 1 Sept 2011
27 Tampines Street 92	4,999.6	12,437.7	\$202,500,000 (90% Interest)	18,090	Oct 2016	30+30 yrs wef 1 Feb 1992
25 Serangoon North Avenue 5	7,332.7	20,991.0	\$262,800,000	12,520	Nov 2014	30+30 yrs wef 1 Oct 1995

11 Reconciliation of Values

Having analysed the value of the subject property using the appropriate methodologies as explained above, we have derived values around \$187,000,000 for the property.



12 Valuation

In view of the aforesaid and taking into consideration prevailing market conditions around the date of valuation, we assess the Market Value of the un-expired leasehold interest of about 25.6 years in the subject property, subject to the existing lease arrangement and free from all encumbrances, to be:

Date of Valuation	31 December 2018
Market Value	\$187,000,000
	(Singapore Dollars One Hundred And Eighty-Seven Million Only)

Prepared by

Savills Valuation And Professional Services (S) Pte Ltd


Kamal Hamdi
Licensed Appraiser No. AD041-2006388F
Executive Director


Angus Quek
Licensed Appraiser No. AD041-2009188F
Director

AQ/KH/pt

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

18 RIVERSIDE ROAD

SINGAPORE 739098



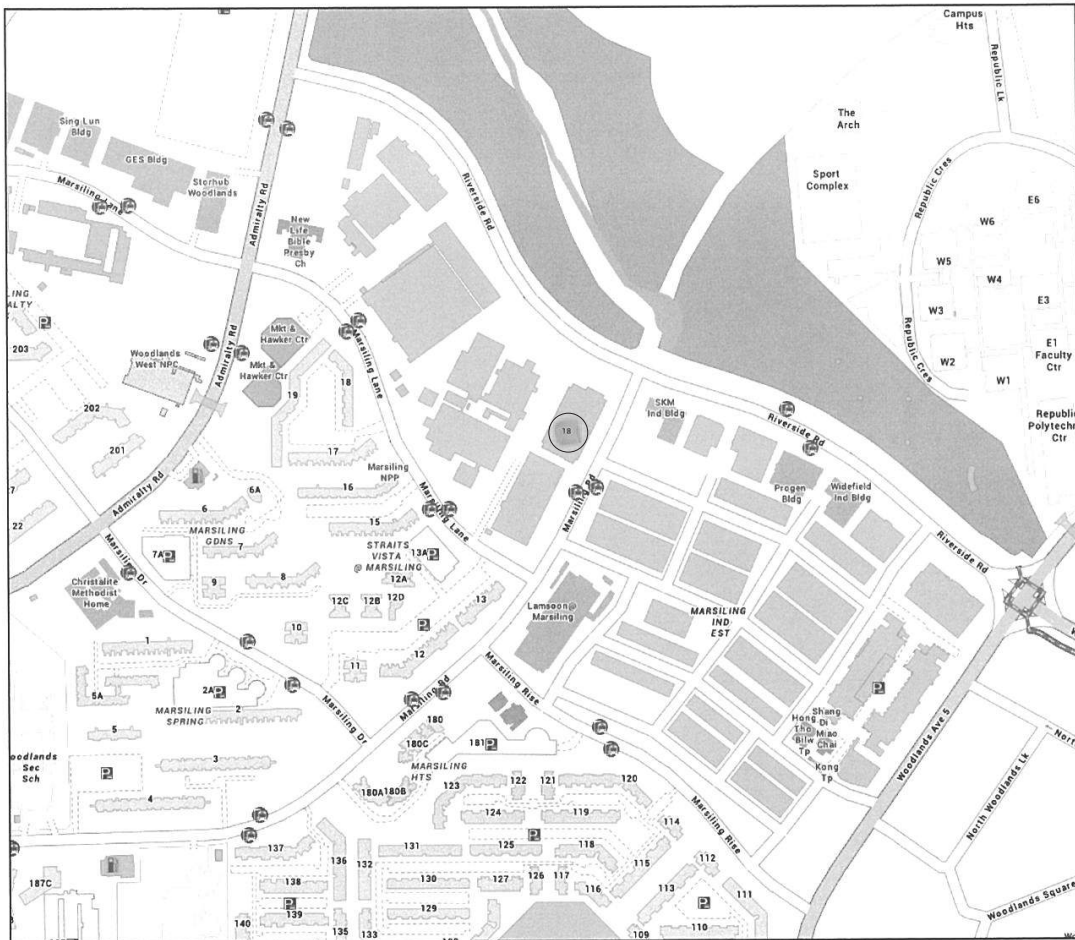
Reception Area



Data Hall

Savills Valuation And Professional Services (S) Pte Ltd

18 RIVERSIDE ROAD
SINGAPORE 739088



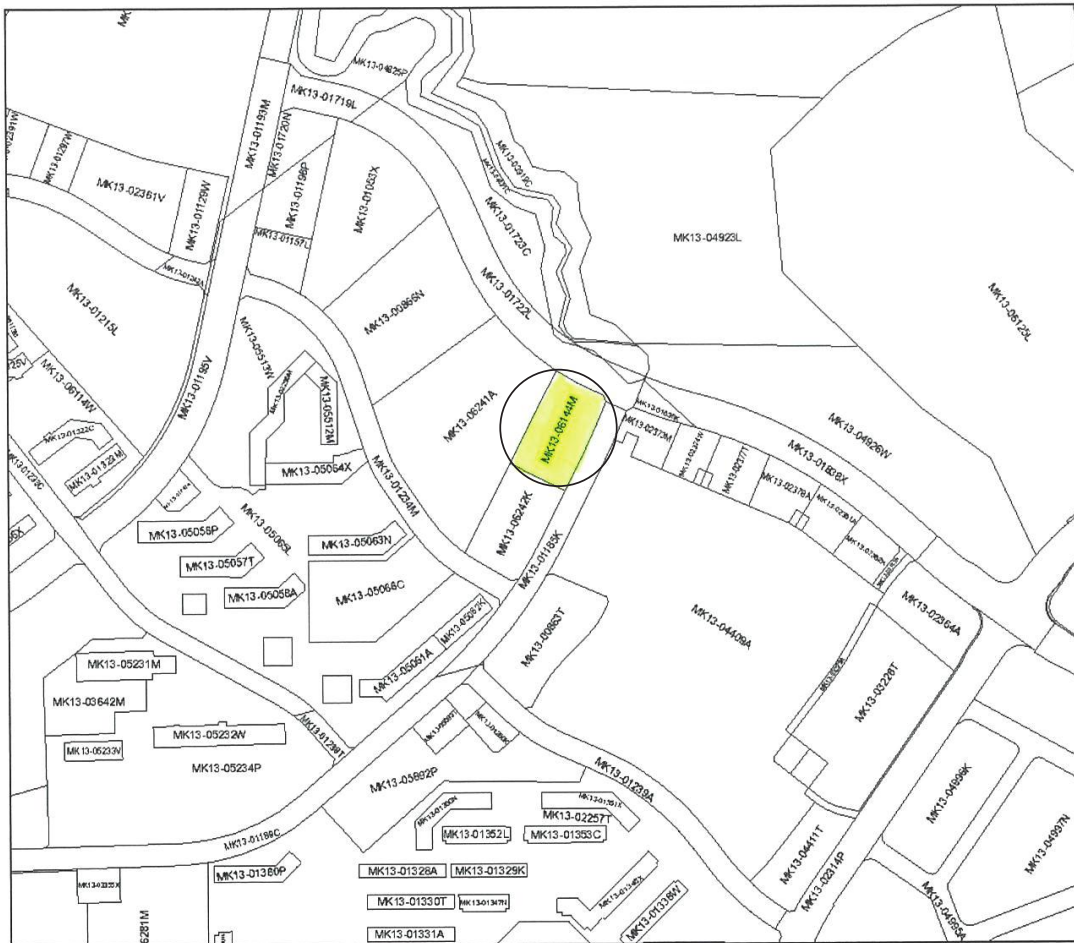
Source : OneMap

LOCATION PLAN
(NOT TO SCALE)
For Identification Purposes Only



Savills Valuation And Professional Services (S) Pte Ltd

**18 RIVERSIDE ROAD
SINGAPORE 739088**



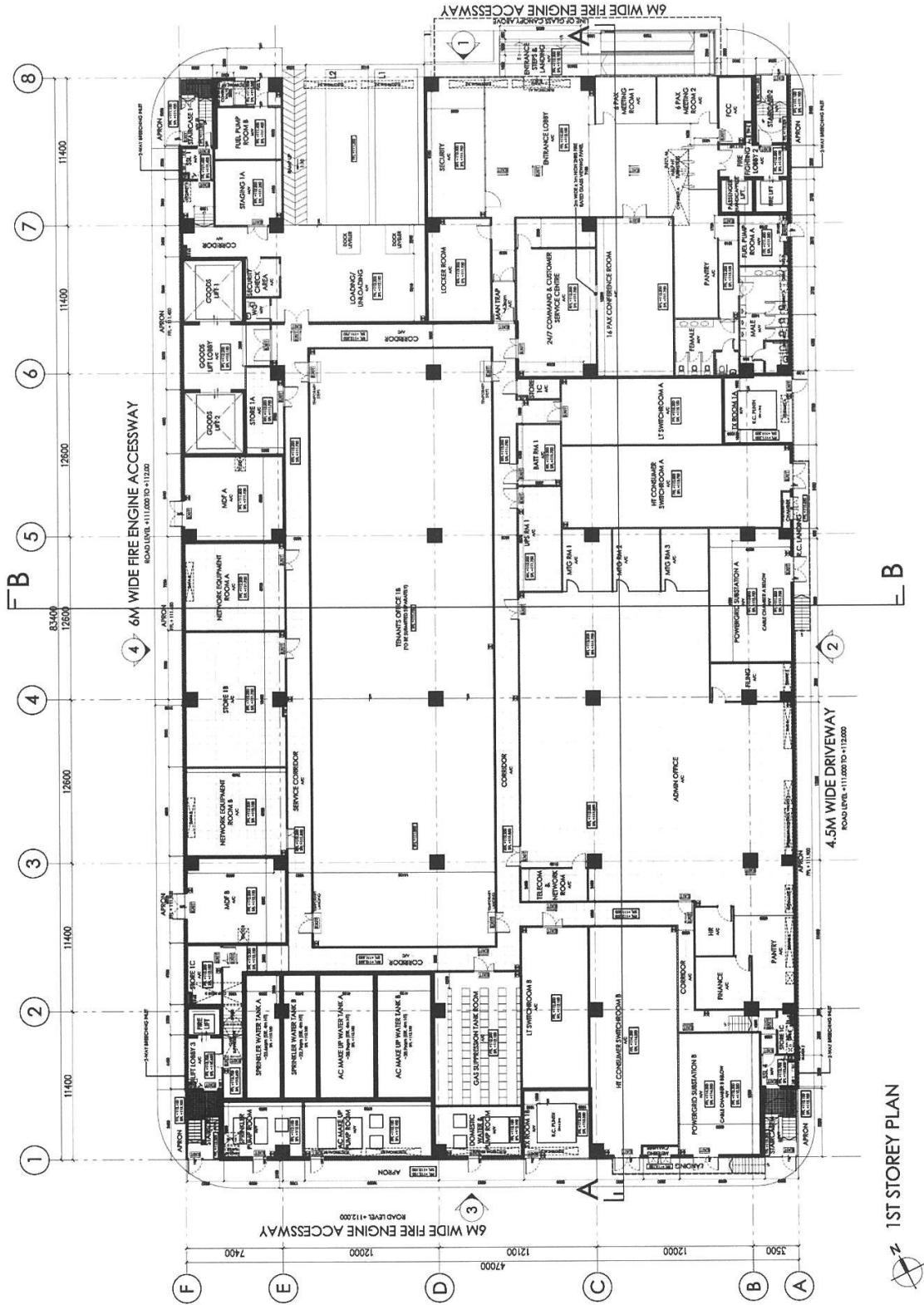
Source : OneMap

SITE PLAN
(NOT TO SCALE)
For Identification Purposes Only



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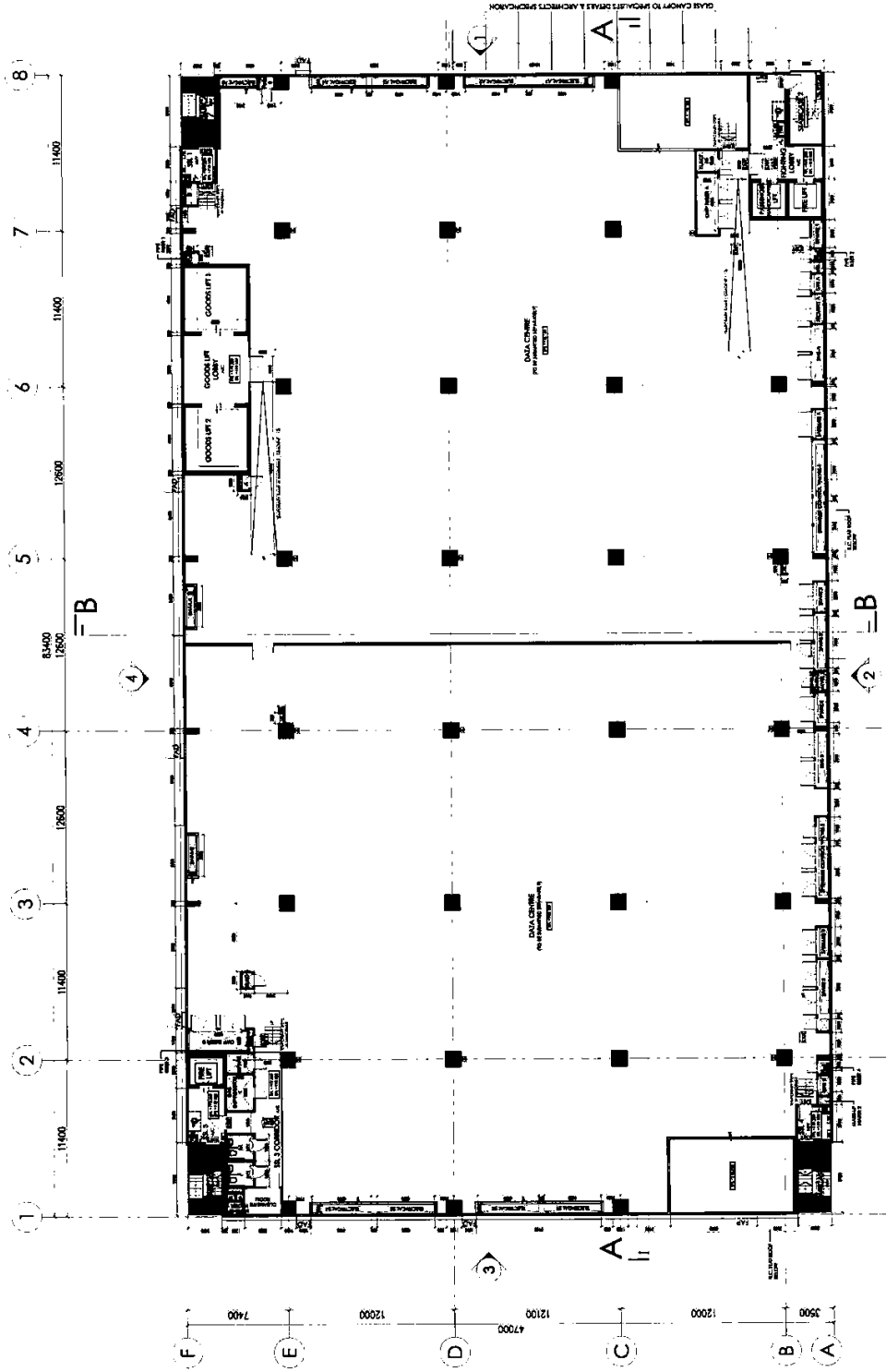


1ST STOREY PLAN

FLOOR PLAN
(NOT TO SCALE)

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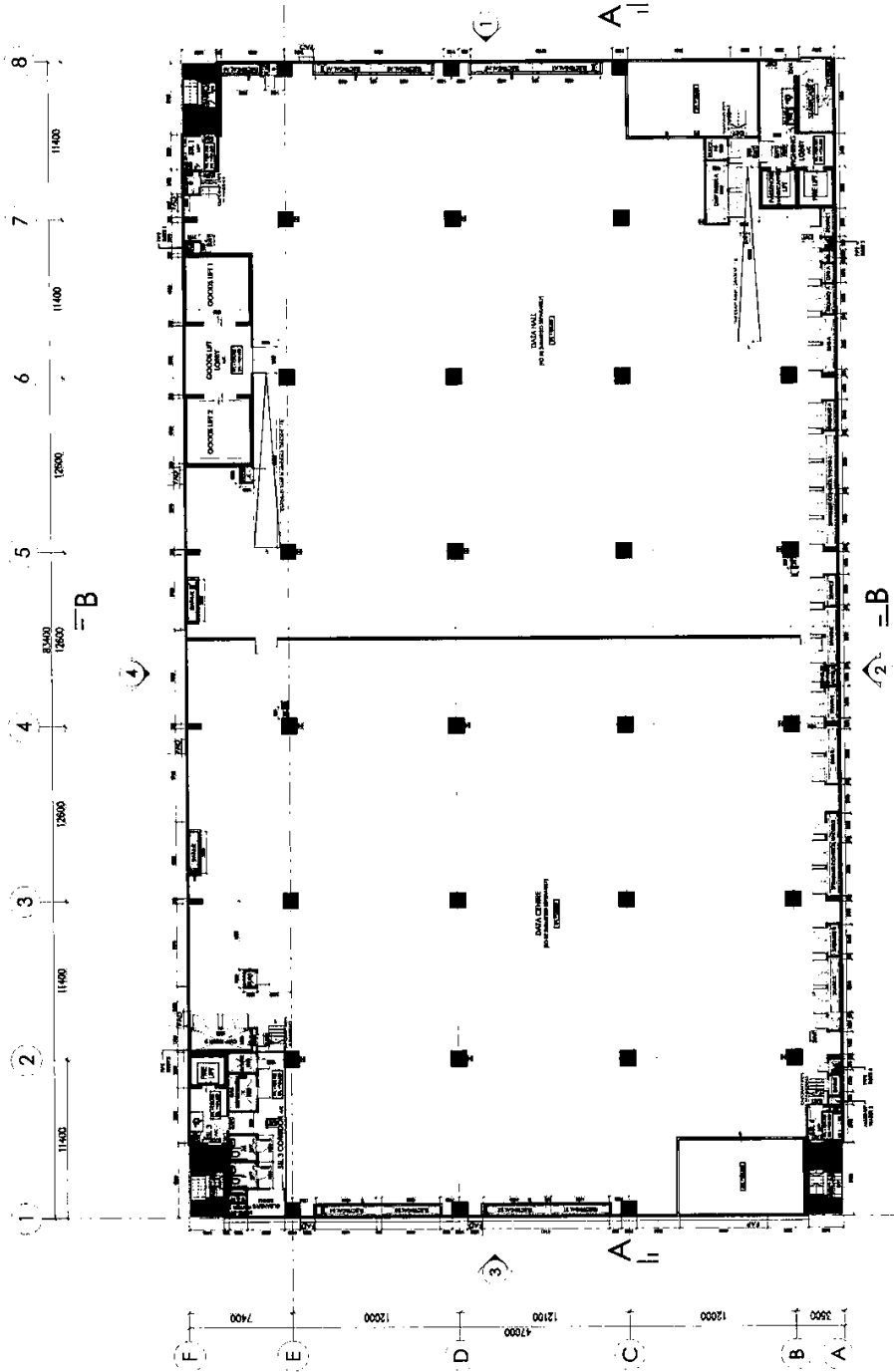


2ND STOREY PLAN

FLOOR PLAN
(NOT TO SCALE)

Savills Valuation And Professional Services (S) Pte Ltd

18 RIVERSIDE ROAD
 SINGAPORE 739088

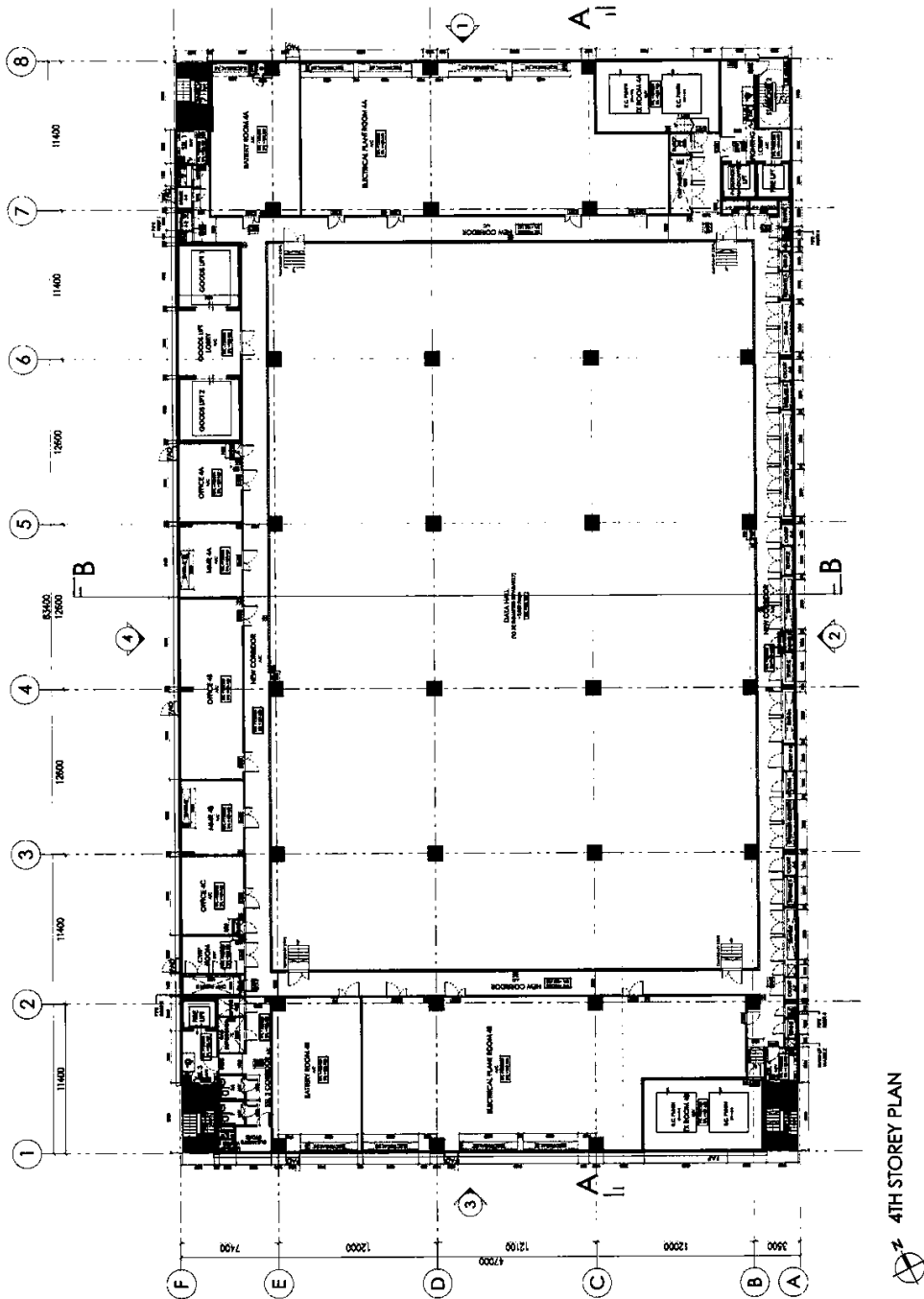


3RD STOREY PLAN

FLOOR PLAN
 (NOT TO SCALE)

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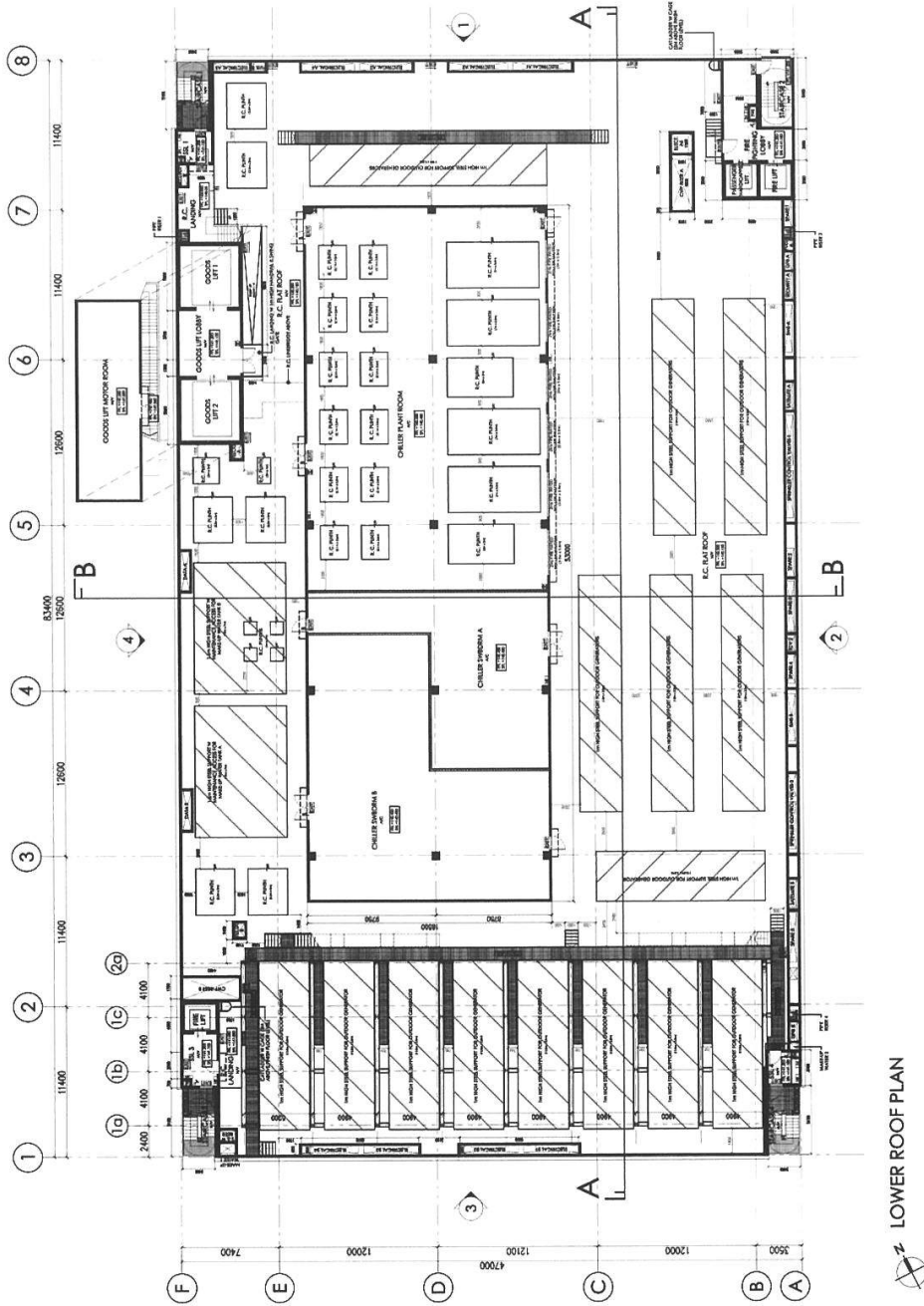


4TH STOREY PLAN

FLOOR PLAN
(NOT TO SCALE)

Savills Valuation And Professional Services (S) Pte Ltd

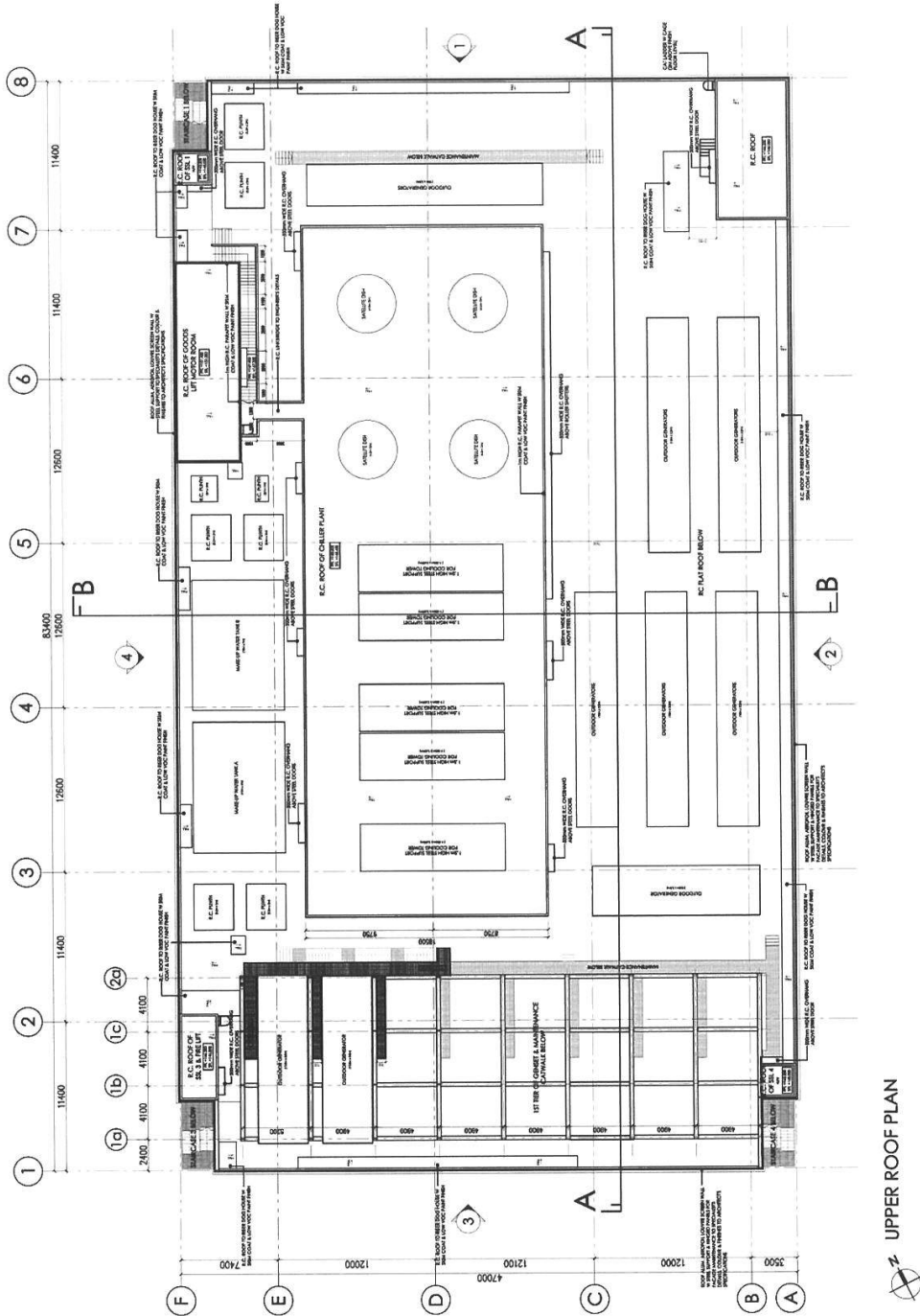
18 RIVERSIDE ROAD
SINGAPORE 739088



FLOOR PLAN
(NOT TO SCALE)

Savills Valuation And Professional Services (S) Pte Ltd

18 RIVERSIDE ROAD
SINGAPORE 739088



UPPER ROOF PLAN

FLOOR PLAN
(NOT TO SCALE)

KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to
a trust deed dated 5 January 2007 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Keppel Infrastructure Trust (“KIT”) will be held at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 23 October 2019 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolution proposed as the Ordinary Resolution:

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 51% OF THE SHARES IN DATACENTRE ONE PTE. LTD. (“DATACENTRE ONE”)

That:

- (1) the disposal of 51% of the issued and paid-up share capital of DataCentre One (the “KIT Disposal”) on the terms and conditions set out in a conditional share sale agreement dated 16 September 2019 entered into between (1) CityDC Pte. Ltd. (a wholly-owned subsidiary of KIT) and WDC Development Pte. Ltd. as sellers and (2) Perpetual (Asia) Limited, acting in its capacity as trustee of Keppel DC REIT, as purchaser, be approved and authorised; and
- (2) the Trustee-Manager and any Director, Chief Executive Officer or Head, Finance, of the Trustee-Manager be authorised to do all such things and execute all documents as they may consider necessary or expedient to give effect to this Ordinary Resolution as they may deem fit.

BY ORDER OF THE BOARD

Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration No. 200803959H)
as Trustee-Manager of Keppel Infrastructure Trust

Winnie Mak/Esther Chua
Company Secretaries

8 October 2019
Singapore

Notes:

1. In accordance with the Business Trusts Act and the Trust Deed, a Unitholder entitled to attend and vote at the Extraordinary General Meeting (“EGM”) and who is not a relevant intermediary (as defined in the Trust Deed) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A Unitholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote in its stead, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. A proxy need not be a Unitholder.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) of Units concerned to be represented by each proxy.

3. In accordance with the Business Trusts Act and the Trust Deed, the proxy form must be deposited at KIT's Proxy Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (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 other documents relating to the EGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes") and (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

Keppel Infrastructure Trust

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore
as a business trust pursuant to a trust deed
dated 5 January 2007 (as amended))

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT

- For CPF/SRS investors who hold units in Keppel Infrastructure Trust, this Circular is forwarded to them at the request of their Agent Banks/SRS Operators and is sent FOR THEIR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF/SRS investors who wish to attend the Extraordinary General Meeting as observers have to submit their requests through their Agent Banks/SRS Operators so that their Agent Banks/SRS Operators may register, within the specified timeframe, with Keppel Infrastructure Trust's Unit Registrar. Agent Banks/SRS Operators, please refer to Note 12 on the reverse side of the Proxy Form for further details.
- CPF/SRS investors who wish to vote must submit their voting instructions to their Agent Banks/SRS Operators to enable them to vote on their behalf.
- PLEASE READ THE NOTES TO THE PROXY FORM.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder of KIT accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 October 2019.

*I/We _____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)
of _____ (address)
being a Unitholder/Unitholders of Keppel Infrastructure Trust ("KIT") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Unitholdings	
			No. of Units	%

as my/our proxy/proxies to attend and to vote for me/us or my/our behalf at the Extraordinary General Meeting of KIT ("EGM") to be held at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, on Wednesday, 23 October 2019 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM 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, as he/she/they may on any other matter arising at the EGM.

No.	Ordinary Resolution	No. of Votes For*	No. of Votes Against*
1	To approve the disposal of 51% of the shares in DataCentre One Pte. Ltd.		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the respective boxes provided.

Dated this _____ day of _____ 2019

Total number of Units held	
----------------------------	--

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

Important: Please read notes on the reverse



Notes to Proxy Form:

1. In accordance with the Business Trusts Act and the Trust Deed, a unitholder of KIT ("**Unitholder**") entitled to attend and vote at the Extraordinary General Meeting ("**EGM**") and who is not a relevant intermediary (as defined in the Trust Deed) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A Unitholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote in its stead, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. In the case of units in KIT ("**Units**") entered in the Depository Register, the Trustee-Manager shall be entitled and bound:
 - (a) to reject any Proxy Form lodged if the Unitholder, being the appointor, is not shown to have any Units entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by The Central Depository (Pte) Limited ("**CDP**") to KIT; and
 - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Unitholder is or are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to KIT, whether that number is greater or smaller than the number specified in any Proxy Form executed by or on behalf of that Unitholder.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) of Units concerned to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by CDP, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the Register of Unitholders of KIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form (as defined in note 5 below) will be deemed to relate to all the Units held by the Unitholder.
5. In accordance with the Business Trusts Act and the Trust Deed, the instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at KIT's Proxy Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the EGM.
6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the EGM in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

fold along this line (1)

Affix
Postage
Stamp

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

fold along this line (2)

7. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Trustee-Manager shall have regard to any instructions and/or notes set out in the Proxy Form.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
10. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
11. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.
12. Agent Banks/SRS Operators acting on the request of the CPF/SRS investors who wish to attend the EGM as observers are requested to submit in writing, a list with details of the CPF/SRS investors' names, NRIC/Passport numbers, addresses and number of Units held. The list (to be signed by an authorised signatory of the Agent Banks/SRS Operator) should reach KIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623 not less than 48 hours before the time appointed for the EGM.

General:

The Trustee-Manager 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 Units entered in the Depository Register, the Trustee-Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by the CDP to the Trustee-Manager.

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