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Registration Number 2010002

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 July 2009 (as amended))

ANNOUNCEMENT

- (I) THE PROPOSED ACQUISITION OF A 51% EQUITY INTEREST IN KEPPEL MERLIMAU COGEN PTE LTD;
 - (II) THE PROPOSED DISPOSAL OF THE BUSINESS UNDERTAKING AND ASSETS OF KEPPEL INFRASTRUCTURE TRUST ("KIT") TO CITYSPRING INFRASTRUCTURE TRUST IN CONSIDERATION FOR 1,326,319,374 NEW UNITS IN CITYSPRING INFRASTRUCTURE TRUST (THE "DISPOSAL"); AND
 - (III) THE PROPOSED EQUITY FUND RAISING.
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1. INTRODUCTION

Keppel Infrastructure Fund Management Pte. Ltd. ("**Trustee-Manager**"), in its capacity as Trustee-Manager of KIT, refers to the SGXNET announcement made by the Trustee-Manager on 18 November 2014 in relation to the above subject matter (the "**Announcement**").

All capitalised terms used herein shall unless otherwise defined or the context otherwise requires have the same meaning as given to them in the Announcement.

As announced in the Announcement, the purchase consideration for the KMC Acquisition (the "**KMC Purchase Consideration**") is S\$510 million, which will be financed by an equity fund raising exercise to be undertaken. In the event that the Disposal is completed, CIT will assume all rights and obligations of KIT for the KMC Acquisition and undertake the equity fund raising exercise. In the event that the Disposal is not completed, KIT will proceed with the KMC Acquisition if the KMC Acquisition is approved by KIT Unitholders. In order to fund the KMC Acquisition, the Trustee-Manager intends to undertake an equity fund raising exercise (the "**KIT Equity Fund Raising**").

The KMC Acquisition and the Disposal shall hereafter be collectively referred as the "**Proposed Transactions**".

2. KIT EQUITY FUND RAISING

Pursuant to the proposed KIT Equity Fund Raising (in the event the Disposal is not completed), the Trustee-Manager intends to issue new KIT Units (the "**New KIT Units**") at an issue price to be determined to raise gross proceeds of up to approximately S\$525 million to fund the KMC Acquisition and related expenses of the KIT Equity Fund Raising and the Proposed Transactions.

It is intended that the KIT Equity Fund Raising will comprise:

- (a) a placement ("**Placement**") of New KIT Units ("**KIT Placement Units**") to institutional and other investors (the "**KIT Placees**"); and
- (b) a non-renounceable preferential offering of New KIT Units ("**Preferential Offering Units**") to eligible KIT Unitholders (the "**Preferential Offering**").

The number and issue price of the Preferential Offering Units to be offered for each existing unit held on such preferential offering books closure date (the "**Preferential Offering Books Closure Date**") (on which the transfer books and register of KIT Unitholders (the "**Transfer Books and Register of Unitholders**") will be closed to determine the provisional allocation under the proposed Preferential Offering), shall be determined by the Trustee-Manager and the Joint Lead Managers, Bookrunners and Underwriters (as defined below) prior to the lodgement of an offer information statement with the MAS (the "**Offer Information Statement**").

The issue price per New KIT Unit will be determined by the Trustee-Manager and the Joint Lead Managers, Bookrunners and Underwriters at a later date, closer to the commencement of the KIT Equity Fund Raising and prior to the lodgement of the Offer Information Statement. Based on an illustrative issue price of (i) S\$1.035 per KIT Placement Unit and (ii) S\$1.030 per Preferential Offering Unit, approximately 507.6 million New KIT Units (representing approximately 80.6% of the existing issued KIT Units as at 26 March 2015) will be issued. Approximately S\$15 million (equivalent to 2.86% of the gross proceeds of the KIT Equity Fund Raising) will be used to pay the estimated fees and expenses incurred or to be incurred by KIT in connection with the KIT Equity Fund Raising and the Proposed Transactions. The Trustee-Manager intends to utilise the proceeds of the KIT Equity Fund Raising to finance the KMC Purchase Consideration.

The KIT Equity Fund Raising is expected to be managed by Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch, who are also acting as joint financial advisers to KIT in the Proposed Transactions.

It is intended that the KIT Equity Fund Raising will be underwritten by Credit Suisse (Singapore) Limited, DBS Bank Ltd. and UBS AG, Singapore Branch (the "**Joint Lead Managers, Bookrunners and Underwriters**"), subject to the terms of an underwriting agreement (the "**Underwriting Agreement**") to be entered into between the Trustee-Manager and the Joint Lead Managers, Bookrunners and Underwriters in due course. The Underwriting Agreement, when entered into, may be terminated upon the occurrence of certain events, including those of a force majeure nature. There is accordingly no assurance that the KIT Equity Fund Raising will be consummated. The terms and conditions of the KIT Equity Fund Raising may be subject to such changes as the Trustee-Manager may, in consultation with the Joint Lead Managers, Bookrunners and Underwriters, deem fit. The final terms and conditions of the KIT Equity Fund Raising will be contained in the Offer Information Statement and its accompanying documents to be lodged with the MAS and despatched by the Trustee-Manager to eligible KIT Unitholders in due course.

Acceptance of the provisional allocations of New KIT Units under the proposed Preferential Offering may be effected via application forms and electronic applications made through an automated teller machine of a participating bank.

As the proposed Preferential Offering is to be made on a non-renounceable basis, the provisional allocations of New KIT Units cannot be renounced in favour of a third party or traded on the SGX-ST.

Subject to the relevant approvals sought at the EGM being obtained, the Preferential Offering Books Closure Date will be announced closer to the date of the commencement of the KIT Equity Fund Raising.

For the avoidance of doubt, the KIT Placement Units will be issued after the Preferential Offering Books Closure Date and accordingly, the KIT Placees will not be entitled to participate in the Preferential Offering in respect of the KIT Placement Units.

2.1 Consequent adjustment to the Distribution Period in the event that the Disposal is not completed

In the event that the KMC Acquisition and the KIT Equity Fund Raising are approved by KIT Unitholders, the Disposal is **not** completed and KIT proceeds to complete the KMC Acquisition, the Trustee-Manager intends to declare in respect of the outstanding KIT Units in issue on the day immediately prior to the date on which the KIT Placement Units are issued (the "**Pre-Placement Existing KIT Units**") a distribution of the distributable income for the period from 1 January 2015 to the day immediately prior to the date on which the KIT Placement Units are issued (the "**Pre-KIT Equity Fund Raising Stub Distribution**"). This is to ensure fairness to the holders of the Pre-Placement Existing KIT Units.

The next distribution thereafter will comprise the distributable income for the period from the day that the KIT Placement Units are issued to 30 June 2015. Semi-annual distributions will resume thereafter, in line with KIT's distribution policy.

The date on which the Transfer Books and Register of Unitholders will be closed to determine KIT Unitholders' entitlement to the Pre-KIT Equity Fund Raising Stub Distribution and further details pertaining to the Pre-KIT Equity Fund Raising Stub Distribution will be announced in due course.

The New KIT Units issued pursuant to the Placement and the Preferential Offering will, upon issue and allotment, rank *pari passu* in all respects with the existing KIT Units in issue and will be entitled to participate in any distributions which may accrue for the period from the date of issuance of the KIT Placement Units to 30 June 2015 as well as all distributions thereafter.

3. APPROVAL IN-PRINCIPLE

The Trustee-Manager is pleased to announce that approval in-principle was received on 26 March 2015 from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of the New KIT Units.

The SGX-ST's approval is not to be taken as an indication of the merits of the KIT Equity Fund Raising, the New KIT Units and KIT and/or its subsidiaries.

The in-principle approval of the SGX-ST is subject to, among others, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;

- (b) KIT Unitholders' approval for the KIT Equity Fund Raising; and
- (c) certain confirmations and undertakings to be given by KIT and the placement agents to the Placement.

In addition to the approval in-principle which has been granted by the SGX-ST, the KIT Equity Fund Raising is subject to, *inter alia*, the lodgment of the Offer Information Statement with the MAS.

4. CIRCULAR

Further details on the KMC Acquisition, the Disposal and the KIT Equity Fund Raising will be set out in the Circular to be issued to KIT Unitholders in due course, together with a notice of the EGM that the Trustee-Manager proposes to convene for the purpose of seeking KIT Unitholders' approvals in connection with, among others, the KMC Acquisition, the Disposal and the KIT Equity Fund Raising.

BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

Ng Wai Hong / Winnie Mak
Company Secretaries
27 March 2015

IMPORTANT NOTICE

The value of KIT Units and the income derived from them may fall as well as rise. KIT Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in KIT 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 KIT Units while the KIT Units are listed. It is intended that KIT Unitholders may only deal in their KIT Units through trading on the SGX-ST. Listing of the KIT Units on the SGX-ST does not guarantee a liquid market for the KIT Units.

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