KEPPEL INFRASTRUCTURE TRUST

MINUTES OF THE EXTRAORDINARY GENERAL MEETING ("EGM") OF THE UNITHOLDERS OF KEPPEL INFRASTRUCTURE TRUST ("KIT") HELD AT SUNTEC SINGAPORE CONVENTION CENTRE AND EXHIBITION CENTRE, NICOLL 1 & 2, LEVEL 3, 1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593 ON 11 DECEMBER 2024 AT 10.30 A.M.

PRESENT

Mr Daniel Cuthbert Ee Hock Huat	Chairman
Mr Mark Andrew Yeo Kah Chong	Director
Mr Ng Kin Sze	Director
Ms Susan Chong Suk Shien	Director
Mr Adrian Chan Pengee	Director
Mr Khor Poh Hwa	Director
Mr Kevin Neo Tzu Chao	Chief Executive Officer ("**CEO**")

ABSENT WITH APOLOGIES

Ms Christina Tan Hua Mui	Director

IN ATTENDANCE

As per attendance lists.

1. OPENING

1.1 The emcee for the AGM, Ms Lilian Goh, extended a warm welcome to all unitholders of KIT ("**Unitholders**") and attendees present.

1.2 A fire safety briefing of Suntec Singapore Convention and Exhibition Centre was provided to the meeting.

1.3 The emcee then proceeded to introduce the board of directors ("**Board**"), and noted that Ms Christina Tan, Non-Executive Director, was travelling and had conveyed her apologies for not being able to attend the EGM. The emcee also introduced the Chief Executive Officer ("**CEO**") and company secretary of Keppel Infrastructure Fund Management Pte. Ltd., the trustee-manager of KIT (the "**Trustee-Manager**" or "**KIFM**").

1.4 CEO delivered a presentation on the proposed acquisition by KIT of a 50% equity interest in Marina East Water Pte. Ltd. ("**MEW**"), which owns the Keppel Marina East Desalination Plant ("**KMEDP**"). A copy of the presentation slides is available on KIT's corporate website.

1.5 As there was a quorum, the Chairman called the EGM to order.

1.6 The Notice of the EGM and the circular to Unitholders in relation to the proposed acquisition, as an interested person transaction, of a 50% equity interest in MEW that will entitle KIT to

the entire economic benefit from MEW were noted as circulated to Unitholders prior to the meeting and were taken as read.

1.7 The Chairman informed the meeting that voting on the resolution put to the meeting would be done by way of a poll and that polling would be conducted electronically using a voting handset. He then invited the scrutineers, Atlas Business Solutions Pte. Ltd., to bring the meeting through the poll voting process.

AS ORDINARY BUSINESS

2. ORDINARY RESOLUTION 1: PROPOSED ACQUISITION OF A 50% EQUITY INTEREST IN MEW THAT WILL ENTITLE KIT TO THE ENTIRE ECONOMIC BENEFIT FROM MEW AS AN INTERESTED PERSON TRANSACTION

2.1 HH, a Unitholder, noted the shareholding structure of the transaction whereby 100% of the Class A ordinary shares will be held by KIT and 100% of the Class B ordinary shares will be held by Keppel Infrastructure Holdings Pte. Ltd. ("**KIH**"), and queried if this means that KIT will not have any voting rights. Chairman and CEO clarified that both KIT and KIH will hold an equal number of Class A and Class B ordinary shares respectively, and each of the Class A and Class B ordinary shares will entitle KIT and KIH to one vote and accordingly, equal voting rights, save that the economic benefit from MEW will accrue to KIT through the Class A ordinary shares to be held by KIT. HH noted the response and queried on what will happen if there is a deadlock between KIT and KI. CEO responded that there are certain reserved matters under the shareholders agreement between KIT and KIH which will require approval from both parties, but noted that a deadlock is not anticipated to happen as ultimately, it is in both parties' interest to ensure that KMEDP is operated smoothly to fulfil Singapore's water needs.

2.2 HH also commented that KMEDP is a complicated asset which will be difficult to sell in the market, and questioned its market value and the basis of KMEDP's valuation. CEO responded that KMEDP is a highly strategic and prized asset which many investors would be interested to invest in, and stressed that KIT had the opportunity to acquire the asset only due to its relationship with its sponsor, KI. CEO noted that due to the strategic nature of KMEDP, any future sale of KMEDP will require approval by the Public Utilities Board ("**PUB**"), but that KIT is a long-term investor and KMEDP is a stable plant which will produce stable cash flows to KIT as long as KMEDP is running. CEO also shared that the financial model with respect to KMEDP, which had been agreed with PUB, was sent to the independent valuer, who had then used the income method to derive the value of KMEDP.

2.3 CYM, a Unitholder, queried if the S$288.2 million outstanding loan amount under the term loan facility obtained by MEW will be repaid over the course of the concession period or via a lump sum payment. CEO responded that such loan amount is non-recourse to KIT and will be repaid using cash flows from KMEDP over the life of the concession period. CYM asked what will happen to KMEDP at the end of the concession period. CEO responded that the purchase price had been determined taking into account the 25-year concession period only (with contract renewal not taken into account as part of the valuation of KMEDP). CEO elaborated that while it is difficult to predict whether an extension would be granted by PUB at the end of the concession period, there is a possibility of a renewal and drew reference to the extension of the concession agreement for the Senoko WTE plant which

was previously announced by KIT. To CYM's query as to whether the technology of KMEDP will still be viable at the end of the concession period, CEO responded that it is difficult to predict but emphasised that KMEDP's treatment facilities are state-of-the-art, and while capital expenditures may possibly be required in 2045 given the passage of time, this will need to be assessed at that time. CYM also queried whether the non-interest bearing loan of S$35 million to be extended by KIT ("**KIT Loan**") will be repaid, to which CEO responded that the KIT Loan represents KIT's equity cheque for the transaction, and this will be repaid over the life of KMEDP by 2045.

2.4 TYP, a corporate representative of HupSteel Pte. Ltd. (a Unitholder), noted that 5 out of 7 Directors had abstained from voting and making a recommendation with respect to the transaction due to their roles in other subsidiaries or associated companies related to Keppel Ltd. ("**Keppel**") and/or Temasek Holdings (Private) Limited ("**Temasek**") as disclosed in the circular. Citing the practices of other listed issuers, TYP commented that directors of such other issuers, who were also directors of other Temasek-related entities, did not consider themselves to be conflicted in making a recommendation to their respective unitholders and highlighted that the approach adopted by KIT would mean that Unitholders will not be able to rely on the entire Board's recommendation to vote in favour of the transaction if a majority of Directors had refrained from participating in the evaluation of the transaction and making a recommendation to Unitholders. Accordingly, TYP also queried if KIT should also be sourcing for independent directors that are not associated with Keppel or Temasek in order to avoid a similar situation from arising in future interested person transactions ("**IPT**").

2.5 Chairman started by assuring Unitholders that all of the independent Directors had evaluated the transaction and had participated in robust discussions and deliberations on the transaction (including the opinion of the independent financial adviser), including verification of the circular (pursuant to which the Directors had collectively and individually accepted full responsibility for the circular) to ensure that it is complete and contains all the necessary information required for Unitholders to be able to make an informed decision on whether to vote in favour of the transaction. Chairman elaborated that given that the Proposed Acquisition constitutes an IPT, in view of the robust conflicts framework adopted by KIT's ESG Committee (details of which are disclosed in KIT's annual report and which had been in place since the combination of KIT and CitySpring in 2015) and for good order and in line with good corporate governance to avoid any perception of conflict, certain independent directors had abstained from voting on the transaction even though the roles held by such independent directors are not related to the transaction. On the selection of independent Directors, Chairman responded that the Board and the Nominating and Remuneration Committee evaluate each candidate based on several factors including the candidates' skillsets, competencies, experience and ability to contribute to KIT, and highlighted that as there are many candidates that are associated with Keppel and/or Temasek, it is more beneficial to KIT to cast a wider net in its selection process and appoint suitable candidates to KIT's Board than to exclude all potential candidates which have associations with Keppel and/or Temasek which will invariably leave KIT with a much smaller pool of candidates to choose from. Chairman nevertheless noted that the conflicts framework, which was intended to exemplify higher standards of corporate governance, could be misconstrued and mentioned that KIT will review its conflicts framework.

2.6 TYP also noted that the KIT Loan will be subordinated to the existing term loan facility in view of the waterfall of priority and therefore queried whether this means the KIT Loan will not be repaid until such loan facility is repaid. CEO clarified that, as disclosed in the circular,

the subordination only kicks in during an Insolvency Event (as defined in the circular) pursuant to which the waterfall of priority as disclosed in the circular will apply. CEO highlighted that it is customary during an Insolvency Event for external lenders to be paid first in the waterfall of priority, but assured Unitholders that for as long as KMEDP is operational and running, the cash flows generated will be able to service the interest payments on the existing term loan facility, pay the KIT Dividend (as defined in the circular) and repay the KIT Loan over the life of KMEDP.

2.7 YWM, a corporate representative of H Pte. Ltd. (a Unitholder), queried: (1) if there is stability in the operations of KMEDP over 25 years, and (2) what is the incremental value KIT will derive out of the transaction. CEO shared that the construction of KMEDP started in 2017 and achieved commercial operations date in 2020. KMEDP was built in accordance with the required specifications and was built within budget and completed on time. CEO also shared that KMEDP had been operating well and has achieved availability requirements above the threshold required by PUB. CEO added that the revenue generated from KMEDP is availability-based, and that KIT is assured of cash flows to be generated from KMEDP for as long as KMEDP is operational and meets the availability requirements. CEO further assured Unitholders of the good track record in other similar plants that KIT owns (such as the Senoko WTE plant, the SingSpring Desalination Plant and the Ulu Pandan NEWater plant) to assure Unitholders that operational stability is likely to be ensured with KIH as the existing operations and maintenance ("**O&M**") operator. This will ensure that KIT will benefit from stable cash flows backed by AAA-rated Singapore sovereign credit (being PUB). CEO reiterated that KMEDP is a highly sought-after asset, and KIT is only able to get an opportunity to acquire such asset due to its relationship with the sponsor, KIH.

2.8 CAP, proxy for FCM (a Unitholder), queried on whether there are any major repair or capex requirements for KMEDP post-acquisition. CEO responded that Management does not expect any major capex to be incurred post-acquisition for KMEDP, which is expected to run for the life of its concession period. While certain maintenance capex may be required, CEO added that this had already been factored into KIT's forecast.

2.9 TYP referred to the pro forma figures in the circular and mentioned that the pro forma funds from operations taking into account the effects of the transaction will increase by approximately S$10.5 million but pro forma distributable income will only increase by S$0.6 million, which implies that the bulk of the cash flows are used to pay down the existing term loan facility. CEO clarified that KIT will be funding the KIT Loan through an existing external loan obtained by KIT, and a portion of the S$10.5 million pro forma funds from operations will be used to pay off such external loan. As such, while the increment to pro forma distributable income is small, CEO emphasised that there is no new equity that is being raised by KIT.

2.10 With reference to MEW's FY2023 financial statements that were obtained from a publicly available source, TYP highlighted that the O&M income in FY2023 was only S$17.6 million and cost to do this is S$17.4 million, which means profit is negligible. Out of this S$17.4 million, TYP mentioned that S$16.1 million was paid to Keppel as provider of the O&M services, and queried if there is any risk-sharing or income support arrangements with Keppel to mitigate the aforementioned. While TYP acknowledged the cash stability from the transaction, it is not clear how much operating costs KIT may need to spend, especially in view that electricity, which is a key cost, has gone up significantly. Lastly, TYP also mentioned that there are financial derivative liabilities in MEW's balance sheet and queried

if Keppel is taking this liability. CEO first started by clarifying that in relation to the O&M and operational costs, KIT does not take on any operational risks from the transaction and these are solely borne by KI. CEO explained that under the concession agreement with PUB, MEW receives availability payments (which KIT will retain) and O&M payments (which will be paid to KIH for providing O&M services and bearing the associated costs). This is similar to the other concession assets owned by KIT, and KIH will bear the risks of any operational costs overrun as well as any increase in power prices. As such, CEO reiterated that there will be a stable stream of cashflows to KIT for as long as KMEDP is operational and meets the availability requirements. On financial derivative liabilities, CEO shared that this relates to interest rate swaps where Keppel had hedged the interest rates of the MEW term loan to enhance the stability of the cash flows to be generated from KMEDP and ensure that it will not be subject to interest rate volatility.

2.11 TYP followed up with a query on the interest rates on the term loan facility after the hedge had been put in place. CEO explained that he is unable to share such information as this is commercially sensitive but assured that the interest rates are competitive due to Keppel's relationship with the lenders, and as these are substantially hedged across the duration of the term loan facility, this will ensure stable cash flows to KIT. TYP referred to the MEW financials and questioned on the reasons for MEW incurring a gross loss in FY2021. CEO responded that as MEW was incorporated in 2017, the historical financials of MEW is not an accurate reflection of the business and it takes time for MEW to stabilise the business.

2.12 YWM and TYP both pointed out that MEW is technically in breach of its loan obligations, and while they noted that this was waived in 2024, YWM and TYP raised doubts as to whether KIT should bear such risks of insolvency following the transaction. YWM also generally commented that the explanations raised by CEO in response to the questions should be disclosed in the circular. CEO assured Unitholders that MEW is operating well and solvent, and with respect to disclosure in the circular, explained that there is sufficient disclosure in the circular which contain all material information required for Unitholders to understand the transaction and make an informed decision on whether to vote in favour of the transaction. CEO reiterated that information relating to the interest rates on the loans however, cannot be disclosed given the commercial sensitivities and explained that it may be detrimental to KIT if such information is disclosed as it may impede KIT from obtaining better interest rates moving forward.

2.13 YWM queried on the reasons for the complicated transaction structure and commented if this was due to KIT being Keppel's off-balance sheet vehicle and a result of financial engineering by KIT to ensure that MEW will not be consolidated in KIT's books. Chairman and CEO responded that this is not the case, and clarified that the transaction was structured in this manner to (1) provide assurance to PUB that KI, as the operator of KMEDP, will continue to be a shareholder with equal voting rights in MEW and ensure operational alignment, (2) ensure that KIT will enjoy 100% of the economic interests from KMEDP, and (3) ensure efficient repatriation of capital to KIT by structuring the investment as a shareholder loan instead of through equity. In view of the contemplated transaction structure where each of KIT and KIH will hold equal voting rights, CEO added that KIT is required under the applicable accounting rules to equity-account MEW as a result.

2.14 TCH, a Unitholder, queried whether the valuation of S$328 million for MEW represents a good deal for KIT. CEO responded that the enterprise value of S$328 million as at 30 June 2024, which includes the external term loan facility and the KIT Loan, is at the lower end of the range of the independent valuation provided by the independent valuer (being S$327

million to S$334 million) and given that KIT will be funding the KIT Loan through an existing external loan obtained by KIT instead of an equity fund raising, this represents an optimal capital structure for KIT which will translate into good returns for KIT. In addition, with the interest rate on the external term loan facility being fixed and such term loan facility being paid down over time, this will increase the cash flows to KIT over time as well.

2.15 TYP pointed out the acquisition fees that would be paid to the Trustee-Manager and the advisor costs that had been incurred by MEW for the transaction, and questioned the attractiveness of the deal. TYP also queried on the reasons Keppel is selling MEW if it is indeed such an attractive asset as described by CEO. CEO responded that KIH adopts a different business model from KIT – KIH is a developer and operator which builds and develops assets with a view to monetising these assets. KIT, on the other hand, does not take development and operational risks, and as an asset owner of MEW, will be able to earn stable returns from PUB as described earlier. CEO also explained that the acquisition fees to be paid to the Trustee-Manager is determined in accordance with the Trust Deed, and the advisor costs are to ensure that all the necessary due diligence are conducted prior to proposed acquisition of the asset. CEO assured that all the fees and costs are factored into the ultimate return Unitholders will be getting from the transaction.

2.16 LKM, a Unitholder, queried on the reasons for hedging the interest rates given that KIT may be able to generate more returns for Unitholders in view that interest rates are expected to fall over time. Chairman and CEO responded that as an infrastructure investor, KIT does not speculate or take risks on interest rate movements as there are many macroeconomic factors beyond KIT's control that may result in interest rate volatility, and hedging interest rates is critical for infrastructure assets to ensure the cash flows generated are stable. These hedged interest rates have been taken into account in the financial model to ensure that the cash flows generated will still be accretive to Unitholders.

2.17 HH and LHC had questions on whether KMEDP, which can treat both sea and reservoir water, would treat more reservoir water instead to lower its operating costs as it is cheaper to do so. CEO responded that treating reservoir water is indeed cheaper as the energy cost of doing so is approximately one-third the energy cost associated with that of desalinating sea water, but explained that it is at PUB's discretion as to whether KMEDP will be used to treat reservoir or sea water. In any case, CEO reiterated that KIT does not take any cost exposures in relation to the operation of KMEDP, and KIT will continue to be paid by PUB for as long as the plant is up and running.

2.18 As there were no further questions, Chairman proposed that the resolution as set out in the Notice of the EGM be put to the vote.

Votes FOR the resolution: 788,089,594 votes or 99.52 per cent.
Votes AGAINST the resolution: 3,815,611 votes or 0.48 per cent.

The Chairman declared the resolution carried.

It was resolved as an Ordinary Resolution that:

(a) the acquisition of a 50% equity interest in MEW (which holds KMEDP) from KIH, as an interested person transaction, that will entitle KIT to the entire economic benefit from MEW

on the terms and conditions set out in the share purchase and subscription agreement dated 15 November 2024 ("**SPSA**") entered into between KI, MEW and KIT, including all transactions contemplated pursuant to the SPSA, be approved and authorised; and

(b) the Trustee-Manager and any Director or Chief Executive Officer, Chief Financial Officer or Head, Asset Management of the Trustee-Manager be severally authorised to do all such acts and things and execute all documents as they may consider necessary or expedient to give effect to this Ordinary Resolution as they may deem fit.

3. CLOSURE

3.1 There being no other business, the EGM ended at 12.15 p.m. with a vote of thanks to the Chairman.

Confirmed by:

Mr Daniel Cuthbert Ee Hock Huat
Chairman