CITYSPRING INFRASTRUCTURE TRUST

(a business trust constituted in Singapore and registered with the Monetary Authority of Singapore)
(Registration No: 2007001)

managed by

CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.

as Trustee-Manager of CitySpring Infrastructure Trust
(incorporated in Singapore (Registration No: 200614377M))

DEVELOP AND LEASE A DATA CENTRE – INTERESTED PERSON TRANSACTION

Introduction

CitySpring Infrastructure Management Pte. Ltd. ("**Trustee-Manager**"), in its capacity as trustee-manager of CitySpring Infrastructure Trust ("**CitySpring**"), refers to its announcement of 30 June 2014 ("**Announcement**") relating to the establishment of a joint venture company, DataCentre One Pte. Ltd. ("**JVC**"), to develop and lease a data centre. CityDC Pte. Ltd., a wholly-owned subsidiary of CitySpring, is the majority shareholder of JVC with a 51% shareholding, while WDC Development Pte. Ltd., a wholly-owned subsidiary of joint venture partner Shimizu Corporation ("**Shimizu**"), is a 49% shareholder. Unless otherwise defined, terms defined in the Announcement have the same meaning where used in this announcement.

The Trustee-Manager announces that:

(1) JVC had, on 30 June 2014, entered into an agreement ("**Development Agreement**") with 1-Net Singapore Pte. Ltd. ("**1-Net**") pursuant to which JVC will procure the design and construction of a five-storey data centre building together with water apparatus, lightings and other appliances and fixtures ("**Shell**") and procure the design and installation of all plant, mechanical and electrical equipment installed or to be installed by JVC on, at or in the Shell and/or the Data Centre ("**Shell M&E**") and all mechanical and electrical equipment installed or to be installed by JVC on, at or in the Shell and/or the Data Centre ("**Core M&E**") in accordance with and as set out in a design brief and detailed plans and specifications which has been agreed, accepted and approved by 1-Net; and

(2) JVC and 1-Net had, on 30 June 2014, signed a lease agreement ("**Lease Agreement**"), pursuant to which JVC will lease the Property and the Data Centre to 1-Net for a period of 20 years ("**Lease Term**") (which may be renewed at 1-Net's option) on the terms and conditions contained in the Lease Agreement, to be effective upon *inter alia* completion of the development works and the Data Centre being ready for use and operation by 1-Net for use as a data centre,

(collectively, the "**Transaction**").

Fees Payable Under the Transaction

The fees payable by 1-Net to JVC in relation to the Lease Agreement ("**Fees**") is between a range of S$11 million and S$18 million yearly. Full disclosure of the precise Fees payable would compromise 1-Net's ability to remain competitive vis-à-vis its competitors and 1-Net's ability to remain profitable vis-à-vis its customers, as 1-Net's competitors and customers would have vital information relating to the Fees paid by 1-Net for the Transaction. The precise Fees are therefore of a commercially sensitive nature. Accordingly, the Fees have been disclosed in a range.

The factors taken into consideration in arriving at the Fees include:

(1) the total investment cost in establishing JVC, the purchase of the Property, design, construction and/or installation of the Shell, the Shell M&E and the Core M&E, installation of equipment and other forms of infrastructure (such as security measures), set-up financing cost and transaction expenses;

(2) projections of future operating costs, taxes, capital expenditure, working capital, cash requirements, debt and interest payments;

(3) CitySpring's required rate of return, taking into consideration CitySpring's investment strategy, investment hurdle rate and assessment of the risk profile of the Transaction;

(4) Shimizu's required rate of return, taking into consideration Shimizu's investment strategy, investment hurdle rate and assessment of the risk profile of the Transaction;

(5) the required return of the Transaction jointly approved by CitySpring and Shimizu;

(6) comparison of the fees for other transactions of a similar nature in Singapore; and

(7) arms-length negotiations with 1-Net.

As disclosed in the Announcement, telecommunications infrastructure is a key sector of focus for CitySpring and the Fees will provide long-term, regular and predictable cashflows to JVC, in line with CitySpring's investment objectives.

Interested Person Transaction ("IPT")

As at 30 June 2014, Temasek Holdings (Private) Limited ("**Temasek**") holds, through its wholly-owned subsidiaries, 100% of the shares in CitySpring Infrastructure Management Pte. Ltd., in its personal capacity ("**CSIM**") and 37.4% of all the units of CitySpring in issue. 1-Net is an indirect wholly-owned subsidiary of Temasek. Accordingly, for the purposes of Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

(1) JVC, a 51%-owned subsidiary of CitySpring, is an "entity at risk";

(2) Temasek is a controlling shareholder of CSIM and a controlling Unitholder, and is accordingly an "interested person";

(3) 1-Net, an indirect wholly-owned subsidiary and associate of Temasek, is also an "interested person";

(4) the Transaction is between JVC, an entity at risk, and 1-Net, an interested person; and

(5) the Transaction constitutes an "interested person transaction".

Pursuant to rulings issued by the SGX-ST on 25 August 2009 and 23 May 2012, CitySpring is permitted to calculate the materiality of its IPTs based on its market capitalisation as at the last day of the preceding financial year (instead of its latest audited consolidated net tangible assets ("**NTA**")) for so long as CitySpring does not record sustained positive consolidated NTA for at least two consecutive financial years. CitySpring's NTA for each of the financial years ended 31 March 2013 and 31 March 2014 was negative. Accordingly, CitySpring will continue to calculate the materiality of its IPTs based on its market capitalisation as at the last day of the preceding financial year (instead of its latest audited consolidated NTA).

The market capitalisation of CitySpring as at 31 March 2014 is approximately S$713.9 million and 5% thereof is approximately S$35.7 million. The estimated aggregate amount of Fees attributable to CitySpring for the first five years of the Lease Term exceeds 5% of the market capitalisation of CitySpring as at 31 March 2014. Since the estimated aggregate amount of Fees attributable to CitySpring for the first five years of the Lease Term exceeds 5% of the market capitalisation of CitySpring as at 31 March 2014, it is expected that the amount of Fees that CitySpring will receive for the entire Lease Term will exceed 5% of the market capitalisation of CitySpring as at 31 March 2014.

Accordingly, the Transaction is, due to its materiality, required to be approved by Unitholders at an extraordinary general meeting ("**EGM**") to be convened, with Temasek and its associates abstaining from voting.

IFA and Audit Committee Opinion

KPMG Corporate Finance Pte Ltd (the "**IFA**") has been appointed as independent financial adviser to advise the independent directors of the Trustee-Manager on whether or not the terms of the Transaction are on normal commercial terms and are prejudicial to the interests of CitySpring and its minority Unitholders.

The opinion of the IFA will be set out in the circular (the "**Circular**") to be despatched to the Unitholders in connection with the EGM to seek the approval of the Unitholders for the

Transaction. The audit committee of the Trustee-Manager ("**Audit Committee**") will form its view as to whether the Transaction is on normal commercial terms and is not prejudicial to the interests of CitySpring and its minority Unitholders upon receipt of the IFA's opinion referred to above. The Audit Committee's view on the Transaction will thereafter be announced.

Total Value of Interested Person Transactions

For the period from the beginning of the current financial year 1 April 2014 to 31 May 2014:

(1) CitySpring and its subsidiaries ("**CitySpring Group**") have not entered into any IPT with 1-Net;

(2) the total value of IPTs entered into by CitySpring Group pursuant to the general mandate which was renewed at the annual general meeting of Unitholders on 19 July 2013 ("**General Mandate**") is S$46,257,000; and

(3) there were no IPTs entered into by CitySpring Group which were not pursuant to the General Mandate.

By Order of the Board
CitySpring Infrastructure Management Pte. Ltd.
as Trustee-Manager of
CitySpring Infrastructure Trust

Susanna Cher
Company Secretary
3 July 2014

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About CitySpring Infrastructure Trust

CitySpring Infrastructure Trust ("**CitySpring**") (www.cityspring.com.sg) (Reuters: CITY.SI, Bloomberg: CITY SP) is the first infrastructure trust registered with the Monetary Authority of Singapore. As a pioneer in a new asset class in Singapore, and with the sponsorship of Temasek Holdings (Private) Limited, CitySpring aims to position itself as a leading player in a growing sector and achieve growth through acquisitions. It has been established with the principal objective of investing in infrastructure assets and providing unitholders with long-term, regular and predictable distributions.

CitySpring had been listed on the Main Board of the Singapore Exchange Securities Trading Limited (www.sgx.com) since 12 February 2007.

CitySpring's portfolio comprises 100% of City Gas Pte. Ltd. ("**City Gas**") (including 51% of City-OG Gas Energy Services Pte. Ltd. ("**City-OG Gas**")), 70% of SingSpring Pte. Ltd. ("**SingSpring**"), 100% of Basslink Pty. Ltd. ("**Basslink**") (including 100% of Basslink Telecoms Pty Ltd ("**Basslink Telecoms**")) and 100% of CityNet Infrastructure Management Pte. Ltd. ("**CityNet**").

City Gas is the sole producer and retailer of town gas and the sole user of the low-pressured piped town gas network in Singapore.

City-OG Gas is a business venture between City Gas and Osaka Gas Co., Ltd. The business venture which sells natural gas to industrial customers commenced operations on 1 August 2013.

SingSpring is the supplier of desalinated water to the Public Utilities Board, Singapore's national water agency.

Basslink owns and operates a 370-km high voltage electricity interconnector between the electricity grids of the States of Tasmania and Victoria in Australia. Basslink Telecoms provides wholesale telecoms services between Hobart, Tasmania and Melbourne, Victoria.

CitySpring Capital Pte. Ltd. was established on 2 October 2012 to issue notes under the Multicurrency Medium Term Note Programme that was established on 11 October 2012.

CityNet is the trustee-manager of NetLink Trust ("**NetLink**"). Singapore Telecommunications Limited is the sole unitholder of NetLink, and retains a 100% economic interest in the business and assets of NetLink. CityNet, in its capacity as trustee-manager of NetLink, owns, installs, operates and maintains assets consisting of ducts, manholes and central offices. On 28 November 2013, CityNet in its capacity as trustee-manager of NetLink Trust completed the acquisition of OpenNet Pte. Ltd ("**OpenNet**"). The principal activities of OpenNet are to design, build and operate the fibre network for Singapore's Next Generation Nationwide Broadband Network.

About Shimizu Corporation

Shimizu Corporation is a leading architectural, civil engineering and general contracting firm offering an integrated, comprehensive planning, design and build solutions for a broad range of construction and engineering projects worldwide. It has annual sales of approximately US$15 billion and has been widely recognised as one of the top five contractors in Japan and among the top 20 in the world.

About 1-Net Singapore

As one of the pioneers in broadband development in Singapore, 1-Net Singapore Pte. Ltd. ("1-Net") currently manages telco-class carrier-neutral Internet data centres, along with providing domestic and international connectivity, managed services and media delivery services. 1-Net offers stability, secure delivery and service experience through its services.

1-Net is a MediaCorp Pte. Ltd. ("MediaCorp") enterprise. MediaCorp is Singapore's leading media company with a range of platforms, spanning television, radio, newspapers, magazines, movies, digital and out-of-home media. MediaCorp has over 50 products and brands in four languages (English, Mandarin, Malay and Tamil), including online classifieds, Internet TV-on-demand and High Definition TV broadcast. MediaCorp is the winner of numerous international awards and accolades, including Asian Television Awards' Terrestrial Broadcaster of the Year.

For more information on 1-Net, please visit http://www.1-net.com.sg.